

**OCEAN SKY INTERNATIONAL LIMITED**

(Co. Regn. No. 198803225E)

First Quarter Financial Statement Announcement for the Period Ended 31/03/2018**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.

	3 Months Ended		Incr/(Decr) %
	31/3/2018 S\$'000	31/3/2017 S\$'000 (Restated) *	
Revenue	6,409	5,311	20.7%
Cost of sales	(5,327)	(4,524)	17.7%
Gross profit	1,082	787	37.5%
Other income	8	6	33.3%
Administrative and other operating expenses	(872)	(1,041)	-16.2%
Finance costs	(74)	(68)	8.8%
Share of results of joint ventures, net of tax	(19)	-	N.M.
Profit/(Loss) before income tax	125	(316)	N.M.
Income tax expense	(77)	(21)	266.7%
Profit/(Loss) for the financial period	48	(337)	N.M.
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss account			
- Exchange differences on translating foreign operations	(502)	(1,013)	
Other comprehensive income for the financial period, net of tax	(502)	(1,013)	
Total comprehensive income for the financial period	(454)	(1,350)	

N.M. - Not Meaningful

Notes to the income statement:

Profit/(Loss) from operations includes the following:

Interest income	8	6
Interest expenses	(74)	(68)
Depreciation of property, plant and equipment	(207)	(600)
Amortisation of intangibles	(125)	(176)
Gain/(Loss) on foreign exchange (net)	25	(53)
Gain on disposal of property, plant and equipment	-	3

* The 31 March 2017 comparative figures have been restated to take into account of the change in the Group's presentation currency from United States Dollar ("USD") to Singapore Dollar ("SGD"). For more details on the rationale for the change in its presentation currency, please refer to paragraph 5.

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		
	31/3/2018 S\$'000	31/12/2017 S\$'000 (Restated)	1/1/2017 S\$'000 (Restated)	31/3/2018 S\$'000	31/12/2017 S\$'000 (Restated)	1/1/2017 S\$'000 (Restated)
Non-current assets						
Property, plant and equipment	10,795	10,965	17,274	374	400	558
Investment property	5,600	5,600	18,536	-	-	-
Intangible assets	168	293	875	-	-	-
Goodwill	11,755	11,755	11,755	-	-	-
Investment in subsidiaries	-	-	-	38,437	35,179	34,204
Investment in joint ventures	12,323	9,268	*	-	-	-
	<u>40,641</u>	<u>37,881</u>	<u>48,440</u>	<u>38,811</u>	<u>35,579</u>	<u>34,762</u>
Current assets						
Inventories	138	123	107	-	-	-
Development property	4,468	4,431	-	-	-	-
Due from customers for contract work	1,289	1,116	31	-	-	-
Trade and other receivables	12,689	13,312	7,590	62	70	83
Fixed deposits pledged	213	213	213	-	-	-
Cash and cash equivalents	21,326	27,983	20,434	19,416	24,651	15,721
	<u>40,123</u>	<u>47,178</u>	<u>28,375</u>	<u>19,478</u>	<u>24,721</u>	<u>15,804</u>
Current liabilities						
Trade and other payables	5,321	9,150	7,720	20,667	22,410	3,356
Provisions	627	402	464	-	-	-
Bank term loans	396	3,396	406	-	-	-
Finance lease payable	464	503	451	67	67	67
Income tax payable	3,291	3,262	1,736	-	-	-
	<u>10,099</u>	<u>16,713</u>	<u>10,777</u>	<u>20,734</u>	<u>22,477</u>	<u>3,423</u>
Net current assets	<u>30,024</u>	<u>30,465</u>	<u>17,598</u>	<u>(1,256)</u>	<u>2,244</u>	<u>12,381</u>
Non-current liabilities						
Bank term loans	12,295	9,396	9,803	-	-	-
Finance lease payable	623	735	679	163	180	247
Deferred tax liabilities	111	125	289	-	-	-
	<u>13,029</u>	<u>10,256</u>	<u>10,771</u>	<u>163</u>	<u>180</u>	<u>247</u>
Net assets	<u>57,636</u>	<u>58,090</u>	<u>55,267</u>	<u>37,392</u>	<u>37,643</u>	<u>46,896</u>
Equity						
Share capital	48,866	48,866	48,866	48,866	48,866	48,866
Reserves	(547)	444	10,233	-	489	3,822
Retained earnings/(Accumulated losses)	9,317	8,780	(3,832)	(11,474)	(11,712)	(5,792)
Equity attributable to owners of the parent	<u>57,636</u>	<u>58,090</u>	<u>55,267</u>	<u>37,392</u>	<u>37,643</u>	<u>46,896</u>

* denotes less than S\$1,000

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

Amount repayable in one year or less, or on demand

As at 31/3/2018		As at 31/12/2017		As at 1/1/2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000 (Restated)	Unsecured S\$'000 (Restated)	Secured S\$'000 (Restated)	Unsecured S\$'000 (Restated)
860	-	3,899	-	857	-

Amount repayable after one year

As at 31/3/2018		As at 31/12/2017		As at 1/1/2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000 (Restated)	Unsecured S\$'000 (Restated)	Secured S\$'000 (Restated)	Unsecured S\$'000 (Restated)
12,918	-	10,131	-	10,482	-

Details of any collateral

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

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

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

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

	3 Months Ended	
	31/3/2018	31/3/2017
	S\$'000	S\$'000
		(Restated)
Operating activities		
Profit/(Loss) before income tax	125	(316)
Adjustments for:		
Depreciation of property, plant and equipment	207	600
Amortisation of intangible assets	125	176
Gain on disposal of property, plant and equipment	-	(3)
Unrealised foreign exchange gain	3	50
Interest expense	74	68
Interest income	(8)	(6)
Share of results of joint ventures	19	-
Operating profit before working capital changes	<u>545</u>	<u>569</u>
Working capital changes:		
Development property	(37)	-
Inventories	(15)	74
Trade and other receivables	623	114
Trade and other payables	(3,829)	(1,061)
Due from customers for contract work	(173)	(893)
Provisions	224	(70)
Cash used in operations	<u>(2,662)</u>	<u>(1,267)</u>
Interest paid	(74)	(68)
Income taxes paid	-	(187)
Net cash used in operating activities	<u>(2,736)</u>	<u>(1,522)</u>
Investing activities		
Purchase of property, plant and equipment	(36)	(117)
Proceeds from disposal of property, plant and equipment	-	3
Advances to joint ventures	(3,093)	-
Interest received	8	6
Net cash used in investing activities	<u>(3,121)</u>	<u>(108)</u>
Financing activities		
Repayment of bank borrowings	(100)	(114)
Repayment of finance lease liabilities	(151)	(101)
Net cash used in financing activities	<u>(251)</u>	<u>(215)</u>
Net change in cash and cash equivalents	(6,108)	(1,845)
Cash and cash equivalents at beginning of financial period	27,983	20,434
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(549)	(552)
Cash and cash equivalents at end of financial period	<u>21,326</u>	<u>18,037</u>
Cash and cash equivalents comprise:		
Cash at banks and on hand	8,209	11,051
Short-term deposits	13,117	6,986
Cash and cash equivalents as per statement of financial position	<u>21,326</u>	<u>18,037</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings / (Accumulated losses)	Equity attributable to owners of the parent
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Group</u>					
Balance at 1 January 2018	48,866	323	121	8,780	58,090
Effect of change in presentation and functional currency	-	(489)	-	489	-
Total comprehensive income for the financial period	-	(502)	-	48	(454)
Balance at 31 March 2018	<u>48,866</u>	<u>(668)</u>	<u>121</u>	<u>9,317</u>	<u>57,636</u>
Balance at 1 January 2017 (Restated)	48,866	2,764	7,469	(3,832)	55,267
Total comprehensive income for the financial period	-	(1,013)	-	(337)	(1,350)
Balance at 31 March 2017 (Restated)	<u>48,866</u>	<u>1,751</u>	<u>7,469</u>	<u>(4,169)</u>	<u>53,917</u>
<u>The Company</u>					
Balance at 1 January 2018	48,866	489	-	(11,712)	37,643
Effect of change in presentation and functional currency	-	(489)	-	489	-
Total comprehensive income for the financial period	-	-	-	(251)	(251)
Balance at 31 March 2018	<u>48,866</u>	<u>-</u>	<u>-</u>	<u>(11,474)</u>	<u>37,392</u>
Balance at 1 January 2017 (Restated)	48,866	3,822	-	(5,792)	46,896
Total comprehensive income for the financial period	-	-	-	(420)	(420)
Balance at 31 March 2017 (Restated)	<u>48,866</u>	<u>3,822</u>	<u>-</u>	<u>(6,212)</u>	<u>46,476</u>

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Issued and fully paid:	No. of shares	S\$'000
	Ordinary shares	
At 31 Dec 2017 and 31 Mar 2018	324,940,302	48,866

As at 31 March 2018 and 31 March 2017, the Company did not have any outstanding options, warrants or other instrument convertible into securities of the Company. The Company did not have any treasury shares and subsidiary holdings as at 31 March 2018 and 31 March 2017.

No shares were bought back by the Company during the first quarter ended 31 March 2018.

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.

	31/3/2018	31/12/2017
The total number of issued ordinary shares excluding treasury shares	324,940,302	324,940,302

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

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

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

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

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

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

Not applicable.

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 2017 except as disclosed in paragraph 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has changed its presentation currency from USD to SGD with effect from 1 January 2018. With the Group's turnover being primarily derived from Singapore and denominated in SGD following the disposal of the investment property in Cambodia in December 2017, the Group's management is of the view that it is more appropriate for the Group to adopt the SGD as the presentation currency. The change also aligned the presentation currency with the Company's change of the functional currency from USD to SGD. In accordance with Singapore Financial Reporting Standards, comparative figures have been restated and presented in SGD.

The Group has adopted SFRS(I) on 1 January 2018 and has prepared its first set of financial information under SFRS(I) for the financial period ended 31 March 2018. The Group has consistently applied the same accounting policies in its opening SFRS(I) statement of financial position as at 1 January 2017 and throughout the comparable periods presented, as if these policies had always been in effect. In adopting SFRS(I), the Group is required to apply all the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) and new SFRS(I), amendments to and interpretation of SFRS(I) that are effective from 1 January 2018. The transition to SFRS(I) did not have any significant impact to the Group for the current or prior financial periods.

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.

		3 Months Ended	
		31/03/2018	31/03/2017 (Restated)
Earnings/(Loss) per share (based on the profit for the financial period):			
Based on the weighted average number of ordinary shares in issue	SGD Cents	0.015	(0.104)
Weighted average number of ordinary shares in issue		324,940,302	324,940,302
On a fully diluted basis	SGD Cents	0.015	(0.104)
Adjusted weighted average number of ordinary shares in issue *		324,940,302	324,940,302

* There were no dilutive ordinary shares in issue for the respective periods.

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	
	31/3/2018 SGD Cents	31/12/2017 SGD Cents (Restated)	31/3/2018 SGD Cents	31/12/2017 SGD Cents (Restated)
Net asset value per ordinary share based on the existing issued share capital as at the end of respective periods	17.74	17.88	11.51	11.58

Net asset value per ordinary share is computed based on the number of issued ordinary shares of 324,940,302 as at 31 March 2018 and 31 December 2017 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 ("**Real Estate Business**").

Statement of Comprehensive Income

Review of the Group performance for the 3 months ended 31 March 2018 ("1Q2018") as compared to previous corresponding period ended 31 March 2017 ("1Q2017")

Group	3 Months Ended		Incr/(Decr) S\$'000	Incr/(Decr) %
	31/3/2018 S\$'000	31/3/2017 S\$'000		
	Revenue from external customers			
- Construction and Engineering Business	6,343	5,055	1,288	25.5%
- Real Estate Business	66	256	(190)	-74.2%
Total Revenue	6,409	5,311	1,098	20.7%

The Group recorded a revenue of S\$6.41 million for 1Q2018 compared with S\$5.31 million recorded for 1Q2017. The overall increase of S\$1.10 million was due mainly to higher volume of work performed and certified from the on-going projects of the Group's construction and engineering segment, partly offset by lower rental income from the real estate segment following the disposal of the investment property in Cambodia on 22 December 2017.

The cost of sales increased by S\$0.80 million to S\$5.33 million for 1Q2018 from S\$4.52 million for 1Q2017 due mainly to higher volume of work performed for the on-going projects of the Group's construction and engineering segment, partly offset by lower depreciation of plant and equipment as a number of motor vehicles had been fully depreciated in the financial year ended 31 December 2017.

Administrative and other operating expenses decreased by S\$0.17 million to S\$0.87 million for 1Q2018 from S\$1.04 million for 1Q2017, due mainly to the following:

- (a) lower depreciation of property, plant and equipment and amortisation of intangibles assets; and
(b) foreign exchange gain for 1Q2018 as compared to foreign exchange loss for 1Q2017.

Finance costs remained relatively comparable at S\$0.07 million for 1Q2018 and 1Q2017.

Share of results of joint venture for 1Q2018 was a loss of S\$0.02 million.

Income tax expense increased to S\$0.08 million for 1Q2018 from S\$0.02 million for 1Q2017 due mainly to lower write-back of deferred tax expenses.

As a result of the foregoing, the Group registered a profit after income tax of S\$0.05 million for 1Q2018, compared with a loss after income tax of S\$0.34 million for 1Q2017.

Statement of Financial Position

Review of the Group's financial position as at 31 March 2018 as compared to 31 December 2017

Property, plant and equipment decreased to S\$10.80 million as at 31 March 2018 from S\$10.97 million as at 31 December 2017 due mainly to depreciation for the financial period.

Intangible assets decreased to S\$0.17 million as at 31 March 2018 from S\$0.29 million as at 31 December 2017 due to amortisation for the financial period.

Investment in joint ventures increased to S\$12.32 million as at 31 March 2018 from S\$9.27 million as at 31 December 2017 due to additional loan being extended to fund the joint venture project at 17 Balmoral Road.

Development property increased to S\$4.47 million as at 31 March 2018 from S\$4.43 million as at 31 December 2017 due to commencement of construction work at 6 Nim Drive.

Due from customers for contract work increased to S\$1.29 million as at 31 March 2018 from S\$1.17 million as at 31 December 2017 due mainly to higher amount of costs incurred for work performed which exceeded progress billings for certain projects.

Trade and other receivables decreased to S\$12.69 million as at 31 March 2018 from S\$13.31 million as at 31 December 2017 due mainly to release of retention sum for completed projects.

Trade and other payables decreased to S\$5.32 million as at 31 March 2018 from S\$9.15 million as at 31 December 2017 due mainly to payment to suppliers and accrued expenses of staff bonus for the financial year ended 31 December 2017, warranty claims and professional fees.

Provisions increased to S\$0.63 million as at 31 March 2018 from S\$0.40 million as at 31 December 2017 due mainly to provision for defect liabilities for the projects completed in 1Q2018 in relation to the Group's construction and engineering segment.

Total bank borrowings decreased to S\$12.69 million as at 31 March 2018 from S\$12.79 million as at 31 December 2017 due to repayment for the financial period.

Total finance lease payables decreased to S\$1.09 million as at 31 March 2018 from S\$1.24 million as at 31 December 2017 due to repayment for the financial period.

Statement of Cashflows

The Group incurred net cash outflow from operating activities of S\$2.74 million for 1Q2018 due mainly to operating profit before working capital changes of S\$0.55 million, net working capital outflow of S\$3.21 million and payment of interest charges of S\$0.08 million. Net working capital outflow was due mainly to payment to suppliers and accrued expenses of staff bonus for the financial year ended 31 December 2017, warranty claims and professional fees, partly offset by release of retention sum for completed projects.

The Group incurred net cash outflow from investing activities of S\$3.12 million for 1Q2018 due mainly to additional loan being extended to the joint venture project at 17 Balmoral Road.

The Group incurred net cash outflow from financing activities of S\$0.25 million for 1Q2018 due to repayment of bank borrowings and finance leases.

Overall, total cash and cash equivalents decreased from S\$27.98 million as at 31 December 2017 to S\$21.33 million as at 31 March 2018.

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

The Group's performance for the period under review is in line with its expectations as disclosed in the announcement of results for the full year ended 31 December 2017 on 1 March 2018.

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 outlook for the construction and real estate industries is positive, the operating environment remains competitive over the next 12 months. Its views are underpinned by the following:

(a) Construction and Engineering Business

Based on advance estimates¹ released by the Ministry of Trade and Industry Singapore on 13 April 2018, the Singapore construction sector contracted by 4.4% year-on-year in the first quarter of 2018. This came after a 5.0% decline in the previous quarter, as both the private and public sector construction activities remained weak. On a brighter note, the construction sector grew 4.1% quarter-on-quarter in the first quarter of 2018, reversing three previous quarters of contraction.

While the government's support of the local construction industry through various building projects and civil engineering works augurs well for the sector, the competitive bidding for projects among construction firms are showing no signs of easing any time soon. Operationally, escalating business costs and skilled manpower shortages are persisting as key challenges for the construction industry.

Against this backdrop, the Group is staying focused on driving productivity across its entire business spectrum by identifying and developing more efficient and streamlined work processes and reducing operational wastages.

¹ <https://www.straitstimes.com/business/economy/singapore-economy-grows-43-in-q1-on-strong-manufacturing-growth>

(b) Real Estate Business

Cambodia

Construction work to develop the first phase of the 71-unit joint venture shop house project, Project Eco Garden Mall, is currently in progress. The Group expects the sales launch of the project's first phase to be in the second quarter of 2018.

Singapore

Singapore's private housing market prospects are bullish, according to The Straits Times in its article² "Private home prices rise 3.9% in Q1" published on 28 April 2018. The sector recorded a quarter-on-quarter gain of 3.9% in the first quarter, the steepest since the second quarter of 2010.

The private residential property market looks set to remain supported by strong demand from buyers seeking replacement homes and foreign home buyers as well as continuous collective sales in the market.

The Group has announced previously on 2 April 2018 that its 40% joint venture company, TSky Development Pte Ltd, entered into a sale and purchase agreement for the proposed acquisition (the "**Proposed Acquisition**") of Cairnhill Heights at 16 Cairnhill Rise (the "**Subject Site**"). Upon completion of the Proposed Acquisition, the Subject Site which spans an area of approximately 1,431.4 square metres, will be redeveloped into a private residential development.

Separately, construction works for the Group's real estate projects at 17 Balmoral Road and 6 Nim Drive are currently in progress.

Additionally, the Group has leased out a factory cum office property in Singapore for a three-year tenure commencing from 10 July 2017.

While the prospects of the private housing market look set to stay strong amid the buoyant collective sales and record bid prices, the Group remains disciplined and focused in its strategy to build a strong foundation for its real estate business. The Group will be selective in bidding for new development projects and prudent in bidding prices. Apart from Singapore, the Group will also explore opportunities in the region as part of its ongoing strategy to diversify its sources of revenue for growth.

² <https://www.straitstimes.com/business/property/private-home-prices-rise-39-in-q1>

11. Dividend

If a decision regarding dividend has been made :

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

No dividend has been declared for 1Q 2018.

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

Not applicable. No dividend has been declared for 1Q 2017.

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

Not applicable.

(d) The date the dividend is payable.

Not Applicable.

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

Not Applicable.

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

No dividend has been declared/recommended for 1Q 2018.

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

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

On behalf of the board of directors

Ang Boon Cheow Edward

Chia Yau Leong

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

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

BY ORDER OF THE BOARD

Chia Yau Leong
Executive Director and Company Secretary

15 May 2018

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**"). The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Alvin Soh, Head of Catalist Operations, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.