



**OCEAN SKY INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS AND
FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 (“2HY2021”) and financial year ended 31 December 2021 (“FY2021”), together with the comparative figures for the six months (“2HY2020”) and financial year ended 31 December 2020 (“FY2020”). The Group’s interim results for the six months and financial year ended 31 December 2021 are unaudited.

	Note	Six Months Ended			Financial Year Ended		
		31.12.2021	31.12.2020	+ / (-)	31.12.2021	31.12.2020	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
		(Restated)			(Restated)		
Revenue	4	10,712	17,336	(38.2%)	23,625	25,175	(6.2%)
Cost of services		(8,671)	(15,167)	(42.8%)	(18,712)	(22,340)	(16.2%)
Gross profit		2,041	2,169	(5.9%)	4,913	2,835	73.3%
Other income		550	1,125	(51.1%)	857	1,792	(52.2%)
Administrative and other operating expenses		(2,334)	(3,559)	(34.4%)	(4,702)	(5,374)	(12.5%)
Finance costs	5	(295)	(365)	(19.2%)	(573)	(675)	(15.1%)
Share of profit/(loss) of joint ventures, net of tax		734	(688)	N.M.	444	(1,430)	N.M.
Profit/(Loss) before income tax	5	696	(1,318)	N.M.	939	(2,852)	N.M.
Income tax expense	6	(32)	(159)	(79.9%)	(256)	(197)	29.9%
Profit/(Loss) for the financial period/year attributable to owners of the parent		664	(1,477)	N.M.	683	(3,049)	N.M.
Other comprehensive income:							
<i>Item that may be reclassified subsequently to profit or loss:</i>							
- Exchange differences on translating foreign operations		107	(1,152)		508	(504)	
Other comprehensive income for the financial period/year, net of tax		107	(1,152)		508	(504)	
Total comprehensive income for the financial period/year attributable to owners of the parent		771	(2,629)		1,191	(3,553)	
Profit/(Loss) per share (cents)							
- Basic		0.15	(0.34)		0.16	(0.71)	
- Diluted		0.15	(0.34)		0.16	(0.71)	

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 31 DECEMBER 2021**

		Group		Company	
	Note	31.12.2021	31.12.2020	31.12.2021	31.12.2020
		\$'000	\$'000	\$'000	\$'000
			(Restated)		
Non-current assets					
Property, plant and equipment	8	11,208	11,353	119	239
Investment property	9	20,567	21,374	-	-
Investments in subsidiaries		-	-	39,768	37,851
Investments in joint ventures		18,235	16,153	-	-
		<u>50,010</u>	<u>48,880</u>	<u>39,887</u>	<u>38,090</u>
Current assets					
Inventories		200	176	-	-
Trade and other receivables		9,502	10,110	9,667	9,849
Contract assets	10	2,460	2,585	-	-
Cash and cash equivalents		14,585	20,575	1,751	9,088
		<u>26,747</u>	<u>33,446</u>	<u>11,418</u>	<u>18,937</u>
Less:					
Current liabilities					
Trade and other payables		6,181	8,376	20,312	24,030
Contract liabilities	10	597	439	-	-
Provisions		476	355	-	-
Bank term loans	11	2,103	1,249	-	-
Lease liabilities	11	190	201	17	65
Current income tax payable		416	3,630	-	-
		<u>9,963</u>	<u>14,250</u>	<u>20,329</u>	<u>24,095</u>
Net current assets/(liabilities)		<u>16,784</u>	<u>19,196</u>	<u>(8,911)</u>	<u>(5,158)</u>
Less:					
Non-current liabilities					
Bank term loans	11	20,901	23,598	-	-
Lease liabilities	11	1,663	1,571	69	84
Deferred tax liabilities		166	36	-	-
		<u>22,730</u>	<u>25,205</u>	<u>69</u>	<u>84</u>
Net assets		<u>44,064</u>	<u>42,871</u>	<u>30,907</u>	<u>32,848</u>
Equity					
Share capital	12	55,169	55,167	55,169	55,167
Reserves		(597)	(1,105)	-	-
Accumulated losses		(10,508)	(11,191)	(24,262)	(22,319)
Equity attributable to owners of the parent		<u>44,064</u>	<u>42,871</u>	<u>30,907</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 YEAR ENDED 31 DECEMBER 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					
- as previously reported	55,167	(1,105)	-	(13,304)	40,758
- prior year restatement	-	-	-	2,113	2,113
- as restated	55,167	(1,105)	-	(11,191)	42,871
Profit for the financial year	-	-	-	683	683
Other comprehensive income for the financial year					
Exchange differences on translating foreign operations	-	508	-	-	508
Total other comprehensive income for the financial year	-	508	-	-	508
Total comprehensive income for the financial year	-	508	-	683	1,191
Issuance of ordinary shares	2	-	-	-	2
Balance at 31 December 2021	55,169	(597)	-	(10,508)	44,064
Balance at 1 January 2020					
- as previously reported	55,167	(601)	121	(9,155)	45,532
- prior year restatement	-	-	-	892	892
- as restated	55,167	(601)	121	(8,263)	46,424
Loss for the financial year					
- as previously reported	-	-	-	(4,270)	(4,270)
- prior year restatement	-	-	-	1,221	1,221
- as restated	-	-	-	(3,049)	(3,049)
Other comprehensive income for the financial year					
Exchange differences on translating foreign operations	-	(504)	-	-	(504)
Total other comprehensive income for the financial year	-	(504)	-	-	(504)
Total comprehensive income for the financial year	-	(504)	-	(3,049)	(3,553)
Transfer upon disposal of investment property	-	-	(121)	121	-
Balance at 31 December 2020	55,167	(1,105)	-	(11,191)	42,871

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 year	-	(1,943)	(1,943)
Issuance of ordinary shares	2	-	2
Balance at 31 December 2021	<u>55,169</u>	<u>(24,262)</u>	<u>30,907</u>
Balance at 1 January 2020	55,167	(22,577)	32,590
Total comprehensive income for the financial year	-	258	258
Balance at 31 December 2020	<u>55,167</u>	<u>(22,319)</u>	<u>32,848</u>

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Financial Year Ended	
	31.12.2021	31.12.2020
	\$'000	\$'000
		(Restated)
Operating activities		
Profit/(Loss) before income tax	939	(2,852)
Adjustments for:		
Depreciation of property, plant and equipment	1,121	1,088
Fair value loss on investment property	-	2,138
Gain on disposal of property, plant and equipment	(71)	(2)
Interest expense	573	675
Interest income	(1)	(29)
Loss on disposal of investment property	-	50
Plant and equipment written off	3	1
Provision made for defects liability	138	139
Provision reversed for contract losses	-	(200)
Provision made for penalty and interest	-	1,152
Share of results of joint ventures	(444)	1,430
Unrealised foreign exchange loss/(gain)	68	(93)
Operating cash flows before working capital changes	<u>2,326</u>	<u>3,497</u>
Working capital changes:		
Development property	-	6,503
Inventories	(24)	48
Trade and other receivables	608	71
Contract assets and contract liabilities	283	(1,221)
Trade and other payables	(2,195)	(818)
Provisions	(17)	(90)
Net cash from operations	981	7,990
Income taxes paid	<u>(3,406)</u>	<u>(14)</u>
Net cash (used in)/from operating activities	<u>(2,425)</u>	<u>7,976</u>
Investing activities		
Purchase of property, plant and equipment (Note 8)	(810)	(151)
Proceeds from disposals of property, plant and equipment	271	26
Proceeds from disposals of investment property	-	5,500
Acquisition of investment property	-	(19,337)
Advances to joint ventures	(1,591)	(1,309)
Interest received	1	29
Net cash used in investing activities	<u>(2,129)</u>	<u>(15,242)</u>

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Financial Year Ended	
	31.12.2021	31.12.2020
	\$'000	\$'000
		(Restated)
Financing activities		
Interest paid	(573)	(675)
Proceeds from issuance of shares	2	-
Proceeds from bank borrowings	-	18,537
Repayment of bank borrowings	(1,325)	(7,286)
Proceeds from lease liabilities	-	156
Repayment of lease liabilities	(288)	(341)
Net cash (used in)/ from financing activities	<u>(2,184)</u>	<u>10,391</u>
Net change in cash and cash equivalents	(6,738)	3,125
Cash and cash equivalents at beginning of financial year	20,575	18,231
Effect of foreign exchange rate changes on cash and cash equivalents	748	(781)
Cash and cash equivalents at end of financial year	<u>14,585</u>	<u>20,575</u>

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 and financial year ended 31 December 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 leasing; and
- (d) Investment holding company.

2. Basis of preparation

The condensed interim financial statements for the six months and financial year ended 31 December 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 condensed interim consolidated financial statements for the six months ended 30 June 2021.

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 YEAR ENDED 31 DECEMBER 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”).

With effect from 1 January 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 more 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 \$282,000 during the financial year ended 31 December 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	(33)	10,110
Contract assets	-	2,585	2,585
Contract liabilities	-	439	439
Accumulated losses	(13,304)	2,113	(11,191)

Consolidated Statements of Comprehensive Income

	As previously reported Financial Year Ended 31.12.2020 \$’000	Adjustments 31.12.2020 \$’000	As restated Financial Year Ended 31.12.2020 \$’000
Revenue	23,954	1,221	25,175

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 statements 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 year.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

4. Segment and revenue information

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.

4.1 Reportable segments

	Construction and engineering \$'000	Property \$'000	Unallocated \$'000	Consolidated \$'000
<u>2HY2021</u>				
Revenue				
Revenue from external customers	10,004	708	-	10,712
Total revenue	<u>10,004</u>	<u>708</u>	<u>-</u>	<u>10,712</u>
Results				
Segment results	1,354	367	(897)	824
Interest income	1	-	-	1
Interest expense	(122)	(166)	(7)	(295)
Depreciation of property, plant and equipment	(510)	-	(58)	(568)
Share of results of joint ventures	-	734	-	734
Profit/(Loss) before income tax	<u>723</u>	<u>935</u>	<u>(962)</u>	<u>696</u>
Income tax expense				(32)
Profit for the financial period				<u>664</u>
Capital expenditure				
Additions to non-current assets	<u>142</u>	<u>-</u>	<u>-</u>	<u>142</u>
Assets and liabilities				
Segment assets	<u>34,465</u>	<u>40,361</u>	<u>1,931</u>	<u>76,757</u>
Segment liabilities	18,152	13,793	582	32,527
Deferred tax liabilities				166
Total liabilities				<u>32,693</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

4. Segment and revenue information (Continued)

4.1 Reportable segments (Continued)

	Construction and engineering \$'000 (Restated)	Property \$'000	Unallocated \$'000	Consolidated \$'000 (Restated)
2HY2020				
Revenue				
Revenue from external customers	9,693	7,643	-	17,336
Total revenue	<u>9,693</u>	<u>7,643</u>	<u>-</u>	<u>17,336</u>
Results				
Segment results	2,263	(653)	940	2,550
Interest income	-	-	(16)	(16)
Interest expense	(115)	(244)	(6)	(365)
Depreciation of property, plant and equipment	(596)	-	(65)	(661)
Fair value loss on investment property	-	(2,138)	-	(2,138)
Share of results of joint ventures	-	(688)	-	(688)
Profit/(Loss) before income tax	<u>1,552</u>	<u>(3,723)</u>	<u>853</u>	<u>(1,318)</u>
Income tax expense				(159)
Loss for the financial period				<u>(1,477)</u>
Capital expenditure				
Additions to non-current assets	<u>106</u>	<u>-</u>	<u>8</u>	<u>114</u>
Assets and liabilities				
Segment assets	<u>33,698</u>	<u>39,145</u>	<u>9,483</u>	<u>82,326</u>
Segment liabilities	19,442	19,342	635	39,419
Deferred tax liabilities				36
Total liabilities				<u>39,455</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

4. Segment and revenue information (Continued)

4.1 Reportable segments (Continued)

	Construction and engineering \$'000	Property \$'000	Unallocated \$'000	Consolidated \$'000
<u>FY2021</u>				
Revenue				
Revenue from external customers	22,095	1,530	-	23,625
Total revenue	<u>22,095</u>	<u>1,530</u>	<u>-</u>	<u>23,625</u>
Results				
Segment results	3,403	912	(2,127)	2,188
Interest income	1	-	-	1
Interest expense	(223)	(337)	(13)	(573)
Depreciation of property, plant and equipment	(997)	-	(124)	(1,121)
Share of results of joint ventures	-	444	-	444
Profit/(Loss) before income tax	<u>2,184</u>	<u>1,019</u>	<u>(2,264)</u>	<u>939</u>
Income tax expense				<u>(256)</u>
Profit for the financial year				<u><u>683</u></u>
Capital expenditure				
Additions to non-current assets	<u>1,175</u>	<u>-</u>	<u>4</u>	<u>1,179</u>
Assets and liabilities				
Segment assets	<u>34,465</u>	<u>40,361</u>	<u>1,931</u>	<u>76,757</u>
Segment liabilities	18,152	13,793	582	32,527
Deferred tax liabilities				<u>166</u>
Total liabilities				<u><u>32,693</u></u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

4. Segment and revenue information (Continued)

4.1 Reportable segments (Continued)

	Construction and engineering \$'000 (Restated)	Property \$'000	Unallocated \$'000	Consolidated \$'000 (Restated)
<u>FY2020</u>				
Revenue				
Revenue from external customers	16,921	8,254	-	25,175
Total revenue	<u>16,921</u>	<u>8,254</u>	<u>-</u>	<u>25,175</u>
Results				
Segment results	2,473	(196)	173	2,450
Interest income	-	-	29	29
Interest expense	(211)	(452)	(12)	(675)
Depreciation of property, plant and equipment	(959)	-	(129)	(1,088)
Fair value loss on investment property	-	(2,138)	-	(2,138)
Share of results of joint ventures	-	(1,430)	-	(1,430)
Profit/(Loss) before income tax	<u>1,303</u>	<u>(4,216)</u>	<u>61</u>	<u>(2,852)</u>
Income tax expense				<u>(197)</u>
Loss for the financial year				<u><u>(3,049)</u></u>
Capital expenditure				
Additions to non-current assets	<u>141</u>	<u>22,407</u>	<u>10</u>	<u>22,558</u>
Assets and liabilities				
Segment assets	<u>33,698</u>	<u>39,145</u>	<u>9,483</u>	<u>82,326</u>
Segment liabilities	19,442	19,342	635	39,419
Deferred tax liabilities				<u>36</u>
Total liabilities				<u><u>39,455</u></u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

4. Segment and revenue information (Continued)

4.2 Disaggregation of revenue (Continued)

Segment	Group Six Months Ended					
	Construction and engineering		Property		Total	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(Restated)				(Restated)	
<u>Type of good or service</u>						
Over time						
- Contract revenue	9,878	9,674	-	-	9,878	9,674
Point in time						
- Sales of construction materials	1	-	-	-	1	-
- Sales of development property	-	-	-	6,880	-	6,880
Lease income	125	19	708	763	833	782
	10,004	9,693	708	7,643	10,712	17,336
<u>Geographical information</u>						
Singapore	10,004	9,693	-	6,961	10,004	16,654
Australia	-	-	708	682	708	682
	10,004	9,693	708	7,643	10,712	17,336

Segment	Group Financial Year Ended					
	Construction and engineering		Property		Total	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(Restated)				(Restated)	
<u>Type of good or service</u>						
Over time						
- Contract revenue	21,897	16,896	-	-	21,897	16,896
Point in time						
- Sales of construction materials	3	1	-	-	3	1
- Sales of development property	-	-	-	6,880	-	6,880
Lease income	195	24	1,530	1,374	1,725	1,398
	22,095	16,921	1,530	8,254	23,625	25,175
<u>Geographical information</u>						
Singapore	22,095	16,921	-	7,100	22,095	24,021
Australia	-	-	1,530	1,154	1,530	1,154
	22,095	16,921	1,530	8,254	23,625	25,175

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

4. Segment and revenue information (Continued)

4.2 Disaggregation of revenue (Continued)

A breakdown of sales:

	31.12.2021	31.12.2020	+ / (-)
	\$'000	\$'000	%
Sales reported for the first half year	12,913	7,839	64.7%
Operating profit/(loss) after tax reported for the first half year	19	(1,572)	N.M.
Sales reported for the second half year	10,712	17,336	(38.2%)
Operating profit/(loss) after tax reported for the second half year	<u>664</u>	<u>(1,477)</u>	N.M.

N.M.: Not meaningful

5. Profit/(Loss) before income tax

5.1 Significant items

	Group			
	Six Months Ended		Financial Year Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<i>Other income</i>				
Interest income	1	(16)	1	29
Gain on disposal of property, plant and equipment	48	14	71	2
Government grants	<u>311</u>	<u>1,085</u>	<u>592</u>	<u>1,707</u>
<i>Cost of services</i>				
Depreciation of property, plant and equipment	339	308	592	514
Provision (reversed)/ made for defects liability	(14)	45	138	139
Provision reversed for contract losses	-	(200)	-	(200)
Plant and equipment written off	-	1	-	1
Material costs	1,422	1,510	2,993	2,482
Short-term leases	<u>230</u>	<u>228</u>	<u>489</u>	<u>460</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

5. Profit/(Loss) before income tax

5.1 Significant items (Continued)

	Group			
	Six Months Ended		Financial Year Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<i>Administrative and other operating expenses</i>				
Depreciation of property, plant and equipment	229	353	529	574
Fair value loss on investment property	-	2,138	-	2,138
Foreign exchange loss/(gain), net	332	(1,475)	716	(1,276)
Loss on disposal of investment property	-	110	-	110
Plant and equipment written off	-	-	3	-
Provision made for penalty and interest	-	1,152	-	1,152
<i>Finance costs</i>				
Interest expense				
- Bank term loans	261	310	510	602
- Lease liabilities	34	55	63	73

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/year 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			
	Six Months Ended		Financial Year Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
<i>Current tax:</i>				
- current period/year	(10)	(24)	124	-
- (over)/under provision in prior years	(53)	264	2	264
	(63)	240	126	264
<i>Deferred tax:</i>				
- current period/year	95	(81)	130	(67)
Total income tax expense	32	159	256	197

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

7. Net asset value

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$ Cents	\$ Cents	\$ Cents	\$ Cents
Net asset value per ordinary share	10.23	9.96	7.18	7.63

As at 31 December 2021, net asset value per ordinary share is computed based on the number of issued ordinary shares of 430,610,283 (2020: 430,583,096) respectively.

8. Property, plant and equipment

During the financial year ended 31 December 2021, the Group acquired assets amounting to \$1,179,000 (2020: \$151,000) and disposed of assets amounting to \$200,000 (2020: \$24,000).

Consolidated statement of cash flows

During the financial year ended 31 December 2021, the Group's additions to property, plant and equipment were financed as follows:

	Group	
	Financial Year Ended	
	31.12.2021	31.12.2020
	\$'000	\$'000
Additions to property, plant and equipment	1,179	151
Acquired under lease agreements	(369)	-
Cash payments to acquire property, plant and equipment	810	151

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
Disposal	-	(5,550)
Fair value loss	-	(2,138)
Currency re-alignment	(807)	1,105
At 31 December	20,567	21,374

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

9. Investment properties (Continued)

Valuation techniques and assumptions

The investment properties were valued by independent professional valuers at each reporting date 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 2021, 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 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 2021, the significant input to the valuation technique using capitalisation approach in respect of the investment property in Australia was the capitalisation rate of 6.00% (2020: 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	
	31.12.2021	31.12.2020
	\$'000	\$'000
		(Restated)
Contract assets	2,460	2,585
Contract liabilities	597	439

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 YEAR ENDED 31 DECEMBER 2021**

11. Borrowings

Borrowings comprise bank term loans and finance lease liabilities by the Group of \$532,000 (2020: \$429,000), which are recorded under "Lease liabilities".

	Group	
	31.12.2021	31.12.2020
	\$'000	\$'000
Amount repayable within one year		
Secured	1,051	1,110
Unsecured	1,220	318
Amount repayable after one year		
Secured	17,988	19,166
Unsecured	3,277	4,682
	<u>23,536</u>	<u>25,276</u>

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			
	2021		2020	
	Number of ordinary shares	\$'000	Number of ordinary shares	\$'000
Issued and fully paid				
At 1 January	430,583,096	55,167	430,583,096	55,167
Conversion of warrant shares	27,187	2	-	-
At 31 December	<u>430,610,283</u>	<u>55,169</u>	<u>430,583,096</u>	<u>55,167</u>

During the financial year, 27,187 warrants were exercised and the Company has allotted and issued 27,187 ordinary shares with issue price of \$0.068 each per warrant. Accordingly, the number of issued and paid up capital has increased from 430,583,096 to 430,610,283. The Company has raised net proceeds of approximately \$2,000.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

13. Financial assets and financial liabilities

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

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	\$'000	\$'000	\$'000	\$'000
		(Restated)		
Financial assets				
Trade and other receivables	9,168	9,570	9,667	9,786
Cash and cash equivalents	14,585	20,575	1,751	9,088
Total financial assets carried at amortised cost	<u>23,753</u>	<u>30,145</u>	<u>11,418</u>	<u>18,874</u>
Financial liabilities				
Trade and other payables	5,687	6,350	20,312	24,030
Bank term loans	23,004	24,847	-	-
Lease liabilities	1,853	1,772	86	149
Total financial liabilities carried at amortised cost	<u>30,544</u>	<u>32,969</u>	<u>20,398</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).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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 1 July 2021	430,583,096	55,167
Conversion of warrants	27,187	2
At 31 December 2021	<u>430,610,283</u>	<u>55,169</u>

As at 31 December 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 31 December 2021, the remaining warrants of 105,615,607 have expired.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2021 and 31 December 2020.

No shares were bought back by the Company during the financial years ended 31 December 2021 and 31 December 2020 respectively.

- (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.

	31.12.2021	31.12.2020
The total number of issued ordinary shares excluding treasury shares	<u>430,610,283</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 31 December 2021 and the related condensed consolidated statement of comprehensive income for the six-month period and financial year then ended, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year 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 financial year ended 31 December 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 year ended 31 December 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.

	Group			
	Six Months Ended		Financial Year Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit/(Loss) per share (based on the profit/(loss) for the financial period):				
Earnings per share ("EPS") in SGD Cents – Basic ⁽¹⁾	0.15	(0.34)	0.16	(0.71)
Weighted average number of ordinary shares in issue	430,605,259	430,583,096	430,594,269	430,583,096
Earnings per share ("EPS") in SGD Cents – Diluted ⁽²⁾	0.15	(0.34) ⁽³⁾	0.16	(0.71) ⁽³⁾
Adjusted weighted average number of ordinary shares in issue	430,605,259	430,583,096 ⁽³⁾	430,594,269	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 as the warrants have expired as at 31 December 2021.
- (3) The Group was in a loss-making position for the six months and financial year ended 31 December 2020. As such, the potential ordinary shares to be converted arising from the outstanding warrants as at 31 December 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 financial year ended 31 December 2021 ("FY2021") as compared to previous corresponding period ended 31 December 2020 ("FY2020")

	FY2021	FY2020	+ / (-)	+ / (-)
	\$'000	\$'000	\$'000	%
Revenue				
- Construction and Engineering Business	22,095	16,921	5,174	30.6%
- Property Business	1,530	8,254	(6,724)	(81.5%)
Total Revenue	23,625	25,175	(1,550)	(6.2%)

The Group recorded a revenue of \$23.63 million for FY2021 compared with \$25.18 million for FY2020.

Revenue from Construction and Engineering Business increased by \$5.18 million to \$22.10 million for FY2021 from \$16.92 million for FY2020 due mainly to the gradual resumption of construction activities from second half of 2020 which continued through 2021, 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 decreased by \$6.72 million to \$1.53 million for FY2021 from \$8.25 million for FY2020 due to the absence of sale of development property and rental income in FY2021 from the Singapore investment property following its disposal in December 2020, partly offset by higher rental income arising from the Melbourne investment property as the acquisition was completed in March 2020.

	FY2021	FY2020	+ / (-)	+ / (-)
	\$'000	\$'000	\$'000	%
Cost of Services				
- Construction and Engineering Business	18,332	15,395	2,937	19.1%
- Property Business	380	6,945	(6,565)	(94.5%)
Total Cost of Services	18,712	22,340	(3,628)	(16.2%)

In tandem, the cost of services for Construction and Engineering Business increased by \$2.94 million to \$18.33 million for FY2021 from \$15.40 million for FY2020. Similarly, the cost of services for Property Business decreased by \$6.57 million to \$0.38 million for FY2021 from \$6.95 million for FY2020.

The gross profit margin ("GPM") for the Construction and Engineering Business was 17.0% and 9.0% for FY2021 & FY2020 respectively. The higher GPM for FY2021 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 FY2020.

Other income, comprising mainly government grants and interest income, decreased by \$0.93 million to \$0.86 million for FY2021 from \$1.79 million for FY2020 due mainly to the lower Job Support Scheme ("JSS") payout and Foreign Worker Levy rebates provided by the Singapore Government.

OTHER INFORMATION (CONTINUED)

Statement of Comprehensive Income (Continued)

Administrative and other operating expenses decreased by \$0.67 million to \$4.70 million for FY2021 from \$5.37 million for FY2020, due mainly to absence of fair value loss on investment property and provision of tax penalties and interest, partly offset by higher staff costs and foreign exchange loss for FY2021 as against foreign exchange gain for FY2020.

Finance costs decreased by \$0.11 million to \$0.57 million for FY2021 from \$0.68 million for FY2020 due mainly to full settlement of two property loans in second half of 2020.

Share of results of joint ventures was a profit of \$0.44 million for FY2021 as compared with a loss of \$1.43 million for FY2020. The increase of \$1.87 million was due mainly to the higher revenue recognised for the sold development units as construction progresses as well as more development units had been sold cumulatively.

Income tax expense increased by \$0.06 million to \$0.26 million for FY2021 from \$0.20 million for FY2020 due mainly to higher taxable profit recorded for Construction and Engineering Business in FY2021 and deferred tax provision on temporary differences.

As a result of the foregoing, the Group registered a profit after income tax of \$0.68 million for FY2021, compared with a loss after income tax of \$3.05 million for FY2020.

Statement of Financial Position

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

Property, plant and equipment decreased to \$11.21 million as at 31 December 2021 from \$11.35 million as at 31 December 2020 due mainly to depreciation and disposal, partly offset by the additions of new plant and equipment during the financial year.

Investment property decreased to \$20.57 million as at 31 December 2021 from \$21.37 million as at 31 December 2020 due to currency re-alignment for the investment property in Melbourne.

Investment in joint ventures increased to \$18.24 million as at 31 December 2021 from \$16.15 million as at 31 December 2020 due mainly to recognition of share of profit of joint ventures and advances extended to the joint ventures during the financial year.

Trade and other receivables decreased to \$9.50 million as at 31 December 2021 from \$10.11 million as at 31 December 2020 due mainly to improvement in receivables collection and the absence of government grant receivables for JSS recorded by the Group, partly offset by higher retention sums held by customers as more construction works were performed and certified.

Net contract assets decreased to \$1.86 million as at 31 December 2021 from \$2.15 million as at 31 December 2020 due mainly to higher certification received from the customers by the Group's construction and engineering segment.

Trade and other payables decreased to \$6.18 million as at 31 December 2021 from \$8.38 million as at 31 December 2020 due mainly to settlement of related tax penalties and interests arising from a subsidiary in Cambodia, absence of goods and services tax ("GST") payable arising from disposal of Singapore investment property in 4th quarter of 2020 and payment made to vendors, partly offset by higher staff bonus provision for the financial year.

OTHER INFORMATION (CONTINUED)

Statement of Financial Position (Continued)

Provisions increased to \$0.48 million as at 31 December 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 year.

Total bank term loans decreased to \$23.00 million as at 31 December 2021 from \$24.85 million as at 31 December 2020 due mainly to currency re-alignment of Australian dollar denominated property loan and repayment during the financial year.

Total lease liabilities increased to \$1.85 million as at 31 December 2021 from \$1.77 million as at 31 December 2020 due to new financing for motor vehicles, partly offset by repayment during the financial year.

Statement of Cashflows

Review of the Group's cashflows for FY2021

The Group incurred net cash outflow from operating activities of \$2.43 million for FY2021 due mainly to net working capital outflow of \$1.35 million and income tax paid of \$3.41 million, partly offset by operating cash inflow before working capital changes of \$2.33 million.

The Group incurred net cash outflow from investing activities of \$2.13 million for FY2021 due mainly to advances to the joint venture projects and purchase of plant and equipment.

The Group incurred net cash outflow from financing activities of \$2.18 million for FY2021 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 \$14.59 million as at 31 December 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.

OTHER INFORMATION (CONTINUED)

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:

(a) Construction and Engineering Business

The Building and Construction Authority¹ (BCA) projects the total construction demand in 2022 to be between S\$27 billion and S\$32 billion. Over the medium term, total construction demand is expected to reach between S\$25 billion and S\$32 billion per year from 2023 to 2026. This reflects sustained demand from both the public and private sectors going forward following a 42% increase to about S\$30 billion in 2021.

The Group expects the operating environment in the construction industry to remain challenging with rising manpower and other operating costs as well as intense competition among the 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.

¹ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2022/01/26/sustained-construction-demand-in-2022-supported-by-public-sector-projects>

(b) Property Business

Cambodia

All 28 units of the first phase of Eco Garden Mall, a 71-unit joint venture shophouse development project, have been fully or partially rented out to generate income for the Group in the near term.

As Cambodia has surpassed its Covid-19 vaccination target and continues to pursue full reopening of the country², the Group will work closely with its joint venture partners to recommence sales and marketing activities for the project's first phase which was previously put on hold due to pandemic-related disruptions.

² <https://www.straitstimes.com/asia/se-asia/cambodia-reopens-to-new-way-of-life-after-beating-covid-19-vaccine-target>

Singapore

According to the real estate statistics released by the Urban Redevelopment Authority³ (URA), prices of non-landed private residential properties in the Core Central Region (CCR) increased by 3.8% in 2021. For the whole of 2021, developers sold 2,521 non-landed private residential units in the CCR, doubling the 1,260 units sold in the previous year. Moving forward, the volumes and prices in the CCR may be affected by the imposition of fresh property cooling measures in December 2021 which have a larger impact on investors and foreigners⁴.

OTHER INFORMATION (CONTINUED)

Nevertheless, competition within the CCR has intensified with 5,982 units of unsold private residential units at the end of fourth quarter of 2021, approximately 42% of the total unsold private residential units (excluding ECs) across Singapore.

The Group will continue to work closely with its joint venture partners in the sales of the development projects for maximum value under the prevailing market conditions.

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

³ <https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr22-08>

⁴ <https://www.cbre.com.sg/about/media-centre/cbre-commentary-on-the-december-monthly-home-sales>

Australia

The Victorian Government has extended the Commercial Tenancy Relief Scheme⁵ by an additional two months to 15 March 2022. 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.

A key tenant occupying approximately 34% of total net lettable area ("NLA") has extended its lease, which originally ended in September 2021, to March 2022 and will vacate thereafter. The leases of three other tenants which together occupy approximately 16% of total NLA will also be due for renewal in 2022.

The Group will continue to proactively engage the tenants on their renewals and market any available spaces in advance to minimise any gaps in rental income.

⁵ <https://www.premier.vic.gov.au/commercial-tenancy-support-extended>

10. Dividend

If a decision regarding dividend has been made:

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

No interim and final dividend has been declared for FY2021.

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

Not applicable. No dividend has been declared for FY2020.

(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 FY2021.

(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.

OTHER INFORMATION (CONTINUED)

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 FY2021 as the Company currently does not have profits available for the declaration of a dividend.

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

	Latest Full Year	Previous Full Year
	\$'000	\$'000
Ordinary	-	-
Preference	-	-
Total	-	-

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

Please see review of performance in paragraph 7 above.

14. 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.

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregated value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
		\$'000	\$'000
Sale of property unit at Sloane Residences to Miss Amanda Ang Yan-Ling ("Miss Ang")	Miss Ang is the daughter of the Company's Executive Chairman and CEO, and substantial shareholder, Mr Ang Boon Cheow Edward	4,151 ⁽¹⁾	-

⁽¹⁾ Refers to the nett sale price of the property unit. The amount at risk to the Group is \$1,162,280.

Please refer to the announcement dated 11 September 2021 for further details.

OTHER INFORMATION (CONTINUED)

15. 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.

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

On 18 October 2021, the Company incorporated a new wholly-owned subsidiary in Singapore, namely Ang Tong Seng Holdings Pte. Ltd., with issued and paid up capital of \$1 comprising 1 ordinary share. Please refer to the announcement dated 18 October 2021 for further details.

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

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ang Boon Cheow Edward	65	Brother of Mr Ang Boon Chong, substantial shareholder	Executive Chairman & CEO Year 1995	N.A.
Joanna Hoon Pang Heng	59	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

28 February 2022

Sponsor's Statement

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

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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