



**OCEAN SKY INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

The board of directors (the “Board” or “Directors”) of Ocean Sky International Limited (the “Company”) hereby announces the condensed interim consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2024, together with the comparative figures for the six months ended 30 June 2023. The Group’s interim results for the six months ended 30 June 2024 are unaudited.

	Note	6 Months Ended		+ / (-)
		30.6.2024	30.6.2023	%
		\$'000	\$'000	
Revenue	4	13,959	16,743	(16.6)
Cost of services		(11,885)	(14,843)	(19.9)
Gross profit		2,074	1,900	9.2
Other income		281	115	144.3
Administrative and other operating expenses		(2,473)	(2,454)	0.8
Finance costs	5	(481)	(328)	46.6
Share of results of joint ventures, net of tax		140	337	(58.5)
Loss before income tax	5	(459)	(430)	6.7
Income tax expense	6	(117)	(267)	(56.2)
Loss for the financial period attributable to owners of the parent		(576)	(697)	(17.4)
Other comprehensive income:				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
- Exchange differences on translating foreign operations		511	351	
Other comprehensive income for the financial period, net of tax		511	351	
Total comprehensive income for the financial period attributable to owners of the parent		(65)	(346)	
Loss per share (cents)				
- Basic and diluted		(0.13)	(0.16)	

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

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

		Group		Company	
	Note	30.6.2024	31.12.2023	30.6.2024	31.12.2023
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	8	10,089	10,371	10	30
Investment property	9	15,660	15,688	-	-
Investments in subsidiaries		-	-	15,328	15,297
Investments in joint ventures		1,756	1,561	-	-
		<u>27,505</u>	<u>27,620</u>	<u>15,338</u>	<u>15,327</u>
Current assets					
Inventories		269	222	-	-
Trade and other receivables	10	21,392	20,452	19,416	19,412
Contract assets	11	3,920	4,841	-	-
Cash and cash equivalents		16,032	15,896	8,831	9,041
		<u>41,613</u>	<u>41,411</u>	<u>28,247</u>	<u>28,453</u>
Less:					
Current liabilities					
Trade and other payables	12	8,090	7,249	17,431	16,969
Contract liabilities	11	1,240	190	-	-
Provisions		305	232	-	-
Bank term loans	13	1,946	1,823	-	-
Lease liabilities	13	255	236	19	18
Current income tax payable		455	498	-	-
		<u>12,291</u>	<u>10,228</u>	<u>17,450</u>	<u>16,987</u>
Net current assets		<u>29,322</u>	<u>31,183</u>	<u>10,797</u>	<u>11,466</u>
Less:					
Non-current liabilities					
Bank term loans	13	14,493	16,236	-	-
Lease liabilities	13	1,680	1,827	24	34
Deferred tax liabilities		213	234	-	-
		<u>16,386</u>	<u>18,297</u>	<u>24</u>	<u>34</u>
Net assets		<u>40,441</u>	<u>40,506</u>	<u>26,111</u>	<u>26,759</u>
Equity					
Share capital	14	55,169	55,169	55,169	55,169
Foreign currency translation reserve		(224)	(735)	-	-
Accumulated losses		(14,504)	(13,928)	(29,058)	(28,410)
Equity attributable to owners of the parent		<u>40,441</u>	<u>40,506</u>	<u>26,111</u>	<u>26,759</u>

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Share capital \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Equity attributable to owners of the parent \$'000
The Group				
Balance at 1 January 2024	55,169	(735)	(13,928)	40,506
Loss for the financial period	-	-	(576)	(576)
Other comprehensive income for the financial period				
Exchange differences on translating foreign operations	-	511	-	511
Total other comprehensive income for the financial period	-	511	-	511
Total comprehensive income for the financial period	-	511	(576)	(65)
Balance at 30 June 2024	<u>55,169</u>	<u>(224)</u>	<u>(14,504)</u>	<u>40,441</u>
Balance at 1 January 2023	55,169	(586)	(11,237)	43,346
Loss for the financial period	-	-	(697)	(697)
Other comprehensive income for the financial period				
Exchange differences on translating foreign operations	-	351	-	351
Total other comprehensive income for the financial period	-	351	-	351
Total comprehensive income for the financial period	-	351	(697)	(346)
Balance at 30 June 2023	<u>55,169</u>	<u>(235)</u>	<u>(11,934)</u>	<u>43,000</u>

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)**

	Share capital \$'000	Accumulated losses \$'000	Equity attributable to owners of the parent \$'000
<u>The Company</u>			
Balance at 1 January 2024	55,169	(28,410)	26,759
Total comprehensive income for the financial period	-	(648)	(648)
Balance at 30 June 2024	<u>55,169</u>	<u>(29,058)</u>	<u>26,111</u>
Balance at 1 January 2023	55,169	(27,472)	27,697
Total comprehensive income for the financial period	-	(969)	(969)
Balance at 30 June 2023	<u>55,169</u>	<u>(28,441)</u>	<u>26,728</u>

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	6 Months Ended	
	30.6.2024	30.6.2023
	\$'000	\$'000
Operating activities		
Loss before income tax	(459)	(430)
Adjustments for:		
Depreciation of property, plant and equipment	477	537
Gain on disposal of property, plant and equipment	(23)	(8)
Interest expense	481	328
Interest income	(180)	(68)
Provision made for defects liability	104	94
Property, plant and equipment written off	6	-
Share of results of joint ventures	(140)	(337)
Unrealised foreign exchange loss	6	2
Operating cash flows before working capital changes	<u>272</u>	<u>118</u>
Working capital changes:		
Inventories	(47)	40
Trade and other receivables	(2,959)	(3,593)
Contract assets and contract liabilities	1,971	92
Trade and other payables	841	274
Provisions	(31)	(17)
Net cash generated from/(used in) operations	<u>47</u>	<u>(3,086)</u>
Income taxes paid	(187)	(107)
Net cash used in operating activities	<u>(140)</u>	<u>(3,193)</u>
Investing activities		
Purchase of property, plant and equipment (Note 8)	(201)	(63)
Increase in investment property	-	(540)
Proceeds from disposals of property, plant and equipment	24	8
Repayment of advances from joint ventures	2,020	11,872
Interest received	180	68
Net cash from investing activities	<u>2,023</u>	<u>11,345</u>
Financing activities		
Interest paid	(481)	(328)
Repayment of bank borrowings	(1,579)	(1,024)
Repayment of lease liabilities	(128)	(143)
Net cash used in financing activities	<u>(2,188)</u>	<u>(1,495)</u>
Net change in cash and cash equivalents	(306)	6,657
Cash and cash equivalents at beginning of financial period	15,896	7,787
Effect of foreign exchange rate changes on cash and cash equivalents	442	422
Cash and cash equivalents at end of financial period	<u><u>16,032</u></u>	<u><u>14,866</u></u>

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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

1. General corporate information

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

These condensed interim consolidated financial statements as at and for the six months financial period ended 30 June 2024 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;
- (b) Wholesales/leasing of construction-related machinery and materials;
- (c) Property developments; and
- (d) Investment holding.

2. Basis of preparation

The condensed interim financial statements for the six months financial period ended 30 June 2024 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 audited financial statements for the financial year ended 31 December 2023.

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 Note 2.1.

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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

2. Basis of preparation (Continued)

2.2 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 2023.

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 significant judgement and estimation made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period, except for the fair value of investment property as disclosed in Note 9 to the condensed interim financial statements.

3. Seasonal operations

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

4. Segment reporting

The Group is organised into the following main business segments:

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

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

	Construction and engineering \$'000	Property \$'000	Unallocated \$'000	Consolidated \$'000
1.1.2024 to 30.6.2024				
Revenue				
Revenue from external customers	13,431	528	-	13,959
Total revenue	<u>13,431</u>	<u>528</u>	<u>-</u>	<u>13,959</u>
Results				
Segment results	1,287	(8)	(1,100)	179
Interest income	51	-	129	180
Interest expense	(149)	(331)	(1)	(481)
Depreciation of property, plant and equipment	(457)	-	(20)	(477)
Share of results of joint ventures	-	140	-	140
Profit/(Loss) before income tax	<u>732</u>	<u>(199)</u>	<u>(992)</u>	<u>(459)</u>
Income tax expense				<u>(117)</u>
Loss for the financial period				<u><u>(576)</u></u>
Capital expenditure				
Additions to non-current assets	<u>201</u>	<u>-</u>	<u>-</u>	<u>201</u>
Assets and liabilities				
Segment assets	<u>35,935</u>	<u>24,305</u>	<u>8,878</u>	<u>69,118</u>
Segment liabilities	16,794	11,419	251	28,464
Deferred tax liabilities				<u>213</u>
Total liabilities				<u><u>28,677</u></u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

4. Segment reporting (Continued)

	Construction and engineering \$'000	Property \$'000	Unallocated \$'000	Consolidated \$'000
1.1.2023 to 30.6.2023				
Revenue				
Revenue from external customers	16,170	573	-	16,743
Total revenue	<u>16,170</u>	<u>573</u>	<u>-</u>	<u>16,743</u>
Results				
Segment results	1,025	153	(1,148)	30
Interest income	35	-	33	68
Interest expense	(96)	(231)	(1)	(328)
Depreciation of property, plant and equipment	(514)	-	(23)	(537)
Share of results of joint ventures	-	337	-	337
Profit/(Loss) before income tax	<u>450</u>	<u>259</u>	<u>(1,139)</u>	<u>(430)</u>
Income tax expense				<u>(267)</u>
Loss for the financial period				<u>(697)</u>
Capital expenditure				
Additions to non-current assets	63	540	-	603
Assets and liabilities				
Segment assets	<u>36,137</u>	<u>28,486</u>	<u>9,283</u>	<u>73,906</u>
Segment liabilities	18,330	12,007	341	30,678
Deferred tax liabilities				228
Total liabilities				<u>30,906</u>
Geographic information				
<u>Revenue by geographical market</u>				
	Singapore \$'000	Australia \$'000	Consolidated \$'000	
1.1.2024 to 30.6.2024				
Construction and engineering	13,431	-	13,431	
Property	-	528	528	
1.1.2023 to 30.6.2023				
Construction and engineering	16,170	-	16,170	
Property	-	573	573	

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

4. Segment reporting (Continued)

Disaggregation of revenue

Segment	Group 6 Months Ended					
	Construction and engineering		Property		Total	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Type of good or service</i>						
Over time						
- Contract revenue	13,275	16,004	-	-	13,275	16,004
Point in time						
- Sales of construction materials	2	10	-	-	2	10
Lease income	154	156	528	573	682	729
	<u>13,431</u>	<u>16,170</u>	<u>528</u>	<u>573</u>	<u>13,959</u>	<u>16,743</u>

5. Loss before income tax

Loss before income tax for the financial period is arrived after charging/(crediting) the following:

5.1 Significant items

	Group 6 Months Ended	
	30.6.2024	30.6.2023
	\$'000	\$'000
<i>Other income</i>		
Interest income	180	68
Government grants	15	32
<i>Cost of services</i>		
Depreciation of property, plant and equipment	277	298
Provision made for defects liability	104	94
Material costs	1,964	2,855
Short-term leases	403	314
<i>Administrative and other operating expenses</i>		
Depreciation of property, plant and equipment	200	239
Foreign exchange loss, net	432	366
Gain on disposal of property, plant and equipment	(23)	(8)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

5. Loss before income tax (Continued)

5.1 Significant items (Continued)

	Group	
	6 Months Ended	
	30.6.2024	30.6.2023
	\$'000	\$'000
<i>Finance costs</i>		
Interest expense		
- Bank term loans	451	292
- Lease liabilities	30	36
	<hr/>	<hr/>

5.2 Related party transactions

In addition to the information disclosed elsewhere in the condensed interim financial statements, the following were significant related party transactions during the financial period:

	Group	
	6 Months Ended	
	30.6.2024	30.6.2023
	\$'000	\$'000
<u>Entity controlled by Non-Executive Director</u>		
Site and market study fee for under utilised land of Melbourne investment property	-	25
	<hr/>	<hr/>

6. Income tax expense

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

	Group	
	6 Months Ended	
	30.6.2024	30.6.2023
	\$'000	\$'000
Current tax:		
- current period	138	86
- under provision in prior years	-	20
	<hr/>	<hr/>
	138	106
Deferred tax:		
- current period	(21)	161
	<hr/>	<hr/>
Total income tax expense	<hr/>	<hr/>
	117	267

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

7. Net asset value

	Group		Company	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023
	\$ Cents	\$ Cents	\$ Cents	\$ Cents
Net asset value per ordinary share	9.39	9.41	6.06	6.21

Net asset value per ordinary share is computed based on the number of issued ordinary shares of 430,610,283 as at 30 June 2024 and 31 December 2023 respectively.

8. Property, plant and equipment

During the six months financial period ended 30 June 2024, the Group acquired assets amounted to \$201,000 (30.6.2023: \$63,000) and disposed of assets amounted to \$1,000 (30.6.2023: \$Nil).

Consolidated statement of cash flows

During the six months financial period ended 30 June 2024, the Group's additions to property, plant and equipment were financed as follows:

	Group	
	30.6.2024	30.6.2023
	\$'000	\$'000
Additions to property, plant and equipment	201	63
Acquired under lease agreements	-	-
Cash payments to acquire property, plant and equipment	201	63

9. Investment property

The Group's investment property consists of a four-story office building, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. The property is leased to third parties under operating leases.

	Group	
	2024	2023
	\$'000	\$'000
<u>At fair value</u>		
At 1 January	15,688	17,357
Addition	-	540
Currency re-alignment	(28)	(289)
At 30 June	15,660	17,608

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

9. Investment property (Continued)

Valuation techniques and assumptions

The investment property was valued by independent professional valuers at recent financial year ended 31 December 2023 who hold a recognised and relevant professional qualification and have recent experience in the location and category of the property held by the Group.

In determining the fair value, the valuers have used capitalisation approach, direct comparison approach and discounted cash flows approach which make reference to certain estimates. The key assumptions used to determine the fair value of investment property include, amongst others, 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 2023, the significant input to valuation techniques using income capitalisation approach in respect of investment property in Australia was the capitalisation rate of 7.00%. An increase in capitalisation rate will result in a decrease to the fair value of the investment property.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

10. Trade and other receivables

	Group		Company	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Third parties	4,729	2,860	-	-
- Accrued income	4,524	3,299	-	-
- Retention sums	6,066	6,244	-	-
Loss allowance	(14)	(14)	-	-
	<u>15,305</u>	<u>12,389</u>	-	-
Other receivables				
- Third parties	225	225	19	26
- Subsidiary	-	-	19,378	19,343
- Joint venture	5,172	7,192	-	-
Deposits	140	194	-	-
Prepayments	550	452	19	43
	<u>21,392</u>	<u>20,452</u>	<u>19,416</u>	<u>19,412</u>

Trade receivables are non-interest bearing and generally have credit terms of 30 to 60 (31.12.2023: 30 to 60) days. Accrued income represents unbilled revenue from work performed by the Group which has been certified by surveyor before the reporting date. Retention receivables are classified as current assets because they are expected to be realised in the normal operating cycle of the Group.

Other receivables due from subsidiaries and joint venture represent advances to and payment on behalf, which are unsecured, non-interest bearing and repayable within the next 12 months.

The Group provides for lifetime expected credit losses for trade receivables based on the Group's historical observed default rates which is adjusted with forward-looking information. At each reporting date, management had assessed the expected credit loss to be insignificant. The loss allowance at the end of each reporting period represents allowances made for trade receivables due from third parties that are credit impaired. There is no change in the estimation techniques made in assessing loss allowance during the financial year/period.

11. Contract assets and contract liabilities

	Group	
	30.6.2024	31.12.2023
	\$'000	\$'000
Contract assets	<u>3,920</u>	<u>4,841</u>
Contract liabilities	<u>1,240</u>	<u>190</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

11. Contract assets and contract liabilities (Continued)

Contract assets primarily relate to the right to consideration for work completed but not yet billed at reporting date for civil engineering works. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the obligation to transfer goods or services to customers for which the Group has received advances from customers for civil engineering works. Contract liabilities are recognised as revenue as the Group fulfils its performance obligations under the contract.

12. Trade and other payables

	Group		Company	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Third parties	4,971	3,912	-	-
- Retention sums	1,337	1,315	-	-
	<u>6,308</u>	<u>5,227</u>	-	-
Other payables				
- Third parties	12	60	5	45
- Subsidiaries	-	-	17,251	16,743
- Penalty and interest	317	310	-	-
Goods and services tax payable	336	10	-	-
Deposit received	78	96	-	-
Accrued expenses	975	1,505	111	140
Accrued Directors' fee	64	41	64	41
	<u>8,090</u>	<u>7,249</u>	<u>17,431</u>	<u>16,969</u>

Trade payables due to third parties are non-interest bearing and are generally settled on 30 to 60 (31.12.2023: 30 to 60) days' credit terms.

The non-trade amounts due to subsidiaries represent collection received on behalf of the subsidiaries, which are unsecured, interest-free and repayable on demand.

Penalty and interest payable pertains to the outstanding withholding tax on deemed dividend distribution of \$317,000 (31.12.2023: \$310,000).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

13. Borrowings

Borrowings by the Group comprise bank term loans and finance lease liabilities of \$671,000 (31.12.2023: \$786,000), which are recorded under "Lease liabilities".

	Group	
	30.6.2024	31.12.2023
	\$'000	\$'000
Amount repayable within one year		
Secured	891	761
Unsecured	1,285	1,273
Amount repayable after one year		
Secured	14,825	16,057
Unsecured	109	754
	17,110	18,845

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

14. Share capital

	Group and Company	
	30.6.2024	31.12.2023
	\$'000	\$'000
Issued and fully paid		
430,610,283 ordinary shares at beginning and end of interim period	55,169	55,169

15. Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities of the Group and the Company as at 30 June 2024 and 31 December 2023 recorded at amortised cost are as follows:

	Group		Company	
	30.6.2024	31.12.2023	30.6.2024	31.12.2023
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Trade and other receivables	20,842	20,000	19,397	19,369
Cash and cash equivalents	16,032	15,896	8,831	9,041
Total financial assets carried at amortised cost	36,874	35,896	28,228	28,410
Financial liabilities				
Trade and other payables	7,437	6,929	17,431	16,969
Bank term loans	16,439	18,059	-	-
Lease liabilities	1,935	2,063	43	52
Total financial liabilities carried at amortised cost	25,811	27,051	17,474	17,021

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

16. 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).

17. 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	\$'000
	Ordinary shares	
At 31 December 2023 and 30 June 2024	<u>430,610,283</u>	<u>55,169</u>

The Company did not have any outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2024 and 30 June 2023.

No shares were bought back by the Company during the six months financial periods ended 30 June 2024 and 30 June 2023 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.

	30.6.2024	31.12.2023
The total number of issued ordinary shares excluding treasury shares	<u>430,610,283</u>	<u>430,610,283</u>

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

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

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

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

OTHER INFORMATION (CONTINUED)

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

The condensed statements of financial position of Ocean Sky International Limited and its subsidiaries as at 30 June 2024 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements for the financial year ended 31 December 2023 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 and the Company have adopted all the applicable new and revised SFRS(I) that become effective for accounting periods beginning 1 January 2024. The adoption of these new and revised SFRS(I) does not have any material impact to the Group's financial statements.

OTHER INFORMATION (CONTINUED)

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	6 Months Ended	
	30.6.2024	30.6.2023
Loss per share (based on the loss for the financial period):		
Loss per share ("EPS") in SGD Cents - Basic ⁽¹⁾	(0.13)	(0.16)
Weighted average number of ordinary shares in issue	430,610,283	430,610,283
Loss per share ("EPS") in SGD Cents – Diluted ⁽²⁾	(0.13)	(0.16)
Weighted average number of ordinary shares in issue	430,610,283	430,610,283

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) For six months ended 30 June 2024 and 30 June 2023 respectively, the diluted EPS is the same as the basic EPS as the Company does not have any dilutive options during the period.

7. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Company is a Singapore-based investment holding company with an interest in the civil engineering, construction and related services business ("**Construction and Engineering Business**"), and the business of property development, investment and management ("**Property Business**").

OTHER INFORMATION (CONTINUED)

Statement of Comprehensive Income

Review of the Group's performance for the 6 months ended 30 June 2024 ("HYE2024") as compared to previous corresponding period ended 30 June 2023 ("HYE2023")

Revenue

	6 Months Ended		+ / (-) \$'000	+ / (-) %
	30.6.2024	30.6.2023		
	\$'000	\$'000		
Revenue				
- Construction and Engineering Business	13,431	16,170	(2,739)	(16.9)
- Property Business	528	573	(45)	(7.9)
Total Revenue	13,959	16,743	(2,784)	(16.6)

The Group recorded a revenue of \$13.96 million for HYE2024 compared with \$16.74 million for HYE2023.

Revenue from Construction and Engineering Business of \$13.43 million for HYE2024 was \$2.74 million lower compared with \$16.17 million for HYE2023 due mainly to a reduced level of construction activities and progress made in various on-going projects.

Revenue from Property Business of \$0.53 million for HYE2024 was \$0.04 million lower compared with \$0.57 million for HYE2023 due to lower occupancy rate achieved by the Melbourne investment property for HYE2024.

Cost of Services

	6 Months Ended		+ / (-) \$'000	+ / (-) %
	30.6.2024	30.6.2023		
	\$'000	\$'000		
Cost of Services				
- Construction and Engineering Business	11,659	14,592	(2,933)	(20.1)
- Property Business	226	251	(25)	(10.0)
Total Cost of Services	11,885	14,843	(2,958)	(19.9)

In line with the decreased construction activities, costs of services for Construction and Engineering Business of \$11.66 million for HYE2024 was \$2.93 million lower compared with \$14.59 million for HYE2023. Meanwhile, the costs of services for Property Business of \$0.23 million for HYE2024 was \$0.02 million marginally lower as compared with \$0.25 million for HYE2023 for the Melbourne investment property.

Gross Profit Margin

The gross profit margin ("GPM") for the Construction and Engineering Business was 13.2% and 9.8% for HYE2024 and HYE2023 respectively. The higher GPM for HYE2024 was due mainly to higher margin projects secured by the Group in HYE2024.

OTHER INFORMATION (CONTINUED)

Statement of Comprehensive Income (Continued)

Other income

Other income of \$0.28 million, comprising mainly government grants and interest income, for HYE2024 was \$0.16 million higher compared with \$0.12 million for HYE2023 due mainly to the higher interest income earned on more short-term fixed deposits placement.

Expenses

Administrative and other operating expenses of \$2.47 million for HYE2024 was \$0.02 million marginally higher compared with \$2.45 million for HYE2023, due mainly to higher unrealised foreign exchange loss arising from the depreciation of Singapore dollar against United States dollar ("USD") for the USD denominated financial liabilities, partly offset by lower employee benefits expenses.

Finance costs of \$0.48 million for HYE2024 was \$0.15 million higher compared with \$0.33 million for HYE2023 due mainly to higher interest rates for the Melbourne and Singapore property loans.

Share of profits of joint ventures

Share of results of joint ventures was a profit of \$0.14 million for HYE2024 as compared with a profit of \$0.34 million for HYE2023. The decrease of \$0.2 million was due mainly to the completion of development project.

Income tax expense

Income tax expense of \$0.12 million for HYE2024 was \$0.15 million lower compared with \$0.27 million for HYE2023 due mainly to deferred tax provision on temporary differences, partly offset by higher taxable profit recorded for Construction and Engineering Business in HYE2024.

Loss after income tax

As a result of the foregoing, the Group registered a loss after income tax of \$0.58 million for HYE2024, compared with a loss after income tax of \$0.70 million for HYE2023.

Statement of Financial Position

Review of the Group's financial position as at 30 June 2024 as compared to 31 December 2023

Non-current assets

Property, plant and equipment decreased to \$10.09 million as at 30 June 2024 from \$10.37 million as at 31 December 2023 due mainly to the depreciation during the financial period, partly offset by additions of new plant and equipment.

Investment property decreased to \$15.66 million as at 30 June 2024 from \$15.69 million as at 31 December 2023 due to the currency re-alignment of Australian dollar denominated investment property in Melbourne.

Investment in joint ventures increased to \$1.76 million as at 30 June 2024 from \$1.56 million as at 31 December 2023 due mainly to recognition of share of profit of joint ventures for the financial period.

OTHER INFORMATION (CONTINUED)

Statement of Financial Position (Continued)

Current assets

Trade and other receivables increased to \$21.39 million as at 30 June 2024 from \$20.45 million as at 31 December 2023 due mainly to higher certification received on work done from customers towards the end of financial period by the Group's Construction and Engineering Business, partly offset by the repayment of shareholder loan extended to a joint venture.

Net contract assets decreased to \$2.68 million as at 30 June 2024 from \$4.65 million as at 31 December 2023 due mainly to higher certification received on the work done from the customers by the Group's Construction and Engineering Businesses, which resulted in higher receivables as discussed above.

Non-current liabilities and current liabilities

Trade and other payables increased to \$8.09 million as at 30 June 2024 from \$7.25 million as at 31 December 2023 due mainly to higher level of construction activities by the Group's Construction and Engineering Business towards the end of financial period.

Provisions increased to \$0.31 million as at 30 June 2024 from \$0.23 million as at 31 December 2023 due to increase in provision of defects liability for the completed projects, offset by the utilisation of provision during the financial period.

Total bank term loans decreased to \$16.44 million as at 30 June 2024 from \$18.06 million as at 31 December 2023 due mainly to repayment and currency re-alignment of AUD denominated property loan during the financial period.

Total lease liabilities decreased to \$1.94 million as at 30 June 2024 from \$2.06 million as at 31 December 2023 due to repayment during the financial period.

Statement of Cashflows

Review of the Group's cashflows for HYE2024

The Group recorded net cash outflow of \$0.14 million from operating activities for HYE2024 due mainly to net working capital outflow of \$0.22 million and income tax paid of \$0.19 million, partly offset by operating cash inflow before working capital changes of \$0.27 million.

The Group recorded net cash inflow of \$2.02 million from investing activities for HYE2024 due mainly to repayment from joint venture and interest income received, partly offset by purchase of plant and equipment.

The Group recorded net cash outflow of \$2.19 million from financing activities for HYE2024 due mainly to the repayment of bank borrowings and payment obligations under leases, as well as payment of interest expenses.

Overall, total cash and cash equivalents increased from \$15.90 million as at 31 December 2023 to \$16.03 million as at 30 June 2024 after taking into effect of foreign exchange rate changes.

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

The Group's results for the six months financial period ended 30 June 2024 is consistent with the profit guidance announcement released by the Company on 6 August 2024.

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

While the broader long-term outlook for the construction and property industries is positive, the operating environment remains challenging over the next 12 months.

(a) Construction and Engineering Business

Advance estimates released by the Ministry of Trade and Industry Singapore (MTI)¹ on 12 July 2024 indicated that Singapore's construction sector grew by 4.3% year-on-year in the second quarter of 2024 and 4.1% in the first quarter of 2024, supported by an increase in public sector construction output. In comparison, the sector's growth was 6.6% in the second quarter of 2023 and 6.9% in the first quarter of 2023².

Amidst the slower pace of growth, the Group expects the operating environment in the construction industry to remain challenging with higher operating costs. Construction materials and labour costs remain elevated amidst inflationary pressures.

The Group continues to focus on improving its overall productivity and operational efficiency to mitigate the impact of these challenges as it builds its orderbook for sustainable growth.

(b) Property Business

Singapore

Cairnhill 16, the Group's joint venture development in the Core Central Region (District 9), achieved its Temporary Occupation Permit (TOP) in April 2024. Following the completion of Cairnhill 16, the Group will continue to take a prudent approach in evaluating potential opportunities for future development projects amidst a competitive environment.

Australia

The Group continues to engage property agents to secure new tenants for the existing vacant space of its investment property, 541 Blackburn Rd, Melbourne, to achieve full occupancy rate. The Group successfully secured one new tenant in March 2024. Asset enhancement works including landscaping and exterior improvements are being carried out to continue to retain and attract tenants.

Interest costs remain high with the current official cash rate as determined by the Reserve Bank of Australia³ (RBA) standing at a 12-year high of 4.35%. Furthermore, the Victorian Absentee Owner Surcharge (i.e. foreign land tax surcharge) rate has increased from 2% to 4% effective 1 January 2024⁴. Both factors may consequently affect the overall returns of investments.

¹ MTI 12 July 2024, [Singapore's GDP grew by 2.9% in the second quarter of 2024](#)

² MTI 14 July 2023, [Singapore's GDP grew by 0.7% in the second quarter of 2023](#)

³ RBA 19 June 2024, [Cash rate target](#)

⁴ SRO 25 March 2024, [Absentee owner surcharge](#)

OTHER INFORMATION (CONTINUED)

Cambodia

Eco Garden Mall, a joint venture shophouse development project, continues to generate rental income for the Group in the near term. The Group continues to work closely with its joint venture partners to intensify its sales and marketing efforts in Cambodia.

10. Dividend

If a decision regarding dividend has been made:

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

No interim dividend has been declared for HYE2024.

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

Not applicable. No dividend has been declared for HYE2023.

(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 HYE2024.

(d) The date the dividend is payable?

Not applicable.

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

Not applicable.

11. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for HYE2024 as the Company currently does not have profits available for the declaration of a dividend.

12. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

There was no disclosable interested person transaction during the financial period under review.

OTHER INFORMATION (CONTINUED)

13. 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.

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

One dormant subsidiary namely, P.D.A.C. Ocean Sky Sdn Bhd was strike off during the financial period ended 30 June 2024.

Save as disclosed above, the Company did not acquire or dispose shares in any companies during the six months financial period ended 30 June 2024.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months financial period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ang Boon Cheow Edward

Chia Boon Kuah

BY ORDER OF THE BOARD

Low Wei Han
Company Secretary

14 August 2024

Sponsor's Statement

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.