



**OCEAN SKY INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

Contents

| | |
|------------------------------------------------------------------|----|
| Condensed interim consolidated statement of comprehensive income | 3 |
| Condensed interim statements of financial position | 4 |
| Condensed interim consolidated statement of changes in equity | 5 |
| Condensed interim consolidated statement of cash flows | 7 |
| Notes to the condensed interim consolidated financial statements | 8 |
| Other information required by Listing Rule Appendix 7C | 19 |

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

The board of directors (the “Board” or “Directors”) of Ocean Sky International Limited (the “Company”) hereby announces the condensed interim consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2021, together with the comparative figures for the six months ended 30 June 2020. The Group’s interim results for the six months ended 30 June 2021 are unaudited.

| | Note | 6 Months Ended | | Incr/(Decr) % |
|-------------------------------------------------------------------------------------------------|------|---------------------|-----------------------------------|------------------|
| | | 30.6.2021 \$'000 | 30.6.2020 \$'000 (Restated) | |
| Revenue | 4 | 12,913 | 7,839 | 64.7% |
| Cost of services | | (10,041) | (7,173) | 40.0% |
| Gross profit | | 2,872 | 666 | 331.2% |
| Other income | | 307 | 667 | (54.0%) |
| Administrative and other operating expenses | | (2,368) | (1,815) | 30.5% |
| Finance costs | 5 | (278) | (310) | (10.3%) |
| Share of loss of joint ventures, net of tax | | (290) | (742) | (60.9%) |
| Profit/(Loss) before income tax | 5 | 243 | (1,534) | N.M. |
| Income tax expense | 6 | (224) | (38) | 489.5% |
| Profit/(Loss) for the financial period attributable to owners of the parent | | 19 | (1,572) | N.M. |
| Other comprehensive income: | | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | | |
| - Exchange differences on translating foreign operations | | 401 | 648 | |
| Other comprehensive income for the financial period, net of tax | | 401 | 648 | |
| Total comprehensive income for the financial period attributable to owners of the parent | | 420 | (924) | |
| Profit/(Loss) per share (cents) | | | | |
| - Basic and diluted | | 0.004 | (0.37) | |

N.M. : Not meaningful

The accompanying notes form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

| | | Group | | Company | |
|----------------------------------------------------|------|---------------|---------------|----------------|----------------|
| | Note | 30.6.2021 | 31.12.2020 | 30.6.2021 | 31.12.2020 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| | | | (Restated) | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 8 | 11,825 | 11,353 | 178 | 239 |
| Investment property | 9 | 21,168 | 21,374 | - | - |
| Investments in subsidiaries | | - | - | 38,842 | 37,851 |
| Investments in joint ventures | | 16,873 | 16,153 | - | - |
| | | <u>49,866</u> | <u>48,880</u> | <u>39,020</u> | <u>38,090</u> |
| Current assets | | | | | |
| Inventories | | 346 | 176 | - | - |
| Trade and other receivables | | 11,239 | 10,113 | 9,840 | 9,849 |
| Contract assets | 10 | 2,840 | 3,118 | - | - |
| Cash and cash equivalents | | 12,693 | 20,575 | 2,916 | 9,088 |
| | | <u>27,118</u> | <u>33,982</u> | <u>12,756</u> | <u>18,937</u> |
| Less: | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | 5,577 | 8,376 | 20,037 | 24,030 |
| Contract liabilities | 10 | 306 | 326 | - | - |
| Provisions | | 503 | 355 | - | - |
| Bank term loans | 11 | 2,018 | 1,249 | - | - |
| Lease liabilities | 11 | 185 | 201 | 39 | 65 |
| Current income tax payable | | 479 | 3,630 | - | - |
| | | <u>9,068</u> | <u>14,137</u> | <u>20,076</u> | <u>24,095</u> |
| Net current assets/(liabilities) | | <u>18,050</u> | <u>19,845</u> | <u>(7,320)</u> | <u>(5,158)</u> |
| Less: | | | | | |
| Non-current liabilities | | | | | |
| Bank term loans | 11 | 22,282 | 23,598 | - | - |
| Lease liabilities | 11 | 1,623 | 1,571 | 76 | 84 |
| Deferred tax liabilities | | 71 | 36 | - | - |
| | | <u>23,976</u> | <u>25,205</u> | <u>76</u> | <u>84</u> |
| Net assets | | <u>43,940</u> | <u>43,520</u> | <u>31,624</u> | <u>32,848</u> |
| Equity | | | | | |
| Share capital | 12 | 55,167 | 55,167 | 55,167 | 55,167 |
| Reserves | | (704) | (1,105) | - | - |
| Accumulated losses | | (10,523) | (10,542) | (23,543) | (22,319) |
| Equity attributable to owners of the parent | | <u>43,940</u> | <u>43,520</u> | <u>31,624</u> | <u>32,848</u> |

The accompanying notes form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

| | Share capital \$'000 | Foreign currency translation reserve \$'000 | Revaluation reserve \$'000 | Accumulated losses \$'000 | Equity attributable to owners of the parent \$'000 |
|--------------------------------------------------------------------|----------------------------|---------------------------------------------------------|----------------------------------|---------------------------------|----------------------------------------------------------------|
| The Group | | | | | |
| Balance at 1 January 2021 (Restated) | 55,167 | (1,105) | - | (10,542) | 43,520 |
| Profit for the financial period | - | - | - | 19 | 19 |
| Other comprehensive income for the financial period | | | | | |
| Exchange differences on translating foreign operations | - | 401 | - | - | 401 |
| Total other comprehensive income for the financial period | - | 401 | - | - | 401 |
| Total comprehensive income for the financial period | - | 401 | - | 19 | 420 |
| Balance at 30 June 2021 | <u>55,167</u> | <u>(704)</u> | <u>-</u> | <u>(10,523)</u> | <u>43,940</u> |
| Balance at 1 January 2020 (Restated) | 55,167 | (601) | 121 | (7,775) | 46,912 |
| Loss for the financial period (Restated) | - | - | - | (1,572) | (1,572) |
| Other comprehensive income for the financial period | | | | | |
| Exchange differences on translating foreign operations | - | 648 | - | - | 648 |
| Total other comprehensive income for the financial period | - | 648 | - | - | 648 |
| Total comprehensive income for the financial period | - | 648 | - | (1,572) | (924) |
| Balance at 30 June 2020 | <u>55,167</u> | <u>47</u> | <u>121</u> | <u>(9,347)</u> | <u>45,988</u> |

The accompanying notes form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021 (CONTINUED)**

| | Share capital \$'000 | Accumulated losses \$'000 | Equity attributable to owners of the parent \$'000 |
|----------------------------------------------------------------|----------------------------|---------------------------------|----------------------------------------------------------------|
| <u>The Company</u> | | | |
| Balance at 1 January 2021 | 55,167 | (22,319) | 32,848 |
| Total comprehensive income for the financial period | - | (1,224) | (1,224) |
| Balance at 30 June 2021 | <u>55,167</u> | <u>(23,543)</u> | <u>31,624</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>(23,440)</u> | <u>31,727</u> |

The accompanying notes form an integral part of these condensed interim financial statements.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

| | 6 Months Ended | |
|----------------------------------------------------------------------|-----------------------|-------------------|
| | 30.6.2021 | 30.6.2020 |
| | \$'000 | \$'000 |
| | | (Restated) |
| Operating activities | | |
| Profit/(Loss) before income tax | 243 | (1,534) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 553 | 427 |
| (Gain)/Loss on disposal of property, plant and equipment | (23) | 12 |
| Interest expense | 278 | 310 |
| Interest income | - | (45) |
| Plant and equipment written off | 2 | - |
| Provision made for defects liability | 152 | 94 |
| Share of results of joint ventures | 290 | 742 |
| Unrealised foreign exchange loss | 36 | 131 |
| Operating cash flows before working capital changes | <u>1,531</u> | <u>137</u> |
| Working capital changes: | | |
| Inventories | (170) | 6 |
| Trade and other receivables | (1,126) | 3,957 |
| Contract assets and contract liabilities | 259 | 155 |
| Trade and other payables | (2,798) | (3,625) |
| Provisions | (4) | - |
| Net cash (used in)/ from operations | <u>(2,308)</u> | <u>630</u> |
| Income taxes paid | <u>(3,376)</u> | <u>-</u> |
| Net cash (used in)/from operating activities | <u>(5,684)</u> | <u>630</u> |
| Investing activities | | |
| Purchase of property, plant and equipment (Note 8) | (887) | (37) |
| Proceeds from disposals of property, plant and equipment | 32 | 21 |
| Acquisition of investment property | - | (19,337) |
| Advances to joint ventures | (969) | (449) |
| Interest received | - | 45 |
| Net cash used in investing activities | <u>(1,824)</u> | <u>(19,757)</u> |
| Financing activities | | |
| Interest paid | (278) | (310) |
| Proceeds from bank borrowings | - | 13,537 |
| Repayment of bank borrowings | (588) | (139) |
| Repayment of lease liabilities | (114) | (221) |
| Net cash (used in)/ from financing activities | <u>(980)</u> | <u>12,867</u> |
| Net change in cash and cash equivalents | (8,488) | (6,260) |
| Cash and cash equivalents at beginning of financial period | 20,575 | 18,231 |
| Effect of foreign exchange rate changes on cash and cash equivalents | 606 | 613 |
| Cash and cash equivalents at end of financial period | <u>12,693</u> | <u>12,584</u> |

The accompanying notes form an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

These notes form an integral part of, and should be read in conjunction with, the financial statements.

1. General corporate information

Ocean Sky International Limited (the “Company”) is a public limited company incorporated and domiciled in Singapore with its registered office and principal place of business at 29 Tuas South Street 1 Singapore 638036. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Company’s registration number is 198803225E.

These condensed interim consolidated financial statements as at and for the six months financial period ended 30 June 2021 comprise the Company and its subsidiaries (the “Group”). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are:

- (a) Building and civil engineering contractors;
- (b) Wholesales/leasing of construction-related machinery and materials;
- (c) Property developments; and
- (d) Investment holding company.

2. Basis of preparation

The condensed interim financial statements for the six months financial period ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards and changes in accounting policies as set out in Notes 2.1 and 2.2.

The condensed interim financial statements are expressed in Singapore dollar, which is the functional currency of the Company and the presentation currency for the condensed interim financial statements and rounded to the nearest thousand (“\$’000”), unless otherwise stated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Changes in accounting policies

The Group’s construction and engineering segment comprise of civil engineering works. Revenue is recognised over time, by reference to the Group’s progress towards completion of the contract, as the Group has assessed that the customers simultaneously receive and consume all the benefits arising from the Group’s civil engineering works as the projects progress.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

2. Basis of preparation (Continued)

2.2 Changes in accounting policies (Continued)

In the previous financial year, the Group had recognised revenue from civil engineering works based on surveys of contract work performed (“output based method”).

During the six months period ended 30 June 2021, the Group has changed its accounting policy under SFRS(I) 15 *Revenue from Contracts with Customers* and recognised revenue from civil engineering works based on the proportion of contract costs incurred to-date to the estimated total contract costs (“input based method”). The Group has determined that input based method provides a faithful depiction of the Group’s performance in transferring control to the customers, as it reflects the Group’s effort incurred to-date relative to the total inputs expected to be incurred for the construction project.

The change in accounting policy has resulted in a decrease in revenue and correspondingly, a decrease in the Group’s profit before income tax of approximately \$262,000 during the six months period ended 30 June 2021 and has been applied retrospectively. The effect of the restatements on previously reported amounts are summarised below.

Consolidated Statements of Financial Position

| | As previously reported 31.12.2020 \$'000 | Adjustments 31.12.2020 \$'000 | As restated 31.12.2020 \$'000 |
|-----------------------------|-------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Group | | | |
| Trade and other receivables | 10,143 | (30) | 10,113 |
| Contract assets | - | 3,118 | 3,118 |
| Contract liabilities | - | 326 | 326 |
| Accumulated losses | (13,304) | 2,762 | (10,542) |

Consolidated Statements of Comprehensive Income

| | As previously reported 6 Months Ended 30.6.2020 \$'000 | Adjustments 30.6.2020 \$'000 | As restated 6 Months Ended 30.6.2020 \$'000 |
|---------|-----------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------|
| Revenue | 7,994 | (155) | 7,839 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

2. Basis of preparation (Continued)

2.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of opinion that there is no information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in Note 9 to the condensed interim financial statement for fair value of investment properties.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

4. Segment reporting

The Group is organised into the following main business segments:

- Construction and engineering segment - the business of building and civil engineering contractors; and
- Property segment - the business of leasing of properties and development of properties.

These operating segments are reported in a manner consistent with internal reporting provided to Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

| | Construction and engineering \$'000 | Property \$'000 | Unallocated \$'000 | Consolidated \$'000 |
|-----------------------------------------------|--------------------------------------------------------|----------------------------|-------------------------------|--------------------------------|
| 1.1.2021 to 30.6.2021 | | | | |
| Revenue | | | | |
| Revenue from external customers | 12,091 | 822 | - | 12,913 |
| Total revenue | <u>12,091</u> | <u>822</u> | <u>-</u> | <u>12,913</u> |
| Results | | | | |
| Segment results | 2,049 | 545 | (1,230) | 1,364 |
| Interest expense | (101) | (171) | (6) | (278) |
| Depreciation of property, plant and equipment | (487) | - | (66) | (553) |
| Share of results of joint ventures | - | (290) | - | (290) |
| Profit/(Loss) before income tax | <u>1,461</u> | <u>84</u> | <u>(1,302)</u> | <u>243</u> |
| Income tax expense | | | | (224) |
| Profit for the financial period | | | | <u>19</u> |
| Capital expenditure | | | | |
| Additions to non-current assets | <u>1,033</u> | <u>-</u> | <u>4</u> | <u>1,037</u> |
| Assets and liabilities | | | | |
| Segment assets | <u>34,193</u> | <u>39,619</u> | <u>3,172</u> | <u>76,984</u> |
| Segment liabilities | 18,045 | 14,360 | 568 | 32,973 |
| Deferred tax liabilities | | | | 71 |
| Total liabilities | | | | <u>33,044</u> |

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

4. Segment reporting (Continued)

| | Construction and engineering \$'000 (Restated) | Property \$'000 | Unallocated \$'000 | Consolidated \$'000 (Restated) |
|-----------------------------------------------|-----------------------------------------------------------------------|-----------------------------|-----------------------------------------------|-----------------------------------------------|
| 1.1.2020 to 30.6.2020 | | | | |
| Revenue | | | | |
| Revenue from external customers | 7,228 | 611 | - | 7,839 |
| Total revenue | <u>7,228</u> | <u>611</u> | <u>-</u> | <u>7,839</u> |
| Results | | | | |
| Segment results | 210 | 457 | (767) | (100) |
| Interest income | - | - | 45 | 45 |
| Interest expense | (96) | (208) | (6) | (310) |
| Depreciation of property, plant and equipment | (363) | - | (64) | (427) |
| Share of results of joint ventures | - | (742) | - | (742) |
| Loss before income tax | <u>(249)</u> | <u>(493)</u> | <u>(792)</u> | <u>(1,534)</u> |
| Income tax expense | | | | (38) |
| Loss for the financial year | | | | <u>(1,572)</u> |
| Capital expenditure | | | | |
| Additions to non-current assets | 35 | 22,407 | 2 | 22,444 |
| Assets and liabilities | | | | |
| Segment assets | <u>23,240</u> | <u>51,205</u> | <u>8,961</u> | <u>83,406</u> |
| Segment liabilities | 12,243 | 23,739 | 1,321 | 37,303 |
| Deferred tax liabilities | | | | 117 |
| Total liabilities | | | | <u>37,420</u> |
| Geographic information | | | | |
| <u>Revenue by geographical market</u> | | | | |
| | Singapore \$'000 (Restated) | Australia \$'000 | Consolidated \$'000 (Restated) | |
| 1.1.2021 to 30.6.2021 | | | | |
| Construction and engineering | 12,091 | - | 12,091 | |
| Property | - | 822 | 822 | |
| 1.1.2020 to 30.6.2020 | | | | |
| Construction and engineering | 7,228 | - | 7,228 | |
| Property | 139 | 472 | 611 | |

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

4. Segment reporting (Continued)

Disaggregation of revenue

| Segment | Group 6 Months Ended | | | | | |
|-----------------------------------|------------------------------------|--------------|------------|------------|---------------|--------------|
| | Construction and engineering | | Property | | Total | |
| | 30.6.2021 | 30.6.2020 | 30.6.2021 | 30.6.2020 | 30.6.2021 | 30.6.2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | (Restated) | | | | (Restated) | |
| <i>Type of good or service</i> | | | | | | |
| Over time | | | | | | |
| - Contract revenue | 12,019 | 7,223 | - | - | 12,019 | 7,223 |
| Point in time | | | | | | |
| - Sales of construction materials | 2 | 1 | - | - | 2 | 1 |
| Lease income | 70 | 4 | 822 | 611 | 892 | 615 |
| | <u>12,091</u> | <u>7,228</u> | <u>822</u> | <u>611</u> | <u>12,913</u> | <u>7,839</u> |

5. Profit/(Loss) before income tax

5.1 Significant items

| | Group 6 Months Ended | |
|----------------------------------------------------------|-------------------------|--------------|
| | 30.6.2021 | 30.6.2020 |
| | \$'000 | \$'000 |
| <i>Other income</i> | | |
| Interest income | - | 45 |
| Government grants | 281 | 622 |
| | <u>281</u> | <u>622</u> |
| <i>Cost of services</i> | | |
| Depreciation of property, plant and equipment | 253 | 206 |
| Provision made for defects liability | 152 | 94 |
| Material costs | 1,571 | 972 |
| Short-term leases | 259 | 232 |
| | <u>2,235</u> | <u>1,504</u> |
| <i>Administrative and other operating expenses</i> | | |
| Depreciation of property, plant and equipment | 300 | 221 |
| Foreign exchange loss, net | 384 | 199 |
| (Gain)/Loss on disposal of property, plant and equipment | (23) | 12 |
| Plant and equipment written off | 2 | - |
| | <u>659</u> | <u>432</u> |

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

5. Loss before income tax (Continued)

5.1 Significant items (Continued)

| | Group | |
|----------------------|-----------------------|------------------|
| | 6 Months Ended | |
| | 30.6.2021 | 30.6.2020 |
| | \$'000 | \$'000 |
| <i>Finance costs</i> | | |
| Interest expense | | |
| - Bank term loans | 249 | 292 |
| - Lease liabilities | 29 | 18 |
| | <hr/> | <hr/> |

5.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

6. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

| | Group | |
|----------------------------------|-----------------------|------------------|
| | 6 Months Ended | |
| | 30.6.2021 | 30.6.2020 |
| | \$'000 | \$'000 |
| Current tax: | | |
| - current period | 134 | 24 |
| - under provision in prior years | 55 | - |
| | <hr/> | <hr/> |
| | 189 | 24 |
| Deferred tax: | | |
| - current period | 35 | 14 |
| | <hr/> | <hr/> |
| Total income tax expense | 224 | 38 |
| | <hr/> | <hr/> |

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

7. Net asset value

| | Group | | Company | |
|------------------------------------|------------------|-------------------|------------------|-------------------|
| | 30.6.2021 | 31.12.2020 | 30.6.2021 | 31.12.2020 |
| | \$ Cents | \$ Cents | \$ Cents | \$ Cents |
| Net asset value per ordinary share | 10.20 | 10.11 | 7.34 | 7.63 |

Net asset value per ordinary share is computed based on the number of issued ordinary shares of 430,583,096 as at 30 June 2021 and 31 December 2020 respectively.

8. Property, plant and equipment

During the six months period ended 30 June 2021, the Group acquired assets amounting to \$1,037,000 (30 June 2020: \$37,000) and disposed of assets amounting to \$9,000 (30 June 2020: \$33,000).

Consolidated statement of cash flows

During the six months period ended 30 June 2021, the Group's additions to property, plant and equipment were financed as follows:

| | Group | |
|--------------------------------------------------------|------------------|------------------|
| | 30.6.2021 | 30.6.2020 |
| | \$'000 | \$'000 |
| Additions to property, plant and equipment | 1,037 | 37 |
| Acquired under lease agreements | (150) | - |
| Cash payments to acquire property, plant and equipment | 887 | 37 |

9. Investment properties

The Group's investment properties consist of both office building and industrial properties, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

| | Group | |
|-----------------------|---------------|---------------|
| | 2021 | 2020 |
| | \$'000 | \$'000 |
| <u>At fair value</u> | | |
| At 1 January | 21,374 | 5,550 |
| Addition | - | 22,407 |
| Currency re-alignment | (206) | - |
| At 30 June | 21,168 | 27,957 |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

9. Investment properties (Continued)

Valuation techniques and assumptions

The investment properties were valued by independent professional valuers at recent financial year ended 31 December 2020 who hold a recognised and relevant professional qualification and have recent experience in the location and category of the property held by the Group.

As at 31 December 2020, the valuation of the investment property in Australia was arrived at using the capitalisation approach. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate and the key assumptions include capitalisation rates, occupancy details, and price per square metre of gross/net lettable area. The fair value hierarchy used was Level 3. The valuations were based on the respective property's highest and best use, which was in line with its actual use. Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance.

For valuations performed by external valuation experts, the management reviews the appropriateness of the valuation methodologies and assumptions adopted. The management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by the management for reasonableness.

As at 31 December 2020, the significant input to the valuation technique using capitalisation approach in respect of the investment property in Australia was the capitalisation rate of 6.25%. An increase in capitalisation rate will result in a decrease to the fair value of the investment property.

10. Contract assets and contract liabilities

| | Group | |
|----------------------|-----------|------------|
| | 30.6.2021 | 31.12.2020 |
| | \$'000 | \$'000 |
| Contract assets | 2,840 | 3,118 |
| Contract liabilities | 306 | 326 |

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for building construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for building construction contracts. Contract liabilities are recognised as revenue as the Group fulfils its performance obligations under the contract.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

11. Borrowings

Borrowings comprise bank term loans and finance lease liabilities by the Group of \$476,000 (2020: \$429,000), which are recorded under "Lease liabilities".

| | Group | |
|-----------------------------------------|------------------|-------------------|
| | 30.6.2021 | 31.12.2020 |
| | \$'000 | \$'000 |
| Amount repayable within one year | | |
| Secured | 1,069 | 1,110 |
| Unsecured | 1,111 | 318 |
| Amount repayable after one year | | |
| Secured | 18,707 | 19,166 |
| Unsecured | 3,889 | 4,682 |
| | 24,776 | 25,276 |

Bank term loans and finance lease liabilities of the Group are secured over certain property, plant and equipment and investment property of the Group.

12. Share capital

| | Group and Company | |
|--------------------------------------------------------------------|--------------------------|-------------------|
| | 30.6.2021 | 31.12.2020 |
| | \$'000 | \$'000 |
| Issued and fully paid | | |
| 430,583,096 ordinary shares at beginning and end of interim period | 55,167 | 55,167 |

13. Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities of the Group and the Company as at 30 June 2021 and 31 December 2020 recorded at amortised cost are as follows:

| | Group | | Company | |
|--------------------------------------------------|------------------|-------------------|------------------|-------------------|
| | 30.6.2021 | 31.12.2020 | 30.6.2021 | 31.12.2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | |
| Trade and other receivables | 10,912 | 9,573 | 9,821 | 9,786 |
| Contract assets | 2,840 | 3,118 | - | - |
| Cash and cash equivalents | 12,693 | 20,575 | 2,916 | 9,088 |
| Total financial assets carried at amortised cost | 26,445 | 33,266 | 12,737 | 18,874 |

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

13. Financial assets and financial liabilities (Continued)

| | Group | | Company | |
|-------------------------------------------------------|------------------|-------------------|------------------|-------------------|
| | 30.6.2021 | 31.12.2020 | 30.6.2021 | 31.12.2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial liabilities | | | | |
| Trade and other payables | 5,473 | 6,350 | 20,037 | 24,030 |
| Contract liabilities | 306 | 326 | - | - |
| Bank term loans | 24,300 | 24,847 | - | - |
| Lease liabilities | 1,808 | 1,772 | 115 | 149 |
| Total financial liabilities carried at amortised cost | <u>31,887</u> | <u>33,295</u> | <u>20,152</u> | <u>24,179</u> |

14. Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and other financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value hierarchy

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by the valuation method. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE
APPENDIX 7C

OTHER INFORMATION

1. (a) 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 Ordinary shares | \$'000 |
|--------------------------------------|----------------------------------|---------------|
| At 31 December 2020 and 30 June 2021 | <u>430,583,096</u> | <u>55,167</u> |

As at 30 June 2021 and 30 June 2020, the Company had 105,642,794 outstanding warrants convertible into 105,642,794 shares of the Company. On 30 July 2021, 27,187 warrants were exercised and as at the date of this announcement, the remaining warrants of 105,615,607 have expired.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2021 and 30 June 2020.

No shares were bought back by the Company during the half year ended 30 June 2021.

- (b) 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.

| | 30.6.2021 | 31.12.2020 |
|----------------------------------------------------------------------|--------------------|--------------------|
| The total number of issued ordinary shares excluding treasury shares | <u>430,583,096</u> | <u>430,583,096</u> |

- (c) 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.

- (d) 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.

OTHER INFORMATION (CONTINUED)

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

The condensed statements of financial position of Ocean Sky International Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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 2020 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.

During the six months period ended 30 June 2021, the Group has changed its accounting policy under SFRS(I) 15 *Revenue from Contracts with Customers* and recognised revenue from civil engineering works from output based method to input based method. For further details, please refer to Note 2.2 in the section "Notes to the condensed interim financial statements for the financial period ended 30 June 2021".

The Group and the Company have adopted all the applicable new and revised SFRS(I) that become effective for accounting periods beginning 1 January 2021. The adoption of these new and revised SFRS(I) does not have any material impact to the Group's financial statements.

OTHER INFORMATION (CONTINUED)

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 | |
|---------------------------------------------------------------------------------------|------------------|----------------|----------------------------|
| | | 30.6.2021 | 30.6.2020 |
| Profit/(Loss) per share (based on the profit/(loss) for the financial period): | | | |
| Earnings per share ("EPS") – Basic ⁽¹⁾ | SGD Cents | 0.004 | (0.37) |
| Weighted average number of ordinary shares in issue | | 430,583,096 | 430,583,096 |
| Earnings per share ("EPS") – Diluted ⁽²⁾ | SGD Cents | 0.004 | (0.37) ⁽³⁾ |
| Adjusted weighted average number of ordinary shares in issue | | 536,225,890 | 430,583,096 ⁽³⁾ |

Notes:

- (1) The calculation for the basic EPS for the relevant financial periods is based on the weighted average number of ordinary shares of the Company during the relevant financial periods.
- (2) The calculation for the diluted EPS is based on the weighted average number of ordinary shares of the Company after adjusting for outstanding warrants ("Warrants") assuming the Warrants are fully exercised into ordinary shares of the Company.
- (3) The Group was in a loss-making position for the six months ended 30 June 2020. As such, the potential ordinary shares to be converted arising from the outstanding warrants as at 30 June 2020 were anti-dilutive (i.e. decrease the loss per share which is not meaningful).

7. **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**").

OTHER INFORMATION (CONTINUED)

Statement of Comprehensive Income

Review of the Group's performance for the 6 months ended 30 June 2021 ("HYE2021") as compared to previous corresponding period ended 30 June 2020 ("HYE2020")

| | 6 Months Ended | | Incr/(Decr) \$'000 | Incr/(Decr) % |
|-----------------------------------------|----------------|--------------|-----------------------|------------------|
| | 30.6.2021 | 30.6.2020 | | |
| | \$'000 | \$'000 | | |
| Revenue | | | | |
| - Construction and Engineering Business | 12,091 | 7,228 | 4,863 | 67.3 |
| - Property Business | 822 | 611 | 211 | 34.5 |
| Total Revenue | 12,913 | 7,839 | 5,074 | 64.7 |

The Group recorded a revenue of \$12.91 million for HYE2021 compared with \$7.84 million for HYE2020.

Revenue from Construction and Engineering Business increased by \$4.86 million to \$12.09 million for HYE2021 from \$7.23 million for HYE2020 due mainly to the gradual resumption of construction activities from second half of 2020, after the halting of all construction works as a result of imposition of circuit breaker during the 2nd quarter of 2020.

Revenue from Property Business increased by \$0.21 million to \$0.82 million for HYE2021 from \$0.61 million for HYE2020 due to higher rental income arising from the Melbourne investment property as the acquisition was completed in March 2020, partly offset by the absence of rental income from the Singapore investment property following its disposal in December 2020.

| | 6 Months Ended | | Incr/(Decr) \$'000 | Incr/(Decr) % |
|-----------------------------------------|----------------|--------------|-----------------------|------------------|
| | 30.6.2021 | 30.6.2020 | | |
| | \$'000 | \$'000 | | |
| Cost of Services | | | | |
| - Construction and Engineering Business | 9,889 | 7,087 | 2,802 | 39.5 |
| - Property Business | 152 | 86 | 66 | 76.7 |
| Total Cost of Services | 10,041 | 7,173 | 2,868 | 40.0 |

In tandem, the cost of services for Construction and Engineering Business increased by \$2.80 million to \$9.89 million for HYE2021 from \$7.09 million for HYE2020. Similarly, the cost of services for Property Business increased by \$0.07 million to \$0.15 million for HYE2021 from \$0.09 million for HYE2020.

The gross profit margin ("GPM") for the Construction and Engineering Business was 18.2% and 2.0% for HYE2021 & HYE2020 respectively. The higher GPM for HYE2021 was due mainly to work performed on certain higher margin projects. On the other hand, fixed operating costs incurred during the circuit breaker period in 2nd quarter of 2020 resulted in lower GPM for HYE2020.

Other income, comprising mainly government grants and interest income, decreased by \$0.36 million to \$0.31 million for HYE2021 from \$0.67 million for HYE2020 due mainly to the lower Job Support Scheme payout and Foreign Worker Levy rebates provided by the Singapore Government.

OTHER INFORMATION (CONTINUED)

Statement of Comprehensive Income (Continued)

Administrative and other operating expenses increased by \$0.55 million to \$2.37 million for HYE2021 from \$1.82 million for HYE2020, due mainly to higher staff costs and higher foreign exchange loss.

Finance costs decreased by \$0.03 million to \$0.28 million for HYE2021 from \$0.31 million for HYE2020 due mainly to full settlement of property loans in second half of 2020.

Share of results of joint ventures was a loss of \$0.29 million for HYE2021 as compared with a loss of \$0.74 million for HYE2020. The decrease of \$0.45 million was due mainly to the higher revenue recognised for the sold development units as construction progresses.

Income tax expense increased by \$0.18 million to \$0.22 million for HYE2021 from \$0.04 million for HYE2020 due mainly to higher taxable profit recorded for Construction and Engineering Business in HYE2021 and underprovision of prior year tax expenses.

As a result of the foregoing, the Group registered a profit after income tax of \$0.02 million for HYE2021, compared with a loss after income tax of \$1.57 million for HYE2020.

Statement of Financial Position

Review of the Group's financial position as at 30 June 2021 as compared to 31 December 2020

Property, plant and equipment increased to \$11.83 million as at 30 June 2021 from \$11.35 million as at 31 December 2020 due mainly to the additions of new plant and equipment, partly offset by depreciation and disposal during the financial period.

Investment property decreased to \$21.17 million as at 30 June 2021 from \$21.37 million as at 31 December 2020 due to the currency re-alignment for the investment property in Melbourne.

Investment in joint ventures increased to \$16.87 million as at 30 June 2021 from \$16.15 million as at 31 December 2020 due mainly to advances extended to the joint ventures, partly offset by recognition of share of loss of joint ventures for the financial period.

Trade and other receivables increased to \$11.24 million as at 30 June 2021 from \$10.11 million as at 31 December 2020 due mainly to higher revenue recorded by the Group's construction and engineering segment.

Contract assets decreased to \$2.84 million as at 30 June 2021 from \$3.12 million as at 31 December 2020 due mainly to higher certification received from the customers by the Group's construction and engineering segment, which resulted in higher trade and other receivables as discussed above.

Trade and other payables decreased to \$5.58 million as at 30 June 2021 from \$8.38 million as at 31 December 2020 due mainly to settlement of related penalties and interests arising from a subsidiary in Cambodia and payment to contractors, partly offset by higher bonus provision for the financial period.

OTHER INFORMATION (CONTINUED)

Statement of Financial Position (Continued)

Provisions increased to \$0.50 million as at 30 June 2021 from \$0.36 million as at 31 December 2020 due to increase in provision of defects liability for the completed projects during the financial period.

Total bank term loans decreased to \$24.30 million as at 30 June 2021 from \$24.85 million as at 31 December 2020 due mainly to repayment during the financial period.

Total lease liabilities increased to \$1.81 million as at 30 June 2021 from \$1.77 million as at 31 December 2020 due to new financing for motor vehicles, partly offset by repayment during the financial period.

Statement of Cashflows

Review of the Group's cashflows for HYE2021

The Group incurred net cash outflow from operating activities of \$5.68 million for HYE2021 due mainly to operating cash inflow before working capital changes of \$1.53 million offset by net working capital outflow of \$7.22 million.

The Group incurred net cash outflow from investing activities of \$1.82 million for HYE2021 due mainly to loans extended to the joint venture projects and purchase of plant and equipment.

The Group incurred net cash outflow from financing activities of \$0.98 million for HYE2021 due mainly to the repayment of bank borrowings and obligations under leases, and payment of interest charges.

Overall, total cash and cash equivalents decreased from \$20.58 million as at 31 December 2020 to \$12.69 million as at 30 June 2021.

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

No specific forecast or a prospect statement has been disclosed previously.

9. 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 operating 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:

OTHER INFORMATION (CONTINUED)

(a) Construction and Engineering Business

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. Whilst the pace of resumption of the Group's construction activity has been progressing well, it is likely to be constrained by manpower shortage and deployment challenges, amidst the evolving COVID-19 situation in Singapore and the region.

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

(b) Property Business

Cambodia

Sales of the first phase comprising 28 units of the 71-unit joint venture shop house development project, Eco Garden Mall, has been put on hold following a significant rise in Covid-19 cases in the Kandal province in late April 2021, Nevertheless, 24 of the 28 units have been fully or partially rented out to generate income for the Group in the near term.

Singapore

According to the real estate statistics released by the Urban Redevelopment Authority¹ (URA) on 23 July 2021, prices of non-landed private residential properties in the Core Central Region (CCR) increased by 1.1% in 2nd quarter 2021, compared to the 0.5% increase in the 1st quarter of 2021.

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.

¹ <https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr21-26>

Australia

The Victorian Government has implemented commercial tenancy relief for Victorian businesses as the state emerges from multiple lockdowns. The scheme requires landlords to help eligible businesses by providing rent relief which may impact the Group's rental income should any of its tenants qualify for the relief measures.

The Group will continue to proactively engage its two key tenants, each occupying approximately 34% and 13% of total net lettable area ("NLA") and with existing lease due for renewal in end September 2021 and end December 2021 respectively, on their renewals and to market any available spaces in advance to minimise any gaps in rental income.

OTHER INFORMATION (CONTINUED)

10. 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 HYE2021.

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

Not applicable. No dividend has been declared for HYE2020.

(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. No dividend has been declared for HYE2021.

(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.

11. 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 HYE2021 as the Company currently does not have profits available for the declaration of a dividend.

12. 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 financial period under review.

13. Use of proceeds

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

On 30 July 2021, 27,187 warrants were exercised and the Company had raised a net proceed of approximately \$2,000 from the allotment and issuance of 27,187 new shares.

OTHER INFORMATION (CONTINUED)

13. Use of proceeds (Continued)

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

| Purpose | Amount allocated \$000 | Amount utilised \$000 | Balance \$000 |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|--------------------------|
| Expanding business of the Group, financing business venture through acquisition and/or strategic investments in project and land development | 6,302 | 6,302 | - |
| Total | 6,302 | 6,302 | - |

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.

14. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

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

Not applicable. The Company did not acquire or dispose shares in any companies during the half year ended 30 June 2021.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six-month financial period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ang Boon Cheow Edward

Chia Boon Kuah

BY ORDER OF THE BOARD

Chia Yau Leong
Company Secretary

12 August 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 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.