



**OCEAN SKY INTERNATIONAL LIMITED**

(Co. Regn. No. 198803225E)

**Full Year Financial Statement Announcement for the Year Ended 31/12/2014**

**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.

	Financial Year Ended		Incr/(Decr) %
	31/12/2014 US\$'000	31/12/2013 US\$'000	
<b>Continuing operations</b>			
Revenue	720	480	50.0%
Other income	2,746	3,039	-9.6%
Administrative and other operating expenses	(1,301)	(2,416)	-46.2%
Finance costs	(3)	(2)	50.0%
Share of results of associate, net of tax	622	2	31000.0%
Profit before income tax from continuing operations	2,784	1,103	152.4%
Income tax expense	(621)	(630)	-1.4%
Profit for the financial year from continuing operations	2,163	473	357.3%
(Loss)/Profit for the financial year from discontinued operations	(2,624)	10,842	N.M.
(Loss)/Profit for the financial year	(461)	11,315	N.M.
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit and loss account			
- Exchange differences on translating foreign operations	(82)	(240)	
- Revaluation of property, plant and equipment	-	5,289	
Other comprehensive income for the financial year, net of tax	(82)	5,049	
Total comprehensive income for the financial year	(543)	16,364	

N.M. - Not Meaningful

**Note to the income statement:**

(Loss)/Profit from operations includes the following:

For continuing operations :

Interest income	27	96
Interest expenses	3	2
Depreciation and amortisation	105	59
(Gain)/Loss on foreign exchange (net)	(90)	72
Gain on disposal of assets classified as held-for-sale	-	2,032
Fair value gain on investment property	2,686	409
(Over)/Under-provision of current income tax in prior years	(34)	-
Over-provision of deferred tax in prior years	10	-

For discontinued operations :

Interest income	-	17
Interest expenses	-	101
Depreciation and amortisation	-	237
(Gain)/Loss on foreign exchange (net)	-	29
Gain on disposal of subsidiaries	-	15,878
Gain on disposal of property, plant and equipment and intangibles (net)	-	181
Write-off of plant and equipment and intangibles	-	2
Write-down of inventories	-	587
Provision for warranty claim on disposed subsidiaries	2,700	-
Allowance for doubtful trade receivables	69	-
(Over)/Under-provision of current income tax in prior years	(137)	1,175
Over-provision of deferred tax in prior years	-	72

**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	
	31/12/2014 US\$'000	31/12/2013 US\$'000	31/12/2014 US\$'000	31/12/2013 US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	290	394	290	394
Investment property	10,484	7,798	-	-
Intangible assets	1	2	1	2
Subsidiaries	-	-	7,076	7,096
Investment in associate	3,172	2,550	2,502	2,502
	<u>13,947</u>	<u>10,744</u>	<u>9,869</u>	<u>9,994</u>
<b>Current assets</b>				
Trade and other receivables	96	979	937	1,243
Fixed deposits	10,000	10,000	10,000	10,000
Cash and bank balances	13,317	28,138	11,736	23,724
	<u>23,413</u>	<u>39,117</u>	<u>22,673</u>	<u>34,967</u>
<b>Current liabilities</b>				
Trade and other payables	2,059	4,457	2,382	2,419
Provision for warranty claim	2,700	-	2,700	-
Current income tax payable	665	2,171	-	240
Interest-bearing liabilities	28	31	28	31
	<u>5,452</u>	<u>6,659</u>	<u>5,110</u>	<u>2,690</u>
<b>Net current assets</b>	<u>17,961</u>	<u>32,458</u>	<u>17,563</u>	<u>32,277</u>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	67	99	67	99
Deferred income tax liabilities	-	10	-	10
	<u>67</u>	<u>109</u>	<u>67</u>	<u>109</u>
<b>Net assets</b>	<u>31,841</u>	<u>43,093</u>	<u>27,365</u>	<u>42,162</u>
<b>Equity</b>				
Share capital	29,344	29,344	29,344	29,344
Other reserves	4,683	4,765	-	-
Retained earnings	(2,186)	8,984	(1,979)	12,818
Equity attributable to owners of the parent	<u>31,841</u>	<u>43,093</u>	<u>27,365</u>	<u>42,162</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 31/12/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
28	-	31	-

**Amount repayable after one year**

As at 31/12/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
67	-	99	-

**Details of any collateral**

Finance lease liabilities are secured by rights to leased assets of a motor vehicle.

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

	<b>Financial Year Ended</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Operating activities</b>		
Profit before income tax from continuing operations	2,784	1,103
(Loss)/Profit before income tax from discontinued operations	(2,761)	12,598
<b>Profit before income tax</b>	<u>23</u>	<u>13,701</u>
Adjustments for:		
Depreciation of property, plant and equipment	104	284
Amortisation of computer software	1	12
Gain on disposal of subsidiaries	-	(15,878)
Gain on disposal of assets classified as held-for-sale	-	(2,032)
Gain on disposal of property, plant and equipment	-	(181)
Computer software written off	-	2
Fair value gain on investment property	(2,686)	(409)
Write-down of inventories	-	587
Provision for warranty claim	2,700	-
Write-back of share option expense	-	(18)
Allowance of doubtful trade receivables	69	-
Interest expense	3	103
Interest income	(27)	(113)
Share of results of associate	(622)	(2)
Write-off of prepaid leases	-	702
Amortisation of prepaid leases	-	108
<b>Operating cash flows before working capital changes</b>	<u>(435)</u>	<u>(3,134)</u>
Working capital changes:		
Inventories	-	833
Trade and other receivables	814	603
Trade and other payables	(2,398)	1,550
<b>Cash used in operations</b>	<u>(2,019)</u>	<u>(148)</u>
Interest paid	(3)	(103)
Income taxes paid	(2,000)	(1,970)
<b>Net cash used in operating activities</b>	<u>(4,022)</u>	<u>(2,221)</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	-	(299)
Purchase of computer software	-	(2)
Proceeds from disposal of property, plant and equipment	-	906
Proceeds from disposal of asset classified as held-for-sale	-	7,314
Proceeds from disposal of subsidiaries	-	41,042
<b>Net cash from investing activities</b>	<u>-</u>	<u>48,961</u>
<b>Financing activities</b>		
Repayment of long-term loans	-	(3,218)
Repayment of finance lease liabilities	(35)	(24)
Interest received	27	113
Dividend paid	(10,709)	(54,474)
<b>Net cash used in financing activities</b>	<u>(10,717)</u>	<u>(57,603)</u>
<b>Net change in cash and cash equivalents</b>	(14,739)	(10,863)
<b>Cash and cash equivalents at beginning of financial year</b>	38,138	49,113
Effect arising from foreign currency exchange rates	(82)	(112)
<b>Cash and cash equivalents at end of financial year</b>	<u>23,317</u>	<u>38,138</u>
<b>Cash and cash equivalents comprise:</b>		
Cash at banks and on hand	13,317	28,138
Short-term deposits	10,000	10,000
	<u>23,317</u>	<u>38,138</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.**

	Group US\$'000	Company US\$'000
<b>2014</b>		
<b>Share capital</b>		
At 1 Jan 2014 and 31 Dec 2014	29,344	29,344
<b>Foreign currency translation reserve</b>		
At 1 Jan 2014	(524)	-
Total comprehensive income for the financial year	(82)	-
At 31 Dec 2014	(606)	-
<b>Revaluation reserve</b>		
At 1 Jan 2014 and 31 Dec 2014	5,289	-
<b>Retained earnings</b>		
At 1 Jan 2014	8,984	12,818
Dividend	(10,709)	(10,709)
Total comprehensive income for the financial year	(461)	(4,088)
At 31 Dec 2014	(2,186)	(1,979)
<b>Total</b>		
At 1 Jan 2014	43,093	42,162
At 31 Dec 2014	31,841	27,365
<b>2013</b>		
<b>Share capital</b>		
At 1 Jan 2013 and 31 Dec 2013	29,344	29,344
<b>Foreign currency translation reserve</b>		
At 1 Jan 2013	(284)	-
Total comprehensive income for the financial year	(240)	-
At 31 Dec 2013	(524)	-
<b>Share option reserve</b>		
At 1 Jan 2013	18	18
Share-based payment write-back for the financial year	(18)	(18)
At 31 Dec 2013	-	-
<b>Revaluation reserve</b>		
At 1 Jan 2013	-	-
Total comprehensive income for the financial year	5,289	-
At 31 Dec 2013	5,289	-
<b>Retained earnings</b>		
At 1 Jan 2013	52,143	34,764
Dividend	(54,474)	(54,474)
Total comprehensive income for the financial year	11,315	32,528
At 31 Dec 2013	8,984	12,818
<b>Total</b>		
At 1 Jan 2013	81,221	64,126
At 31 Dec 2013	43,093	42,162

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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	US\$'000
	Ordinary shares	
At 31 Dec 2013 and 31 Dec 2014	449,441,053	29,344

During the year ended 31 December 2014, the Company did not grant any share options pursuant to the Ocean Sky Share Option Scheme. As at 31 December 2014, the Company does not have any outstanding share options of unissued reserved shares. As at 31 December 2013, the Company did not have any outstanding share options of unissued reserved shares.

**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.**

	31/12/2014	31/12/2013
The total number of issued ordinary shares	449,441,053	449,441,053

**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.**

The Company has no treasury shares.

**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.

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

N.A.

**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 2013, 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 adopted the new/revised FRSs and Interpretation of FRS (INT FRS) that are effective for annual periods beginning on or after 1 January 2014. The adoption of these new/revised FRSs and INT FRSs did not have any significant impact on the financial statements of the Group.

**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	
		31/12/2014	31/12/2013
<b>Continuing operations</b>			
Earnings per share (based on the profit for the year):			
Based on the weighted average number of ordinary shares in issue	USD Cents	0.48	0.11
Weighted average number of ordinary shares in issue		449,441,053	449,441,053
On a fully diluted basis	USD Cents	0.48	0.11
Adjusted weighted average number of ordinary shares in issue		449,441,053	449,441,053
<b>Discontinued operations</b>			
(Loss)/Earnings per share (based on the (loss)/profit for the year):			
Based on the weighted average number of ordinary shares in issue	USD Cents	(0.58)	2.41
Weighted average number of ordinary shares in issue		449,441,053	449,441,053
On a fully diluted basis	USD Cents	(0.58)	2.41
Adjusted weighted average number of ordinary shares in issue		449,441,053	449,441,053

## 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	
	31/12/2014 USD Cents	31/12/2013 USD Cents	31/12/2014 USD Cents	31/12/2013 USD Cents
Net asset value per ordinary share based on the existing issued share capital as at the end of respective periods	7.08	9.59	6.09	9.38

## 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.

### Statement of Comprehensive Income

#### Continuing Operations

The Group recorded a revenue of US\$0.72 million consisting of rental income from land leasing for the financial year ended 31 December 2014 ("FY2014"), 50.0% higher than the US\$0.48 million recorded for the preceding year ("FY2013"). The revenue for FY2013 consisted of only eight months of rental income from land leasing following the disposal of apparel business in April 2013.

Other income decreased from US\$3.04 million for FY2013 to US\$2.75 million for FY2014, due to lower interest income, and the recognition of one-off gain on disposal of two Hong Kong properties and surrender payment of key person insurance for FY2013, offset by higher fair value gain on investment property.

Administrative and other operating expenses decreased 46.2% to US\$1.30 million for FY2014 from US\$2.42 million for FY2013, due mainly to lower staff cost and professional fees.

Share of results of associate increased from US\$0.002 million for FY2013 to US\$0.62 million for FY2014, due mainly to gain on disposal of investment property in FY2014 and recognition of amortisation of intangibles of US\$0.342 million in accordance with FRS 103 for FY2013.

The decrease in income tax expense to US\$0.62 million for FY2014 from US\$0.63 million for FY2013 is due mainly to one-off withholding tax payable on dividend from an overseas subsidiary for FY2013, offset by higher income tax payable for higher fair value gain on investment property.

#### Discontinued Operations

Loss after income tax from discontinued operations for FY2014 is mainly due to provision for settlement of claims on warranties from Sunny Force Limited on realisable value of inventory and tax liabilities in relation to the disposed apparel operations.

As a result, the Group registered a loss after income tax of US\$0.46 million for FY2014, compared with a profit after income tax of US\$11.32 million for FY2013.

### Statement of Financial Position

Investment property increased to US\$10.48 million as at 31 December 2014 from US\$7.80 million as at 31 December 2013 due to the recognition of gain in fair value of the land in Cambodia.

Trade and other receivables decreased to US\$0.10 million as at 31 December 2014 from US\$0.98 million as at 31 December 2013 due mainly to the refund of the terminated pre-paid leases and payment from customers in relation to the discontinued apparel operations.

Trade and other payables decreased to US\$2.06 million as at 31 December 2014 from US\$4.46 million as at 31 December 2013 due mainly to the payment of directors' incentive bonus for the financial year ended 31 December 2013 and lower provision of staff bonus and professional expenses.

Provision for warranty claim of US\$2.70 million as at 31 December 2014 is for settlement of claims on warranties from Sunny Force Limited on realisable value of inventory and tax liabilities in relation to the disposed apparel operations.

Payment of taxes resulted in the decrease in income tax payable to US\$0.67 million as at 31 December 2014 from US\$2.17 million as at 31 December 2013.

Cash and bank balances decreased to US\$13.32 million as at 31 December 2014 from US\$28.1 million as at 31 December 2013 due mainly to the payment of dividend, income taxes and trade and other payables.

### Statement of Cashflows

The Group incurred cash outflow from operating activities of US\$4.02 million for FY2014 due mainly to payment of taxes and trade and other payables.

Proceeds from the disposal of subsidiaries, properties and other plant, equipment and motor vehicles contributed mainly to the net cash inflow of US\$49.0 million from investing activities for FY2013.

Dividend payment contributed mainly to the net cash outflow of US\$10.72 million from financing activities for FY2014.

Overall, total cash and cash equivalents decreased from US\$38.14 million as at 31 December 2013 to US\$23.32 million as at 31 December 2014.

**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 17 February 2015 issued a profit guidance announcement and the results for full year financial results ended 31 December 2014 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.**

For the property investment and management business, the Group has a 20 years long-term fixed rental rate land lease in Cambodia to generate stable rental income.

The Singapore construction industry that the Group's associate company operates in is expected to remain challenging due to increasing business cost arising from tight labour market.

On 5 January 2015, the Company announced that it has entered into a non-binding memorandum of understanding with Mr. Tan Heng Mong, Ms Tan Bee Hoon, Mr. Chan Teck Huat and Mr. Tan Heng Kiat (the "Vendors") in relation to the proposed acquisition of the Vendors' entire equity interest in Link (THM) Holdings Pte. Ltd. by the Company (the "Proposed Acquisition").

The Company will make further announcements, in compliance with the listing rules of the Singapore Exchange Securities Trading Limited, upon the execution of Definitive Agreements and/or when there are material developments in respect of the Proposed Acquisition.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?  
No.

**Interim paid during the year:**

Name of Dividend	<b>Interim</b>
Dividend Type	<b>Cash</b>
Dividend Amount per Share (in Singapore currency cents)	<b>3 cents</b> Per Ordinary Share
Tax rate	<b>Tax Exempt (One-Tier)</b>

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?  
Yes.

**Previous year's interim:**

Name of Dividend	<b>Interim</b>
Dividend Type	<b>Cash</b>
Dividend Amount per Share (in Singapore currency cents)	<b>13 cents</b> Per Ordinary Share
Tax rate	<b>Tax Exempt (One-Tier)</b>

**Previous year's Special interim:**

Name of Dividend	<b>Special Interim</b>
Dividend Type	<b>Cash</b>
Dividend Amount per Share (in Singapore currency cents)	<b>1.6 cents</b> Per Ordinary Share
Tax rate	<b>Tax Exempt (One-Tier)</b>

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Final dividend has not been recommended.

**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.

**14. Use of proceeds.**

On 29 March 2012, the Company issued 23,630,000 shares by way of a private placement and the net proceeds amounted to approximately US\$2,468,000. The following table shows an update on the use of proceeds as at the date of this report:

Use of Proceeds	Amount Used in financial year ended 31 Dec 2014 US\$'000	Amount Used To-Date US\$'000
Professional fees pertaining to corporate exercises	0	1,895
Total	0	1,895

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**15. Segmented revenue and results for business or geographical 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.**

<b>2014</b>	<b>Singapore</b>	<b>South-east and North Asia</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>			
Revenue from external customers			
- Continuing operations	-	720	720
Carrying amount of non-current assets	3,463	10,484	13,947
Carrying amount of current assets	17,170	6,243	23,413
Additions to property, plant and equipment and computer software	-	-	-
Depreciation and amortisation	105	-	105
	<b>USA</b>	<b>Others</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>			
Revenue by geographical market	-	720	720
<b>2013</b>	<b>Singapore</b>	<b>South-east and North Asia</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>			
Revenue from external customers			
- Continuing operations	-	480	480
- Discontinued operations	59,107	569	59,676
Carrying amount of non-current assets	2,946	7,798	10,744
Carrying amount of current assets	30,539	8,578	39,117
Additions to property, plant and equipment and computer software	452	-	452
Depreciation and amortisation	149	147	296
	<b>USA</b>	<b>Others</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>			
Revenue by geographical market	35,073	25,083	60,156



**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please see review of performance in paragraph 8 above.

**17. A breakdown of sales.**

	31/12/2014 US\$'000	31/12/2013 US\$'000	Incr/(Decr) %
<b><u>Continuing operations</u></b>			
Sales reported for the first half year	360	120	200.0%
Operating profit after tax before deducting non-controlling interests reported for the first half year	22	1,642	-98.7%
Sales reported for the second half year	360	360	0.0%
Operating profit/(loss) after tax before deducting non-controlling interests reported for the second half year	2,141	(1,169)	N.M.
<b><u>Discontinued operations</u></b>			
Sales reported for the first half year	-	58,939	-100.0%
Operating profit after tax before deducting non-controlling interests reported for the first half year	-	13,721	-100.0%
Sales reported for the second half year	-	737	-100.0%
Operating loss after tax before deducting non-controlling interests reported for the second half year	(2,624)	(2,879)	-8.9%

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

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	13,483	65,618
Preference	-	-
<b>Total:</b>	<b>13,483</b>	<b>65,618</b>

**19. 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(13) 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	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	58	Brother of Mr Ang Boon Chong, Non-Executive Director & substantial shareholder	Executive Chairman & CEO Year 1995	N.A.
Joanna Hoon	52	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  
27 February 2015