OCEAN SKY

OCEAN SKY INTERNATIONAL LIMITED

2023

ANNUAL REPORT

OCEAN SKY

OCEAN SKY INTERNATIONAL LIMITED

CONTENTS

Sponsor's Statement

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

This annual report 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 annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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.

CORPORATE PROFILE

Ocean Sky International Limited ("**Ocean Sky**" or the "**Company**" and together with its subsidiaries, the "**Group**") is a Catalist-listed construction and property company. The Group is engaged in the civil engineering, construction and related services business ("**Construction and Engineering Business**"), and the business of property development, investment and management ("**Property Business**").

Construction and Engineering Business

Ocean Sky, through its wholly-owned subsidiary Ang Tong Seng Holdings Pte. Ltd., owns a 100% stake in two civil engineering and construction companies, namely Ang Tong Seng Brothers Enterprises Pte Ltd ("**ATSB**") and Ang Tong Seng Construction Pte. Ltd. ("**ATSC**"), that operate primarily in Singapore.

Established in 1981, ATSB specialises in detailed and high-quality engineering services such as earthwork, roadwork, drainage work, basement work and structural works involving demolition and underground infrastructure as well as other general building works.

Registered with the Building and Construction Authority of Singapore, ATSB is currently classified under Grade C3 for General Building category and Grade C1 for Civil Engineering category.

To increase productivity and improve service delivery to customers, ATSC was established in 2018 to streamline the Group's civil engineering operations through the wholesaling and leasing of construction-related machinery, equipment, materials and supplies.

Property Business

Ocean Sky continues to grow its property development and investment business in Singapore and the Asia Pacific region. The Group has established a successful track record and continues to explore suitable property development and investment opportunities.

Property Development

Singapore

The Group successfully completed the redevelopment and sale of a 456 square metre luxury detached house at Nim Drive. The project which commenced in 2017 marks the Group's successful foray into the property development business in Singapore.

As part of Ocean Sky's approach to develop synergistic partnerships, the Group's wholly-owned subsidiary, Arctic Sky Investment Pte. Ltd., entered into a joint venture with Tiong Seng Holdings Limited and formed TSky Development Pte. Ltd. ("**TSky Development**") in 2017 to enhance its presence in Singapore's property development market.

TSky Development successfully completed the redevelopment and sale of Sloane Residences and Cairnhill 16. Located at 17 Balmoral Road in District 10, Sloane Residences is a 12-storey freehold development featuring an exclusive collection of 52 stunning residences nestled in an impeccable neighbourhood of distinction. Located at 16 Cairnhill Rise in District 9, Cairnhill 16 is a 15-storey luxury hilltop development with 39 exclusive units nestled in a serene enclave that is a short walk to the heart of Orchard Road.

Cambodia

The Group's wholly-owned subsidiary, Pacific Sky Investment Pte. Ltd., together with its joint venture partners CIAC Investment Limited and Centra Properties Pte. Ltd., are developing a proposed 71-unit shophouse development project, Eco Garden Mall, on a freehold land area of approximately 9,185 square metres in Kandal Province. The sale of the first phase, comprising 28 completed units, is currently ongoing.

Property Investment

Australia

The Group's investment property in Melbourne, Australia's second-largest city, provides a source of recurring rental income.

541 Blackburn Road is a four-storey office building with a net lettable area ("**NLA**") of 3,555 square metres in Melbourne's Monash Technology precinct. Sitting on a freehold site area measuring 6,210 square metres, this investment property offers a 150-metre-long corner street frontage and has 157 on-site parking lots.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr Ang Boon Cheow Edward
Executive Chairman & Chief Executive Officer

Mr Toh David Ka Hock
Lead Independent Director

Mr Tan Teng Wee
Independent Director

Ms Tan Min-Li
Independent Director

Mr Chia Boon Kuah
Independent Director

AUDIT COMMITTEE
Mr Toh David Ka Hock (Chairman)
Mr Tan Teng Wee
Ms Tan Min-Li
Mr Chia Boon Kuah

NOMINATING COMMITTEE
Mr Tan Teng Wee (Chairman)
Mr Ang Boon Cheow Edward
Mr Toh David Ka Hock
Ms Tan Min-Li
Mr Chia Boon Kuah

REMUNERATION COMMITTEE
Ms Tan Min-Li (Chairman)
Mr Toh David Ka Hock
Mr Tan Teng Wee
Mr Chia Boon Kuah

COMPANY SECRETARY
Mr Low Wei Han

REGISTERED OFFICE AND BUSINESS ADDRESS
29 Tuas South Street 1
Singapore 638036
Tel: (65) 6789 9988
Fax: (65) 6789 9933
https://www.oceanskyintl.com

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel: (65) 6536 5355
Fax: (65) 6536 1360

AUDITORS
BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Partner in Charge: Mr William Ng Wee Liang
(First appointed in respect of the financial year ended
31 December 2021)

SPONSOR
UOB Kay Hian Private Limited
8 Anthony Road
#01-01
Singapore 229957

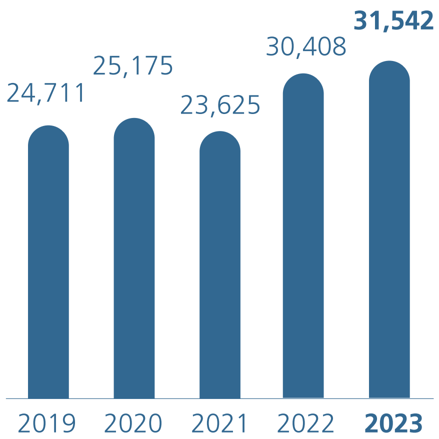
BANKERS
DBS Bank Limited
United Overseas Bank Limited

FINANCIAL HIGHLIGHTS

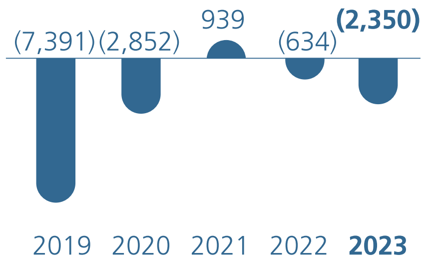
(S$'000)	2019	2020	2021	2022	2023
SUMMARISED COMPREHENSIVE INCOME STATEMENT					
Revenue	24,711	25,175	23,625	30,408	**31,542**
(Loss)/Profit before income tax	(7,391)	(2,852)	939	(634)	**(2,350)**
Net (loss)/profit attributable to owners of the parent	(7,472)	(3,049)	683	(729)	**(2,691)**
SUMMARISED FINANCIAL POSITION STATEMENT					
Non-current assets	34,186	48,880	50,010	36,282	**27,620**
Current assets	40,450	33,446	26,747	38,747	**41,411**
Current liabilities	(17,868)	(14,250)	(9,963)	(22,713)	**(10,228)**
Non-current liabilities	(10,344)	(25,205)	(22,730)	(8,970)	**(18,297)**
Equity	46,424	42,871	44,064	43,346	**40,506**
FINANCIAL RATIOS					
(Loss)/Earnings per share (SGD cents)	(1.74)	(0.71)	0.16	(0.17)	**(0.62)**
(Loss)/Profit before income tax margin	(29.9%)	(11.3%)	4.0%	(2.1%)	**(7.5%)**
Net (loss)/profit margin	(30.2%)	(12.1%)	2.9%	(2.4%)	**(8.5%)**
Net tangible assets per share (SGD cents)	10.78	9.96	10.23	10.07	**9.41**
Return on assets	(10.0%)	(3.7%)	0.9%	(1.0%)	**(3.9%)**
Return on equity	(16.1%)	(7.1%)	1.6%	(1.7%)	**(6.6%)**

FINANCIAL HIGHLIGHTS

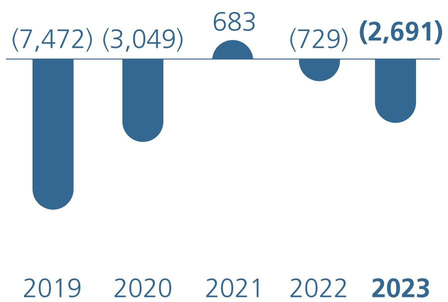
Revenue in S$'000



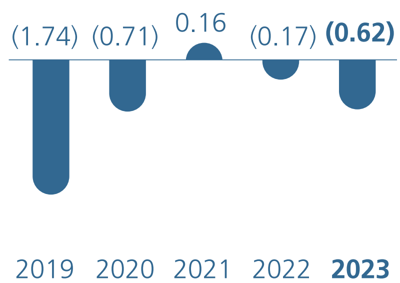
(Loss)/Profit before income tax in S$'000



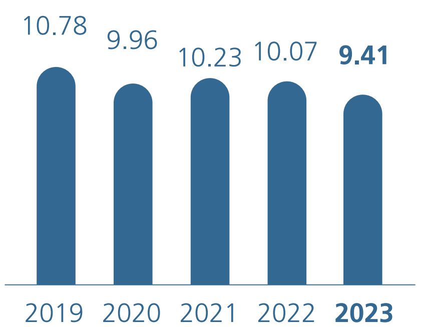
Net (loss)/profit attributable to owners of the parent in S$'000



(Loss)/Earnings per share in SGD cents



Net tangible assets per share in SGD cents



BOARD OF DIRECTORS

Mr Ang Boon Cheow Edward

Executive Chairman & Chief Executive Officer

Mr Ang Boon Cheow Edward is the Executive Chairman and Chief Executive Officer of the Group and is also a member of the Nominating Committee.

Mr Ang has more than 30 years' experience in the construction and civil engineering sector. From 1992 to 2003, Mr Ang was the Managing Director of Ang Tong Seng Brothers Enterprises Pte Ltd ("**ATSB**") and oversaw the company's business development, strategic planning and project management. Between 2003 and 2016, Mr Ang was the Non-Executive Chairman of ATSB and maintained oversight of ATSB's operations at the board level. In 2016, ATSB became a wholly-owned subsidiary of the Group and Mr Ang was appointed Executive Director of ATSB.

Following Ocean Sky's business diversification in 2013, Mr Ang drives the Group's Property Business. As a director at TSky Development Pte. Ltd., the Group's 40%-owned joint venture company, Mr Ang was actively involved in the planning, design and development of the high-end residential projects, Sloane Residences and Cairnhill 16.

In his various roles, Mr Ang provides strong leadership to the Group in the area of strategic direction and planning, and has been instrumental in spearheading the Group's expansion since its inception.

Mr Ang holds a Bachelor's degree in Business Administration from the University of Oklahoma, USA and is currently the Chairman for International Affairs Committee and a Council Member of Singapore Chinese Chamber of Commerce & Industry as well as a member of the Singapore Institute of Directors.

Mr Chia Boon Kuah

Independent Director

Mr Chia Boon Kuah is a member of the Audit, Nominating and Remuneration Committees.

Mr Chia was Group President and CEO of GuocoLand Limited, overseeing its real estate investment, development and asset management in Singapore, China, Malaysia and Vietnam. Prior to that, he was the Executive Director and COO of Far East Organization, one of Asia's largest real estate groups. He contributed actively to product development, designing customer journeys, leading the development of marketing strategies for all residential, commercial, hospitality and mixed-use developments.

Mr Chia also played a leading role in international business development for Far East Organization's businesses in real estate and hospitality. He was Chairman of the Far East Hospitality Business Group, the Corporate Leasing Business Group, and a Founding Board Member of Far East Hospitality REIT. He was President of the Real Estate Developers' Association of Singapore from 2013 to 2015, and sat on the board of the National Healthcare Group, Singapore Polytechnic, NUS Real Estate Institute and the Singapore Hotel Association. He has decades of experience in general management, including 25 years with Singapore Airlines.

Mr Chia holds a Bachelor's degree in Engineering from the Heriott Watt University in UK and has a Master in Business Administration from the National University of Singapore.

BOARD OF DIRECTORS

Mr Toh David Ka Hock

Lead Independent Director

Mr Toh David Ka Hock is the Lead Independent Director and also the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

During the period from 1975 to 1990, Mr Toh worked at various accounting firms in Sydney and Hong Kong. Mr Toh joined the then Coopers and Lybrand, Singapore as a Tax Principal in 1990 and later served as the Head of Corporate Tax. After Coopers and Lybrand merged with Pricewaterhouse to form PricewaterhouseCoopers, Mr Toh was the leader for providing tax advice on mergers and acquisition transactions in Asia and the Head of China Desk. Mr Toh retired from PricewaterhouseCoopers, Singapore in July 2007.

Mr Toh holds a Bachelor's degree in Commerce from the University of New South Wales, Australia and is a member of the Institute of Chartered Accountants Australia + New Zealand.

Mr Tan Teng Wee

Independent Director

Mr Tan Teng Wee is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

Mr Tan was previously the Managing Director of PSC Freyssinet (S) Pte Ltd, an international specialist civil engineering contracting company. He has more than 30 years of experience in specialist civil engineering and project management.

Mr Tan graduated with a Bachelor of Engineering (Civil) from the National University of Singapore and a Graduate Diploma in Marketing from the Marketing Institute of Singapore. He is a Fellow member of the Institution of Engineers Singapore and a registered P.E. (Civil) with the Professional Engineers Board.

Ms Tan Min-Li

Independent Director

Ms Tan Min-Li is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

Ms Tan is currently a Partner at CNPLaw LLP, a firm of advocates and solicitors in Singapore, and has over 15 years of experience in the legal profession. Ms Tan has considerable experience in the areas of initial public offerings, regional investments, corporate restructuring, cross border joint ventures and mergers and acquisitions in the region. She regularly advises on Singapore Exchange compliance and corporate governance issues. Ms Tan heads the Corporate Finance Practice Group, Greater China Practice Group and Japan Focus Group at CNPLaw LLP. Her principal areas of practice are in corporate and financial services with particular emphasis on corporate finance and mergers and acquisitions in Singapore and the region. Prior to joining CNPLaw LLP in 2003, she was a Partner with KhattarWong, a firm of advocates and solicitors in Singapore, and had also held other positions at other law firms since graduation.

Ms Tan graduated with a Bachelor of Laws (Honours) from the National University of Singapore and a Master of Laws from the University College London, University of London, and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1992. Ms Tan currently sits on the board of three other listed companies in Singapore – Anchun International Holdings Ltd., Union Steel Holdings Limited and GSH Corporation Limited.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Chia Boon Kuah and Mr Tan Teng Wee (collectively, the "**Retiring Directors**" and each a "**Retiring Director**") are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 30 April 2024 ("**AGM**").

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules of SGX-ST:

	MR CHIA BOON KUAH	MR TAN TENG WEE
Date of Appointment	1 December 2017	1 October 2020
Date of last re-appointment	29 April 2022	28 April 2021
Age	66	67
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration and the search and nomination process)	The Board of Directors (the "**Board**") of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Chia Boon Kuah for re-appointment as Independent Director of the Company. The Board have reviewed and concluded that Mr Chia possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors (the "Board") of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Tan Teng Wee for re-appointment as Independent Director of the Company. The Board have reviewed and concluded that Mr Tan possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director, Chairman of the Remuneration Committee and a member Audit Committee and Nominating Committee	Independent Non-Executive Director, Chairman of Nominating Committee and a member Audit Committee and Remuneration Committee
Professional qualifications	Master of Business Administration from the National University of Singapore Bachelor of Engineering from the Heriott Watt University, United Kingdom	Bachelor of Engineering (Civil) from the National University of Singapore Graduate Diploma in Marketing from the Marketing Institute of Singapore Fellow member of the Institute of Engineers Singapore Professional Engineer (Civil) of the Professional Engineers Board

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR CHIA BOON KUAH	MR TAN TENG WEE
Working experience and occupation(s) during the past 10 years	2003 to 2014: Chief Operating Officer of Property Sales and Executive Director of Far East Organisation. 2012 to 2017: Board Member and Member of Investment Committee of Singapore Polytechnic 2013 to 2015: President, Real Estate Developer's Association of Singapore 2014 to 2015: Director, Group President and Chief Executive Officer of GuocoLand Limited 2015 to 2019: Board Member and Member of Property Committee, Singapore National Healthcare Group	1991 to 2017: Managing Director of PSC Freyssinet (S) Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	None	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Director of:– 1. TSky Development Pte Ltd 2. TSky Balmoral Pte Ltd 3. TSky Cairnhill Pte Ltd	Director of Starburst Holdings Limited
Present	Director of:– 1. Ocean Sky International Limited 2. Scion Group Pte. Ltd. 3. Ela World Pte. Ltd.	Director of Ocean Sky International Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

		MR CHIA BOON KUAH	MR TAN TENG WEE
a)	Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No
b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No
c)	Whether there is any unsatisfied judgement against him?	No	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud of dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f)	Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation of dishonesty on his part?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		MR CHIA BOON KUAH	MR TAN TENG WEE
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

KEY MANAGEMENT

Mr Ang Boon Cheow Edward

Chief Executive Officer

Mr Ang Boon Cheow Edward spearheads the Group's overall corporate strategies where he plans and oversees the Corporate Services division. He is responsible for leading Ocean Sky in its overall corporate support including finance & accounting, IT, corporate social responsibility, administration and human resource management functions.

Mr Low Wei Han

Financial Controller

Mr Low Wei Han is responsible for the overall planning and management of the Group's financial, taxation and corporate governance functions. He also plays an important advisory role towards the formulation of the Group's strategic development plans.

TEAMWORK

We place collaborative effort at the heart of our business, encouraging people to participate and be involved

INTEGRITY

We uphold the highest standards of transparency and honesty in our commitments to our clients, business partners and stakeholders

INNOVATION

We strive to find different solutions to better serve our clients

QUALITY

We emphasise expertise, innovation and efficiency in all that we do

OWNERSHIP

We encourage team members to take pride and personal accountability in their work, acting with the company's long-term success in mind

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board and management, I am pleased to present to you the annual report of Ocean Sky International Limited ("**Ocean Sky**" or the "**Group**") for the financial year ended 31 December 2023 ("**FY2023**").

In 2023, the global economy faced persistently high inflationary pressures amidst tighter monetary policy, leading to an increase in both operating and financing costs for businesses across industries. Within Southeast Asia, optimism over China's post-pandemic reopening soon turned to concern over its slower than expected economic recovery. Yet Southeast Asian economies successfully weathered the storm and avoided a recession despite global economic uncertainties.

While the Singapore economy expanded by 1.1% in 2023, the construction sector grew by 5.2%, improving from the 4.6% growth in 2022. The growth was supported by expansions in both public and private sector construction works.

Revenue from the Group's Construction and Engineering Business increased by 4.2% from S$29.18 million for the financial year ended 31 December 2022 ("**FY2022**") to S$30.42 million for FY2023. This was mainly due to higher levels of construction activities and progress made in various ongoing projects in Singapore. The gross profit margin for the Construction and Engineering Business was marginally lower at 11.8% for FY2023 due to the increase in overall business costs.

Revenue from the Group's Property Business decreased by 7.9% from S$1.22 million for FY2022 to S$1.13 million for FY2023 mainly due to the lower occupancy rate achieved by the Group's investment property in Melbourne, Australia. We continue to actively engage property agents to secure new tenants for the existing vacant space. In addition, asset enhancement works including landscaping and exterior improvements are being carried out to continue to retain and attract tenants.

In Cambodia, 27 of 28 units of Eco Garden Mall, a joint venture shophouse development project, have been partially or fully rented out, generating income for the Group in the near term. Located in Kandal Province, Eco Garden Mall is well-served by highways and other infrastructure given its proximity to the nation's capital, Phnom Penh. The Group continues to work closely with its joint venture partners to increase its sales and marketing efforts.

In Singapore, the Group has achieved yet another significant milestone as its joint venture redevelopment project, Cairnhill 16, has been fully taken up with an average selling price of S$2,885 psf. This follows the earlier completion of Sloane Residences in FY2022, which was fully sold at an average selling price of S$2,882 psf.

Following its completion, the Group expects shareholder loans extended to the project to be returned and this will further strengthen the Group's capital and financial resources. For FY2023, the Group recorded net cash from investing activities of S$12.07 million which was mainly due to repayment from joint ventures.

Outlook

The Group is encouraged by the continued pick-up in Singapore's construction activity. The Building and Construction Authority projects the total construction demand in 2024 to be between S$32 billion and S$38 billion, supported by steady demand from both the public and private sectors.

CHAIRMAN'S STATEMENT

In particular, public sector construction demand in 2024 is expected to come mainly from public housing and infrastructure projects including the Housing Development Board's new Build-To-Order developments, Cross Island MRT Line, Changi Airport Terminal 5, Tuas Port developments and other major road and drainage improvements works.

Amidst growing construction demand, the Group will work tirelessly towards building its orderbook for sustainable growth. However, the Group expects the operating environment in the construction industry to remain challenging with higher operating costs. In particular, construction materials and labour costs remain elevated amidst inflationary pressures. In order to mitigate the impact of these challenges, the Group will continue to focus on improving its overall productivity and operational efficiency.

The successful completion of Sloane Residences and Cairnhill 16 has established the Group's track record in luxury residential developments in Singapore's prime districts and reaffirms its strategy of pursuing joint venture projects with trusted partners.

However, property development and investment activities continue to be impacted by rising inflationary cost pressure and high interest rates. In addition, the higher Additional Buyer's Stamp Duty rates announced in April 2023 may continue to dampen demand from foreign homebuyers in the high-end market. The Group will take a prudent approach in evaluating potential opportunities for future development projects amidst a challenging environment.

Among Singapore-listed property companies, the Group was not alone in issuing a profit warning for FY2023 with fair value losses on overseas investment properties as the main reason.

At the time of writing, the current official cash rate as determined by the Reserve Bank of Australia stands at a 12-year high of 4.35%. Amidst soaring interest rates, the shift to remote work and uncertain business conditions, commercial property values and office leasing demand may be subdued in the near term. These external headwinds may further impact the Group's return on investment from its investment property in Melbourne, Australia.

Global economic growth is set to gradually recover in line with an expected easing of monetary policy which could alleviate interest cost pressures, sustain property demand and lead to firmer asset values. However, downside risks in the global economy remain significant. Further instability due to military conflict in the Middle East or Ukraine could weigh on global trade and growth. In addition, persistent inflation could lead to higher-for-longer interest rates, thereby weakening the economic recovery momentum.

The Group's balance sheet remains resilient in the face of external headwinds. We remain committed to growing our property development and investment portfolio in Singapore and the Asia Pacific region in a prudent and sustainable manner.

Acknowledgements

On behalf of the Board, I wish to express our deep gratitude to our shareholders and stakeholders for their continued support as we forge ahead in our long-term goal to establish Ocean Sky as a trusted property developer and investor.

With your support, Ocean Sky will continue to expand its capabilities, explore new opportunities for growth and create long-term value.

Yours Sincerely,

Ang Boon Cheow Edward
Executive Chairman & Chief Executive Officer

FINANCIAL REVIEW

Revenue and Other Income

The Group recorded a revenue of S$31.54 million for the financial year ended 31 December 2023 ("**FY2023**") compared with S$30.41 million for the financial year ended 31 December 2022 ("**FY2022**").

Revenue from the Group's Construction and Engineering Business increased by S$1.24 million from S$29.18 million for FY2022 to S$30.42 million for FY2023 due mainly to the higher level of construction activities and progress made in various ongoing projects, as well as an increase in assets leasing income.

Revenue from the Group's Property Business decreased by S$0.09 million from S$1.22 million for FY2022 to S$1.13 million for FY2023 due mainly to the lower occupancy rate achieved by the Group's investment property in Melbourne, Australia.

Other income, comprising mainly interest income, decreased by S$0.06 million from S$0.45 million for FY2022 to S$0.39 million for FY2023 due mainly to the lower grants received from the Singapore Government to support businesses affected by COVID-19. This was partly offset by higher interest income earned on more short-term fixed deposit placements at higher interest rates.

Share of results of joint ventures decreased by S$1.78 million from S$1.88 million for FY2022 to S$0.10 million for FY2023 due mainly to lower net contribution from joint venture projects.

Expenses

Administrative and other operating expenses decreased by S$0.39 million from S$6.60 million for FY2022 to S$6.21 million for FY2023, due mainly to the absence of unrealised foreign exchange loss as well as lower staff costs. This was partly offset by higher fair value loss on the Group's investment property in Melbourne, Australia.

Finance cost increased by S$0.33 million from S$0.50 million for FY2022 to S$0.83 million for FY2023 due mainly to higher interest rates for the Melbourne and Singapore property loans.

Income tax expense increased by S$0.24 million from S$0.10 million for FY2022 to S$0.34 million for FY2023 due mainly to higher taxable profit recorded for the Group's Construction and Engineering Business.

As a result of the above, the Group registered a loss after income tax of S$2.69 million for FY2023, compared with a loss after income tax of S$0.73 million for FY2022.

FINANCIAL REVIEW

Financial Position

Property, plant and equipment decreased to S$10.37 million as at 31 December 2023 from S$11.28 million as at 31 December 2022 due mainly to depreciation and disposal, partly offset by additions of new plant and equipment during the financial year.

Investment property decreased to S$15.69 million as at 31 December 2023 from S$17.36 million as at 31 December 2022 due to fair value loss and currency re-alignment for the Group's Australian dollar denominated investment property in Melbourne. This was partly offset by additional refurbishment costs incurred during the financial year.

Investment in joint ventures decreased to S$1.56 million as at 31 December 2023 from S$7.64 million as at 31 December 2022 due mainly to repayments and reclassification of shareholder loan extended to a joint venture which is expected to be received in the next 12 months. This was partly offset by recognition of share of profit of joint ventures.

Trade and other receivables decreased to S$20.45 million as at 31 December 2023 from S$25.92 million as at 31 December 2022 due mainly to the repayment of shareholder loan extended to a joint venture. This was partly offset by higher retention sums recorded by the Group's Construction and Engineering Business.

Net contract assets increased to S$4.65 million as at 31 December 2023 from S$4.52 million as at 31 December 2022 due mainly to the increase in construction activities by the Group's Construction and Engineering Business.

Trade and other payables decreased to S$7.25 million as at 31 December 2023 from S$7.96 million as at 31 December 2022 due mainly to lower purchases of construction materials and subcontractor costs for the Group's Construction and Engineering Business in the 4th quarter of 2023.

Provisions decreased to S$0.23 million as at 31 December 2023 from S$0.43 million as at 31 December 2022 due mainly to the utilisation and reversal of provisions during the financial year.

Total bank term loans decreased to S$18.06 million as at 31 December 2023 from S$20.12 million as at 31 December 2022 due mainly to repayment of property loans during the financial year.

Total lease liabilities decreased to S$2.06 million as at 31 December 2023 from S$2.35 million as at 31 December 2022 due to repayment during the financial year.

Cashflows

The Group recorded net cash outflow of S$0.90 million from operating activities for FY2023 due mainly to net working capital outflow of S$1.89 million and income tax paid of S$0.16 million. This was partly offset by operating cash inflow before working capital changes of S$1.15 million.

The Group recorded net cash inflow of S$12.07 million from investing activities for FY2023 due mainly to repayment from joint venture and interest income received. This was partly offset by additional refurbishment costs incurred by the Group's Melbourne investment property and the purchase of plant and equipment.

The Group recorded net cash outflow of S$3.01 million from financing activities for FY2023 due mainly to the repayment of bank borrowings and payment obligations under leases, as well as payment of interest expenses.

Overall, the Group's total cash and cash equivalents increased from S$7.79 million as at 31 December 2022 to S$15.90 million as at 31 December 2023.

CORPORATE GOVERNANCE

Ocean Sky International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance, and adherence to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") so as to ensure greater transparency, accountability and maximisation of long-term shareholder value. This report outlines the Company's corporate governance practices throughout the financial year ended 31 December 2023 ("**FY2023**"). The Company has complied with the principles of the Code and appropriate explanations have been provided in the relevant sections below where there are deviations from the provisions of the Code.

(A) BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS

The Board of Directors (the "**Board**") comprises:

Mr Ang Boon Cheow Edward	(Executive Chairman & Chief Executive Officer)
Mr Toh David Ka Hock	(Lead Independent Director)
Mr Tan Teng Wee	(Independent Director)
Ms Tan Min-Li	(Independent Director)
Mr Chia Boon Kuah	(Independent Director)

All the Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. The Board's key responsibilities are in the following areas:

- formulate the Group's overall corporate strategies and directions and ensure adequate resources are available to meet these objectives;
- assume responsibility for overall performance of the Group;
- approve major funding, investment and divestment decisions;
- ensure adequate and effective system of internal controls and risk management processes to safeguard shareholders' interest and Group's assets;
- ensure compliance with statutory and financial reporting requirements, including approval of results, annual report and financial statements;
- ensure compliance with the law and the Company's Constitution;
- determine and propose payment of dividends;
- provide guidance and advice to the Management;
- determine and monitor corporate governance practices;
- identify key shareholder groups and recognise their perceptions affect the Group's reputation;
- set the Group's value and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and
- consider sustainability issues including environmental and social factors in the formulation of the Group's strategies.

CORPORATE GOVERNANCE

Matters that require the Board's approval include, amongst others, the following:

- strategic direction of the Group;
- business practices and risk management of the Group;
- major funding proposals, investment and divestment proposals;
- the Group's internal control, financial performance, compliance practices and resources allocation;
- material acquisitions and disposal of assets;
- convening of shareholders' meetings;
- corporate or financial restructuring;
- share issuance, dividends and other returns to shareholders;
- interested person transaction; and
- any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution.

The Board and the Management fully appreciate that an effective and robust board whose members engage in open and constructive debate and challenge the Management on its assumptions and proposals is fundamental to good corporate governance. The Directors on the Board have the appropriate core competencies and diversity of experience to enable them to contribute effectively. They are able to objectively raise issues and seek clarification as and when necessary from the Board and the Management on matters pertaining to their area of responsibilities and actively help the Management in the development of strategic proposals and oversees the effective implementation by Management to achieve the objectives set. All Directors are expected to exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his/her knowledge. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions. Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she would immediately declare his/her interest and not participate when the conflict-related matter is discussed, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she abstains from voting in relation to the conflict-related matters and refrains from exercising any influence over the other members of the Board.

When a new director is to be appointed, a formal letter of appointment setting out the duties and obligations shall be given to the new Director. The Company ensures that incoming new Directors are given guidance and orientation program by the Management to get them familiarised with the Group's businesses, organisation structure, corporate strategies and policies, and corporate governance practices upon their appointment and to facilitate the effective discharge of their duties.

CORPORATE GOVERNANCE

For new Directors who do not have prior experience as a director of a public listed company in Singapore, they will have to undergo a training programme, particularly courses conducted by the Singapore Institute of Directors, to develop the requisite individual skills, such as knowledge on the Companies Act 1967 of Singapore and the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The new Directors will be given training appropriate to the level of their previous experience and provided with extensive background information about the Group's history and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. The new Directors will also have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations.

No new director has been appointed for FY2023.

The Board is updated on a regular basis on key changes in relevant regulatory requirements, the Code, financial reporting standards, risk management and industry-related matters so as to enable them to properly discharge their duties as Board or Board Committee members.

For FY2023, the Board was briefed on the strategic and business development of the Group by the Chief Executive Officer (the "**CEO**") and financial reporting updates by the external auditors. Releases issued by the SGX-ST, Accounting and Corporate Regulatory Authority ("**ACRA**"), Building and Construction Authority, Urban Redevelopment Authority and Workplace Safety and Health Council which are relevant to the Board, including but not limited to the Code, SGX regulatory updates and recommendations of ACRA's Financial Reporting Surveillance Programme, were circulated to the Board by the Company Secretary. Appropriate external training for Directors conducted by the SID and other organisations will be arranged by the Company when necessary.

The Board has also delegated specific responsibilities to three committees namely, the Audit Committee (the "**AC**"), the Nominating Committee (the "**NC**") and the Remuneration Committee (the "**RC**") (collectively, the "**Board Committees**") to assist in the execution of its responsibilities. These Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The Board acknowledges that while these Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

The composition of the Board and Board Committees are as follows:–

Name of Director	Designation	AC	RC	NC
Ang Boon Cheow Edward	Executive Chairman & Chief Executive Officer	–	–	Member
Toh David Ka Hock	Lead Independent Director	Chairman	Member	Member
Tan Teng Wee	Independent Director	Member	Member	Chairman
Tan Min-Li[(1)]	Independent Director	Member	Chairman	Member
Chia Boon Kuah[(2)]	Independent Director	Member	Member	Member

CORPORATE GOVERNANCE

Notes:

(1) Ms Tan Min-Li will be retiring after the conclusion of the forthcoming AGM of the Company for the financial year ended 31 December 2023.

(2) Consequent to the retirement of Ms Tan Min-Li, Mr Chia Boon Kuah will be appointed as the Chairman of RC after the conclusion of the forthcoming AGM of the Company for the financial year ended 31 December 2023.

The Board meets at least two times each year. Ad-hoc meetings are held whenever circumstances require. The Company's Constitution allows the Board to convene meetings through teleconferencing, video conferencing or similar communication equipment whereby all persons participating in the meeting are able to hear one another.

The number of meetings held and the attendance of each Director at every Board and Board Committee meetings during FY2023 are as follows:

		Meetings							
		Board		AC		RC		NC	
		Number of meetings							
Name of Director	**Designation**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Ang Boon Cheow Edward	Executive Chairman & Chief Executive Officer	3	3	N/A	N/A	N/A	N/A	2	2
Toh David Ka Hock	Lead Independent Director	3	3	2	2	2	2	2	2
Tan Teng Wee	Independent Director	3	3	2	2	2	2	2	2
Tan Min-Li	Independent Director	3	3	2	2	2	2	2	2
Chia Boon Kuah	Independent Director	3	3	2	2	2	2	2	2

All Directors are required to declare their board representations. When a Director has multiple board representation, the NC will consider whether the Director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

The NC has reviewed and is satisfied that Ms Tan Min-Li, with multiple board representations and other principal commitments, has been able to devote sufficient time and attention to the affairs of the Company to adequately and satisfactorily discharge their duties as Director of the Company, notwithstanding her multiple appointments and commitments in FY2023.

The Board, particularly the Independent Directors, are kept well informed of the Group's businesses and are knowledgeable about the industries the Group operates in. To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to the Management, and have sufficient time and resources to discharge their oversight functions effectively. The Independent Directors also receive Board briefings on prospective deals and potential developments at an early stage before formal Board approval is sought.

CORPORATE GOVERNANCE

Key management personnel ("**KMP**") provide material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Such information includes Board papers, updates to the Group's operations and the markets in which the Group operates in, budgets, consolidated management accounts, and internal and external auditors' reports.

Board members have unrestricted access to the Company's records and are given all information and documents in advance of each Board and Board Committee meeting. Any additional materials or information requested by the Directors to make informed decisions are promptly furnished by the Management.

All the Directors have separate and independent access to the Company Secretary who attends all Board and Board Committee meetings and prepares minutes of meetings. The Company Secretary is responsible for ensuring that Board procedures are followed and that the relevant rules and regulations, including requirements of the Companies Act 1967 of Singapore and Securities and Futures Act 2001, and the provisions in the Catalist Rules are complied with. The Company Secretary also assists the Executive Chairman in ensuring good information flows within the Board and its Board Committees, and between the Management and the Board. The appointment and removal of the Company Secretary are subject to the approval of the Board.

Subject to the approval of the Executive Chairman, the Management can assist the Directors, either individually or as a group, to obtain independent professional advice to assist them in furtherance of their duties, at the expense of the Company.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

As at the date of this Annual Report, the Board has five members consisting one Executive Director, four Independent Directors.

In view that the Chairman of the Board (the "**Executive Chairman**") is not independent, Provisions 2.2 and 2.3 of the Code are met whereby the majority of the Board members are independent non-executive directors.

The Company has a written policy on Board Diversity, which endorses the principal that its Board should have a balance of skill, knowledge, experience and diversity of perspectives appropriate to the Group's business to promote the inclusion of different perspectives and ideas, to mitigate against group think. Taking into account the nature and scope of the Group's businesses and the number of Board Committees, in concurrence with the NC, the Board believes that the current size and composition provide sufficient diversity without interfering with efficient decision making.

The NC believes that the current composition and size of the Board provides an appropriate balance of skills, experience, gender and knowledge, which facilitates effective decision-making. At present, the Board has one female Independent Director, namely Ms Tan Min-Li. In addition, it consists of directors with ages ranging from 55 to 72 years old, who have served on the Board for different tenures. The NC has not set a specific target for board diversity as it may detract from the more fundamental principle that the candidate must be of the right fit and meet relevant needs and vision of the Company. The NC shall endeavour to ensure that the female candidates are included for consideration when identifying candidates to be appointed as new Directors.

CORPORATE GOVERNANCE

The Board members possess the core competencies in areas such as accounting and finance, legal, business and management experience, relevant industry knowledge and strategic planning experience to lead and control the Company. In particular, the Executive Director and one of the Independent Director possess good industry knowledge while the Independent Directors, who are mostly professionals and experts in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent judgement during Board deliberations.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience, customer-based experience or knowledge, regardless of gender or age.

The Board takes steps to maintain or enhance its balance and diversity through annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board and an annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent Directors.

After due consideration and with the concurrence of the NC, the Board is of the view that Ms Tan Min-Li has demonstrated strong independence character and judgement over the years in discharging her duties and responsibilities as Independent Director of the Company. She has expressed individual viewpoints, debated issues and objectively scrutinised and challenged the Management. She also sought clarification and amplification of relevant matters, as deemed required, including through direct access to the Management.

Taking into account of the above, and to avoid an abrupt loss of member with experience and institutional memory, the Board with the concurrence of the NC has affirmed her independence status and resolved that Ms Tan Min-Li continues to be considered as Independent Director, notwithstanding she has served on the Board beyond nine years from the date of her first appointment on 15 May 2014. In determination of the independence of Ms Tan Min-Li by the NC, she recused herself.

Under Rule 406(3)(d)(iv) of the Catalist Rules, Ms Tan Min-Li will no longer be deemed independent after the conclusion of the forthcoming AGM of the Company for the financial year ended 31 December 2023. As such, she will retire as the director of the Company at the AGM to facilitate board's renewal.

The role of Independent Directors is to constructively challenge and help develop proposals on strategy, review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

The Lead Independent Director makes himself available to shareholders at the Company's general meetings if they have concerns relating to matters for which the Executive Chairman and Management were informed but have failed to resolve, or where such contact is inappropriate. The Lead Independent Director is also responsible for leading the meetings of Independent Directors and providing feedback to the Executive Chairman on matters discussed at such meetings. Mr Toh David Ka Hock has been appointed as the Lead Independent Director of the Company with effect from 1 October 2020.

No query or request on any matters which requires the Lead Independent Director's attention were received during FY2023.

CORPORATE GOVERNANCE

When necessary, the Independent Directors meet without the presence of Management to discuss and review any matters regarding the Group and the chairman of such meetings provides feedback to the Board and/or Chairman as appropriate. The Independent Directors meet at least once a year without the presence of the Management.

The composition of the Board and independence of each Independent Director are reviewed annually by the NC. All the Independent Directors have confirmed in writing of their independence in accordance with the Code.

The NC, in its deliberation as to the independence of a Director, took into account examples of relationships as set out in the Code, considered whether a Director had business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independence judgement. The Independent Directors do not have any relationship as stated in the Code that would otherwise deem him/her not to be independent.

PRINCIPLE 3: EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Ang Boon Cheow Edward assumes the roles of the Executive Chairman and CEO. The Board believes that this arrangement is appropriate as a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters. The Board feels that the separation of the said roles is not necessary after taking into consideration, *inter alia*, the size and capabilities of the Board, the size and operations of the Group, and the safeguards currently in place.

As the Executive Chairman, Mr Ang schedules board meetings, determines meeting agendas in consultation with other Board members, co-ordinates the flow of information between the Management and Board, and ensures compliance with the Code, with the assistance of the Company Secretary. As the CEO, Mr Ang takes a leading role in developing the businesses of the Group and manages the day-to-day operations with the assistance of KMP. He also oversees the execution of the business and corporate strategy decisions made by the Board.

Led by the Lead Independent Director, the Independent Directors meet periodically without the presence of the Executive Director, and the Lead Independent Director provides feedback to the Executive Chairman and CEO after such meetings as appropriate. In FY2023, the Independent Directors had met two times in the absence of the Executive Director.

The NC, the RC and the AC are all chaired by the Independent Directors.

PRINCIPLE 4: BOARD MEMBERSHIP

The NC comprises:

Mr Tan Teng Wee (Chairman)	Independent Director
Mr Toh David Ka Hock	Lead Independent Director
Mr Ang Boon Cheow Edward	Executive Chairman & Chief Executive Officer
Ms Tan Min-Li	Independent Director
Mr Chia Boon Kuah	Independent Director

A majority of the NC members, including the Chairman of the NC, are Independent Directors. The NC holds at least one meeting in each financial year. The Lead Independent Director is also a member of the NC.

CORPORATE GOVERNANCE

The principal functions of the NC under its written terms of reference include:

- review the structure, size and composition (including the skills, qualifications, experience and diversity) of the Board and Board Committees;
- nominate directors (including independent directors) taking into consideration each director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group and the directors' respective commitments outside the Group including their principal occupation and board representations in other companies;
- review and recommend the appointment and re-appointment of directors (including alternate directors, if applicable);
- determine annually whether or not a director (including alternate director) of the Company is independent having regard to the Code and any other salient factors;
- review the process for evaluating the effectiveness and performance of the Board and its committees;
- assess the performance of the Board, the Board Committees and contribution of each director to the effectiveness of the Board;
- recommend the membership of the Board Committees to the Board;
- review of succession plans for the Board Chairman, Directors, Chief Executive Officer and KMP of the Company;
- review and decide, in respect of a director who has multiple board representations on various companies, whether or not, such director is able to and has been adequately carrying out his/her duties as a director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his/her duties towards other principal commitments;
- determine and recommend to the Board on the maximum number of listed company board representations which any director may hold;
- review training and professional development programmes for the Board; and
- review any new employment of persons related to the director(s) and substantial shareholder(s), and the proposed terms of their employment.

The considerations in assessing the capacity of Directors include the expected and/or competing time commitments of Directors, geographical location of Directors, size and composition of the Board, and the nature and scope of the current Group's operations. The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all the Directors have discharged their duties adequately for FY2023.

The Board has not capped the maximum number of listed company board representations each Director may hold as the NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments, and not guided by a numerical limit. The NC is of the view that the existing multiple board representations presently held by Ms Tan Min-Li do not impede her performance in carrying out her duties to the Company. The NC will continue to review from time to time the board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately.

CORPORATE GOVERNANCE

For FY2023, there was no alternate director on the Board.

The NC would assess the performance of each Director in accordance with the performance criteria set by the Board, which included, *inter alia*, commitment of time, knowledge and abilities, teamwork and overall effectiveness. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval. The NC would review the performance criteria used in assessing the performance of the Directors from time to time and will recommend revised performance criteria to be approved by the Board to better assess the performance of the Directors.

On a regular basis, the NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of strengths and weaknesses of the existing Board to complement and strengthen the Board. The NC may tap on the Directors' personal contacts and recommendations and/or through search companies in identifying suitable candidates for new appointment as director and interview each proposed candidate for directorship based on the qualification and experience of such candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's businesses in line with its strategic objectives. The Board is also advised by the Sponsor on the appointment of directors as required under Catalist Rule 226(2)(d). The NC would then recommend the appropriate candidate to the Board for consideration and approval. For FY2023, no new Director has been appointed to the Board.

Succession planning is a crucial element of the Group's corporate governance process. The NC will seek to refresh the Board membership progressively and in an orderly manner.

New directors are appointed by way of a Board resolution, after the NC approves their appointments. Such new directors must submit themselves for re-election at the next Annual General Meeting ("**AGM**") of the Company pursuant to Article 88 of the Company's Constitution.

Article 89 of the Company's Constitution requires one-third of the Board (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) to retire by rotation at every AGM and be re-elected at least once every three years.

The date of initial appointment and the date of last re-election of the Directors are set out below:

Name of Director	Date of Initial Appointment	Date of Last Re-election
Ang Boon Cheow Edward	15 August 1995	29 April 2022
Tan Min-Li	15 May 2014	28 April 2023
Chia Boon Kuah	1 December 2017	29 April 2022
Toh David Ka Hock	1 October 2020	28 April 2023
Tan Teng Wee	1 October 2020	28 April 2021

CORPORATE GOVERNANCE

According to Article 89 of the Company's Constitution, Mr Chia Boon Kuah and Mr Tan Teng Wee will retire at the Company's forthcoming AGM and will submit themselves for re-election. The retiring Directors have offered themselves for re-election. In making the recommendations, the NC had considered the retiring Directors' overall contribution and performance. The Board has accepted the recommendation of the NC.

In addition, Ms Tan Min-Li will retire as the director after the conclusion of the Company's forthcoming AGM.

Key information regarding the Directors can be found on pages 6 to 7 of the Annual Report. Shareholdings of Mr Ang Boon Cheow Edward, Executive Chairman & CEO, can be found on page 114 of the Annual Report. The Independent Directors do not hold any shares in the Company.

The Directors who are seeking re-election at the forthcoming AGM will be stated in the Notice of AGM. The disclosure of information on the Directors seeking re-election can be found on pages 8 to 11 of the Annual Report.

PRINCIPLE 5: BOARD PERFORMANCE

The NC is responsible for recommending and implementing a process to assess the performance and effectiveness of the Board and Board Committees as well as the contributions of each individual Director to the overall effectiveness of the Board. The NC uses a self-assessment process to assess the contribution by each Director to the effectiveness of the Board. The criteria for assessing Directors include assessing each Director's integrity, independent mindedness, contribution and commitment to the role taking into consideration, *inter alia*, attendance at meetings, the participation and quality of contributions at meetings and functional expertise. The review of the Board and Board Committees' performance is undertaken collectively by the Board annually taking into account the performance criteria such as the Board/Board Committees composition and functions, the Board procedures, inputs to strategic planning, accountability and profitability of the Group. In assessing the effectiveness of the Board and Board Committees as a whole, both quantitative and qualitative criterions are considered. The results of the assessments are analysed and discussed with a view to implementing any recommendation(s) to enhance the effectiveness of the Board.

For FY2023, no external facilitator has been engaged to perform the Board assessment process. Where relevant and when the need arises, the NC will consider such an engagement. The NC has assessed the Board and Board Committees' performances to-date, as well as the performance of each individual Director, and is of the view that the Board and Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. The Board has met its performance objectives for FY2023.

CORPORATE GOVERNANCE

(B) REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The RC comprises:

Ms Tan Min-Li (Chairman)	Independent Director
Mr Toh David Ka Hock	Lead Independent Director
Mr Tan Teng Wee	Independent Director
Mr Chia Boon Kuah	Independent Director

All members of the RC are Independent Non-Executive Directors. The RC holds at least one meeting in each financial year.

The principal functions of the RC under its written terms of reference include:

- recommend to the Board a remuneration policy/framework for directors, CEO and KMP;
- review the remuneration of employees related to the directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- review the ongoing appropriateness and relevance of the Company's remuneration policy for the Board and KMP;
- review any major changes in the benefits or remuneration structures of the Board and KMP;
- review the design of all long-term and short-term incentive plans for approval by the Board and/or shareholders, if required;
- review the contractual terms to ensure any termination payments are fair to the Board and KMP of the Company; and
- review the strategies for talent management and succession planning of Board, Chairman, CEO and KMPs of the Company.

Each RC member will not participate in discussions, and abstain from decision-making, in relation to any remuneration, compensation, options or any form of benefits to be granted to him/her. No Director is involved in deciding his/her own remuneration, compensation or any form of benefits to be granted to him/her.

If necessary, the RC would seek professional advice internally and/or externally pertaining to the remuneration of all Directors. For FY2023, the RC did not engage any external remuneration consultant to advise on remuneration matters.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The RC is in charge of overseeing the performance-related remuneration system to ensure that the interests of the shareholders are aligned with the Board and Management in order to promote the long-term success of the Group.

CORPORATE GOVERNANCE

In setting the remuneration packages, the RC considers that the level of remuneration should be appropriate to attract, retain and motivate the Directors and KMP to run the Group successfully.

The remuneration package of the KMP comprises a basic salary component and a variable component where the annual bonus is based on the performance of the Group as a whole and his individual performance. This is designed to align the remuneration of the KMP with the interests of shareholders and link rewards to corporate and individual performance.

The remuneration package of the Executive Director under service contract comprises a basic salary component, fixed annual bonus component, variable performance-related component which is based on the profitability level of the Group as a whole and other benefits-in-kind. The service contract has a fixed appointment period and does not have excessively long or onerous removal from office clauses. The Executive Director is not paid director's fees.

The performance conditions chosen for the Group to remain competitive and to motivate the Executive Director and KMP to work in alignment with the goals of all stakeholders included both qualitative and quantitative criteria. The RC has reviewed and is satisfied that the performance conditions were met for FY2023.

Having reviewed and considered the variable components of the Executive Director and the KMP, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of the Executive Director's remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for shareholders.

The Board concurred with the RC that the proposed directors' fees are appropriate and that the Independent Directors receive directors' fees in accordance with their level of contribution, taking into account factors such as effort and time spent in serving on the Board and Board Committees, as well as the responsibilities and obligations of the Independent Directors. The Company recognises the need to pay competitive fees to attract, motivate and retain the Independent Directors without being excessive.

Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.

The Company did not have any share-based compensation scheme or any long-term scheme involving the offer of shares in place to encourage the Independent Directors to hold shares in the Company in FY2023.

CORPORATE GOVERNANCE

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The Group's remuneration policy is to provide compensation packages at market rates comprising a fixed component, a variable component and other benefits-in-kind. The fixed and variable components are in the form of a base salary and variable bonus that is linked to the performance of the Group and individual, which seek to reward successful performance and attract, retain and motivate the Executive Director and KMP to run the Group successfully.

The breakdown of remuneration of Directors of the Company for FY2023 are as follows:

Name of Director	Salary %	Bonus %	Incentive Bonus %	Fees %	Benefits-in-kind %	Total %
(a) Between S$500,001 and S$750,000						
Ang Boon Cheow Edward	76	19	–	–	5	100
(b) Below S$250,000						
Toh David Ka Hock	–	–	–	100	–	100
Tan Teng Wee	–	–	–	100	–	100
Tan Min-Li	–	–	–	100	–	100
Chia Boon Kuah	–	–	–	100	–	100

The Company has only one KMP who is not director in FY2023.

Key Management	Salary %	Bonus %	Incentive Bonus %	Fees %	Benefits-in-kind %	Total %
Below S$250,000						
Low Wei Han	89	11	–	–	–	100

The Board is of the view that it would not be in the best interest of the Group to disclose the specific remuneration of each individual Director and KMP (who are not directors or the CEO), in light of the sensitivities of remuneration in a small and medium size enterprise environment, for competitive reasons. The Board believes that the above disclosure of the remuneration in bands of S$250,000 provides sufficient overview and is of the opinion that such disclosure would be adequate for purposes of compliance with the provision of the Code.

There are no termination, retirement, post-employment benefits that may be granted to the Executive Director, save for the standard contractual notice period termination payment in lieu of service.

CORPORATE GOVERNANCE

Ms Hoon Pang Heng Joanna, Vice President, Corporate Affairs of the Company, is the spouse of Mr Ang Boon Cheow Edward, who is the Executive Chairman & CEO of the Company and controlling shareholder of the Company. The remuneration of Ms Hoon Pang Heng Joanna was between S$100,001 to S$150,000 for FY2023. The breakdown of the remuneration is as follows:

	Salary %	Bonus %	Benefits-in-kind %	Total %
Between S$100,001 and S$150,000				
Hoon Pang Heng Joanna (Spouse of Ang Boon Cheow Edward)	91	–	9	100

Save as disclosed above, there was no other employee of the Group who was a substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeded S$100,000 in FY2023.

The Company does not have any share-based compensation schemes or any long-term scheme involving the offer of shares.

(C) ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the internal processes of the Group in a manner which address stakeholders' expectations and do not expose the Group to an unacceptable level of operational, financial, compliance and information technology risks. The Board approves the key management policies and ensures a sound system of risk management and internal controls.

Management highlights and discusses (if any) salient risk management matters to the Board on a half-yearly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls.

The Group does not have a Risk Management Committee. The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC, with the assistance of external risk management consultant and internal auditors.

The Management regularly reviews the Company's business, operations and activities to identify possible areas of significant business risks to the Board as well as to implement appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Board and AC.

CORPORATE GOVERNANCE

The Board acknowledges that it is responsible for ensuring that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets. In addition to determining the approach to risk governance, the Board sets and instils the right risk-focused culture throughout the Group for effective risk governance. The AC, together with the Board, reviews the effectiveness of the Group's system of internal controls put in place to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information are reliable. The AC evaluates the findings of the external and internal auditors on the Group's internal controls annually. Internal audit function of the Group is outsourced to a third party professional firm.

The Group does not utilise sophisticated and complex computer systems in its operations and considers its exposure to information technology risks to be relatively low.

The Board is of the opinion that the system of internal controls maintained by the Management and that was in place throughout the financial year was adequate and provides reasonable, but not absolute, assurance against material financial misstatements of loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk.

For FY2023, the Board has received assurance from the CEO and Financial Controller that:

– the Group's risk management and internal controls system in place is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks; and

– the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

Based on the framework of risk management controls and internal controls established and maintained by the Group, work performed by the external and internal auditors and reviews performed by the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems in place, which addresses the financial, operational, compliance and information technology risks were adequate and effective as at 31 December 2023.

PRINCIPLE 10: AUDIT COMMITTEE

The AC comprises:

Mr Toh David Ka Hock (Chairman)	Lead Independent Director
Mr Tan Teng Wee	Independent Director
Ms Tan Min-Li	Independent Director
Mr Chia Boon Kuah	Independent Director

All members of the AC are Independent Non-Executive Directors.

CORPORATE GOVERNANCE

The Board ensures that the members of the AC are qualified to discharge their responsibilities. The members of the AC, collectively, bring with them many years of accounting and related financial management, legal, economics and marketing expertise and experience. The AC has at least 2 members, including the AC Chairman, who have recent and relevant accounting and related financial management expertise and experience.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The AC holds at least two meetings in each financial year.

The duties of the AC include:

- review with the external auditors their audit plans, their evaluation of the system of internal controls, their audit report, their management letter and the management's response thereto and discuss any concerns and issues arising from their audits including any matters which the external auditors may wish to discuss in the absence of management, where necessary;
- review key financial risk areas and key audit matters;
- review with the internal auditors their internal audit plans, which includes a review of the interested person transactions including the guidelines and procedures for the monitoring of all such transactions, and their evaluation of the adequacy and effectiveness of internal control and accounting system and the management's response, and discuss any matters which the internal auditors may wish to discuss in the absence of the management, where necessary;
- review the independence and objectivity of the external and internal auditors, taking into account the non-audit services provided by them, as well as consider the appointment or re-appointment of the external and internal auditors and matters relating to resignation or dismissal of the auditors, including approving the remuneration and terms of engagement of the external and internal auditors;
- make recommendations to the Board on the proposals to the shareholders where applicable, with regard to the appointment, re-appointment and removal of external and internal auditors, and approve the remuneration and terms of engagement of the auditors;
- review the half-yearly and full-year, if applicable, consolidated financial statements and any formal announcements relating to the Group's financial performance before their submission to the Board;
- review all interested person transactions and determine methods or procedures for checking that the transaction prices are adequate for transactions to be carried out on normal commercial terms, and that they will not prejudice the Company or its minority shareholders;
- review potential conflicts of interests (if any);
- review all hedging policies and instruments, if any, to be implemented by the Group;
- review the policy and procedures by which the employees may, in confidence, raise concerns to the chairman of the AC on possible improprieties in matters of financial reporting or other matters, and ensure that there are arrangements in place for the independent investigations of such matter and for appropriate follow-up in relation thereto;

CORPORATE GOVERNANCE

- review the Company's programmes and policies to identify and prevent fraud as well as work with management to oversee the establishment of appropriate controls and anti-fraud programmes;
- review and discuss with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations;
- review and discuss with investigators, any suspected fraud, irregularity, or failure of internal controls or suspected infringements in which the Group operates, which has or is likely to have a material impact on the Group's operating results or financial position, and management's response thereto;
- review the adequacy and effectiveness of the risk management and internal control (including financial, operational, compliance and information technology controls), and provide comments on adequacy and effectiveness of the Company's internal controls and risk management systems to the Board;
- review the assurance provided by the CEO and Financial Controller on the financial records and financial statements;
- review the assurance provided by the CEO and other key management personnel on the effectiveness of risk management and internal controls;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- review the Group's compliance under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time.

The AC assists the Board with regard to discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records, and develop and maintain effective system of internal controls with an overall objective of ensuring that the Management has created and maintained an effective control environment in the Group, and that the Management demonstrates and stipulates the necessary aspects of the Group's internal control structure among all parties.

The AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any Singapore law, rules or regulations which have or is likely to have a material impact on the Group's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he/she will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

The AC meets regularly with the Management and the external auditors to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues.

The AC is kept abreast by the Management and the external auditors of changes to accounting standards, the Catalist Rules and other regulations which could have an impact on the Group's business and financial statements.

On a half-yearly basis, the AC also reviews the interested person transactions and the financial results announcements before their submission to the Board for approval.

CORPORATE GOVERNANCE

The AC meets with the internal and external auditors at least once a year without the presence of the Management to review any matters that might be raised. The AC had met with the internal and external auditors once in the absence of the Management in FY2023.

The AC recommends to the Board the appointment, re-appointment and removal of external auditors, and the remuneration and terms of engagement of the external auditors. The re-appointment of the external auditors is subject to shareholders' approval at the AGM of the Company.

The AC undertook the review of the independence and objectivity of the external auditors annually through discussions with the external auditors as well as reviewing the non-audit fees awarded to them to satisfy the AC that the nature and extent of such services will not prejudice the independence of the external auditors. The AC is satisfied with their independence and hence has recommended to the Board the re-appointment of BDO LLP as the Company's external auditors at the forthcoming AGM. BDO LLP, which is registered with the Accounting and Corporate Regulatory Authority, is the external auditor of the Company. In this respect, the Company complies with Rule 712 of the Catalist Rules.

BDO LLP is also the auditors of all its significant subsidiaries. The Company is therefore in compliance with Rule 715 of the Catalist Rules.

For FY2023, the aggregate amount of fees paid/payable to the auditors of the Company for audit services amounted to S$220,000 in respect of the audit for FY2023 and S$85,000 for non-audit services relating to tax compliance and corporate secretarial services. The AC has undertaken a review of all non-audit services provided by the external auditors. Notwithstanding the substantial volume of non-audit services rendered to the Company, the AC is satisfied that the nature and extent of such services does not impair the independence and objectivity of the external auditors.

None of the AC members (i) is a former partner or director of the Company's existing auditing firm or auditing corporation in the previous 2 years, and (ii) holds any financial interest in the auditing firm or auditing corporation.

An annual review of the outsourced internal audit function is carried out. The AC ensures, among others, the adequacy and effectiveness of the internal audit function by examining the internal audit firm's performance, resources, its audit plans and scope of work and that the internal audit function is carried out according to standards set by international recognised professional bodies.

The Company's internal audit function is outsourced to RSM SG Risk Advisory Pte. Ltd. ("**RSM**") for FY2023. The internal auditors report directly to the AC Chairman and administratively to the CEO and/or Financial Controller. The AC decides on the appointment, termination and remuneration of the outsourced internal audit function.

The Company appointed RSM as an independent internal auditor. RSM is a professional advisory firm providing corporate governance, internal audit, enterprise risk assessment, technology as well as fraud risks and regulatory compliance services. The engagement team is led by a Partner who is a member of CA Singapore and CPA Australia, with over 23 years of professional experience and has extensive knowledge in the related field. The engagement team is also qualified and sufficiently experienced to provide the internal audit services to the Company.

CORPORATE GOVERNANCE

The internal auditors plan its audit work in consultation with, but independently of, the Management, and their yearly plan is submitted to the AC for review and approval prior to their commencement of work for FY2023.

The internal auditors have full access to all the Company's documents, records, properties and personnel including access to the AC. The AC is satisfied that the internal auditors are adequately qualified (given, *inter alia*, its adherence to Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors) and resourced, and have the appropriate standing in the Company to discharge their duties effectively.

The findings from the reviews and checks on the adequacy of the internal control and risk management are rated and reported to the AC and the Management will ensure that proper follow-up actions are undertaken to ensure proper internal control and risk management systems are in place.

The AC also enquired and relied on reports from the Management and external auditors on any material non-compliance and internal control weakness. The AC has reviewed with the external auditors their findings of the existence and adequacy of material internal control procedures as part of their audit for FY2023. The AC is of the view that in the light of the present business operations of the Group, the internal controls put in place by the Management are adequate and effective to address the key risks identified.

The Company has put in place a whistle-blowing framework whereby staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting, fraudulent acts or other such irregularities without fear of reprisals. The framework includes arrangements for independent investigation and appropriate follow-up of such matters.

To ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports are addressed and sent to the AC Chairman to ensure independent investigation of issues/concerns raised and appropriate follow-up actions are taken. The whistle-blowing policy provides assurance that employees will be protected from reprisal within the limits of the law or victimization for whistle blowing in good faith and whose identity will remain confidential. A whistle-blower email address has been created for reporting of suspected fraud, corruption, dishonest practices or other similar matters. Details of the whistle-blowing policy and procedures have been made known to all staff. In addition, new staff is briefed on the policy during the orientation programme. The whistle-blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant.

The AC reviews all whistle blowing complaints at its half-yearly meetings, ensuring that any investigation and appropriate follow-up actions are taken. The AC reports to the Board on such matters at the Board meetings. In instances of serious offences and or criminal activities, the AC and Board have access to the appropriate external advisors and where necessary, a formal report with the relevant government or regulatory authority will be filed. No whistle-blowing report was received during FY2023.

CORPORATE GOVERNANCE

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Company welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad-hoc basis. Shareholders are informed of shareholders' meetings through notices published in the annual report or circular sent to all shareholders and via SGXNet. All registered shareholders are invited to participate and given the right to vote on resolutions at general meetings. Every matter requiring shareholders' approval is proposed as a separate resolution. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of meeting is accompanied by an explanation for the resolution to be passed. Resolutions tabled at general meetings are passed through a process of voting by poll whereby procedures are clearly explained by the scrutineers at such general meetings.

Proxy form is sent with notice of general meeting to all shareholders. The Company's Constitution provide for a shareholder to appoint one or two proxies to attend and vote in his stead at all general meetings. On 3 January 2016, the legislation was amended, among other things, to allow certain members defined as "relevant intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant intermediary includes corporations holding licences in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

The Group supports and encourages active shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices for the general meetings sent to all shareholders. The notices are also released via SGXNet and posted on the Company's website.

For the time being, the Company has decided not to allow for absentia voting methods such as by mail, email and fax at the general meetings due to concern over the authentication of shareholders' identity.

All the Directors, Management, Company Secretary and external auditors are required to be present at the general meetings to address any questions, unless of exigencies. General meetings provide shareholders the opportunity to ask questions relating to each resolution tabled for approval and open communication are encouraged by the shareholders with the Directors on their view on matters relating to the Company. All resolutions at general meetings are put to vote by poll which are verified by an appointed scrutineer for the general meeting and the results showing the number of votes cast for and against each resolution and the respective percentage are announced to the audience at the general meetings. The polling results are also announced after the meeting via SGXNet. During FY2023, one general meeting was held and it was attended by all the Directors, Company Secretary and external auditors.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments and queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These minutes are published and made publicly available via SGXNet and on the Company's corporate website within one month after the meeting.

CORPORATE GOVERNANCE

The Group does not have a fixed dividend policy at present. The form, frequency and the amount of dividends declared for each year will take into consideration the Group's profit, cash position, and other factors as the Board may deem appropriate. For FY2023, the Board has not declared or recommended any dividend as the Company does not have profits available for the declaration of a dividend.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company is committed to maintaining high standards of corporate disclosure, transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected.

The Board subscribes to the Code's principle that the Company should engage in regular, effective and fair communication with shareholders and the investing public. To this end, it is the Company's policy that all material information will be disseminated on a timely basis through SGXNet and not released to any selected group of persons. The Company also strives to promptly respond to enquiries from shareholders, investors, analysts, fund managers and the press, without practising selective disclosure. The Group's financial results and annual reports are announced or issued within the period specified under the Catalist Rules, and are also made available to the public via SGXNet. The Company has engaged an external investor relations adviser who focuses on facilitating the communications with all stakeholders on a regular basis and to attend to their queries or concern.

Shareholders, the investment community, media and analysts are kept informed of the Group's performance, progress and prospects and major developments of the Company on a timely basis through various means of communication as follows:

1) Announcements including periodic and half/full-year announcements of financial results, price sensitive information, significant transactions or other announcements or press release through SGXNet;

2) Annual Report, Sustainability Report and notices of AGM issued to all shareholders; and

3) Company's general meetings.

General meetings have been and are still the principal forum for dialogue with shareholders. Shareholders are able to engage the Board and Management on the Group's business activities, financial performance and other business-related matters by submitting their questions prior to the general meetings. The Company will provide responses to substantial queries and relevant comments from shareholders relating to the agenda of the general meetings prior to, via SGXNet, or at the general meetings. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, via SGXNet, or at the general meetings in respect of substantial and relevant matters. The responses from the Board and Management of the Company shall thereafter be published on SGXNet and the Company's corporate website together with the minutes of the general meetings, within one (1) month after the conclusion of the general meetings.

CORPORATE GOVERNANCE

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Company has engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services' standards, as well as to sustain business operations for long-term growth.

To ensure that core sustainability issues are incorporated into the corporate agenda, the Company has established a dedicated governance framework to drive, govern and manage the sustainability function. This structure drives the Company's priorities to protect the long-term interests of the shareholders and create value for the Company and its stakeholders.

The sustainability is managed by the CEO who reports to the Board. He would collaborate on sustainability initiatives and share sustainability best practices across the Group as well as oversee the monitoring of quantitative and qualitative measurements, setting sustainability performance benchmarks and key performance indicators.

The CEO also works closely with other business functions, namely, operations, human resource and procurement in the Group's sustainability efforts and the development of the Group's sustainability programme. The Board has the ultimate responsibility for the Group's sustainability strategy, reporting and maintain oversight of the Group's sustainability direction and reviews the strategy annually.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. These key stakeholders include, but are not limited to the employees, customers, suppliers and service providers, investors/shareholders and government and regulators. Both formal and informal channels of communication are adopted to understand the needs of these key stakeholders, and incorporated into the Company's corporate strategies to achieve mutually beneficial relationships. The following sets out the engagement platforms with these key stakeholders:

Stakeholder	Engagement Platform	Frequency of Engagement	Key Concerns
Employees	Emails Meetings Performance appraisal Welfare & social events Training	Daily Monthly Annually Ad hoc Ad hoc	• Workplace safety • Workers welfare • Talent retention and career progression
Customers	Email communications, phone calls Meetings Company website	Daily Ad-hoc Ad hoc	• On time project completion • Service quality • Workplace safety • Competitive prices
Suppliers and Service Providers	Email communications, phone calls Meetings Site visits Trade events	Daily Ad hoc Ad hoc Ad hoc	• Prompt payment • Service quality • Compliance to laws and regulations • Sustainable and environmentally responsible practices

CORPORATE GOVERNANCE

Stakeholder	Engagement Platform	Frequency of Engagement	Key Concerns
Investors/ Shareholders	Announcements via SGXNet, company website General meetings Annual report	Ad hoc/Half Yearly Annually Annually	• Compliance to rules and regulations • Financial results • Business updates
Government and Regulators	Seminars conducted by regulators Relevant government association memberships Email communications	Ad hoc Ad hoc Ad hoc	• Compliance to rules and regulations

All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNet, press releases and the Company's corporate website. The Company does not practice selective disclosure of material information. All materials on the half-yearly and full-year financial results are available on the Company's corporate website. The website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period can be found in the Sustainability Report, which will be released by 30 April 2024.

DEALINGS IN SECURITIES

The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.

The Company, its Directors and officers are prohibited from dealing in the Company's securities on short-term considerations and during the period beginning one month before the announcement of the Company's half-yearly and full-year financial statements respectively, and ending on the date of the announcement of the relevant results.

INTERESTED PERSON TRANSACTIONS

The Group has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Board and the AC will review all interested person transactions ("**IPTs**") to be entered to ensure that the relevant rules under Chapter 9 of the Catalist Rules are complied with. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

CORPORATE GOVERNANCE

The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

No disclosable interested person transaction has been entered into for FY2023.

MATERIAL CONTRACTS

Save for the service agreement of Executive Chairman & CEO, Mr Ang Boon Cheow Edward, there were no material contracts entered into by the Company and its subsidiaries involving the interest of the Executive Chairman, each Director or controlling shareholder, which were either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

There were no non-sponsor fees paid to the Company's sponsor, UOB Kay Hian Private Limited, in FY2023.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The Directors of Ocean Sky International Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Ang Boon Cheow Edward
Toh David Ka Hock
Tan Min-Li
Tan Teng Wee
Chia Boon Kuah

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Shareholdings registered in name of Director	
	At beginning of year	At end of year
The Company		
Ocean Sky International Limited		
(No. of ordinary shares)		
Ang Boon Cheow Edward	278,160,811	278,160,811

By virtue of Section 7 of the Act, Ang Boon Cheow Edward is deemed to have an interest in all related corporations of the Company. In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2024 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2023.

5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

DIRECTORS' STATEMENT

6. Audit committee

The audit committee of the Company is chaired by Toh David Ka Hock, an independent Director, and includes Tan Min-Li, Tan Teng Wee and Chia Boon Kuah, who are independent Directors. The audit committee has met two times since the last Annual General Meeting and has carried out its functions in accordance with Section 201B(5) of the Act, including reviewing the following, where relevant, with the Executive Director and external and internal auditors of the Company:

(a) the audit plans of the internal and external auditors and the results of the auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Company's and the Group's financial and operating results and accounting policies;

(c) the statement of financial position of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the Directors of the Company;

(d) the half-yearly and full-year announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) the co-operation and assistance given by the management to the Company's external auditor; and

(f) the re-appointment of the external auditor of the Company.

The audit committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external auditor has unrestricted access to the audit committee.

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditors, BDO LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Ang Boon Cheow Edward	**Chia Boon Kuah**
Director	Director

Singapore
1 April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OCEAN SKY INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ocean Sky International Limited (the "Company") and its subsidiaries (the "Group"), as set out on pages 53 to 112 which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OCEAN SKY INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

KEY AUDIT MATTER	AUDIT RESPONSE
1 Revenue recognition from construction contracts	
For the financial year ended 31 December 2023, the Group recorded revenue from construction contracts amounting to $29,867,000. The Group recognised revenue from construction contracts based on the input method. Revenue is recognised over time as the Group assessed that the customers simultaneously receive and consume all the benefits arising from the Group's civil engineering works as the projects progress. We have determined revenue recognition from construction contracts to be a key audit matter because revenue recognition under the input method involves significant judgement and estimates, particularly procedures and controls in deriving the budgeted contract costs. Refer to Notes 2.9, 2.11, 3.2, 9 and 18 to the financial statements.	Our audit procedures included, among others, the following: • Assessed the appropriateness of management's revenue recognition policy; • Selected significant construction contracts and obtained an understanding of the key terms of the contracts; • Reviewed controls surrounding the preparation and approval of budgeted contract costs, and assessment of onerous contracts; • Carried out tests of controls surrounding management's internal costing and revenue recognition process to estimate contract revenues, contract costs and profit margins; • Evaluated management's budgets and assessed budgeted contract costs against actual contract costs for completed projects; • Obtained an understanding of the progress and status of the significant ongoing construction contract through discussions with management and conducting site visits; • Tested the cost-to-complete for significant ongoing construction contracts by evaluating the reasonableness of the estimated labour hours, estimated labour rates, material costs and overhead expenses; • Evaluated management's assessment on onerous contracts through discussions with management and review of contract sum and estimated contract costs; and • Assessed the adequacy of related disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OCEAN SKY INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

KEY AUDIT MATTER	AUDIT RESPONSE
2 Fair value of an investment property	
As at 31 December 2023, the carrying amount of the Group's investment property in Australia was $15,688,000. The investment property is stated at fair value based on the valuation performed by an independent external professional valuer. The valuation requires significant judgement to be made in the determination of the appropriate valuation methodology, and the key assumptions include capitalisation rates, occupancy details, and price per square metre of gross/net lettable area. We have determined the valuation of the investment property to be a key audit matter because the valuation process involves the use of significant estimates and assumptions. Changes in the assumptions applied would have a significant impact to the valuation of the investment property. Refer to Notes 2.4, 3.2 and 5 to the financial statements.	Our audit procedures included, among others, the following: • Assessed the objectivity and competency of the independent valuer which included considering the experience in valuing similar types of assets; • Evaluated the appropriateness of the independent valuer's valuation methodology in determining the fair value; • Held discussions with the independent valuer to understand the critical underlying assumptions applied and assessed the reasonableness of those assumptions; and • Assessed the adequacy of related disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OCEAN SKY INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OCEAN SKY INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OCEAN SKY INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is William Ng Wee Liang.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
1 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current assets					
Property, plant and equipment	4	**10,371**	11,282	**30**	74
Investment property	5	**15,688**	17,357	**–**	–
Investments in subsidiaries	6	**–**	–	**15,297**	25,860
Investments in joint ventures	7	**1,561**	7,643	**–**	–
		27,620	36,282	**15,327**	25,934
Current assets					
Inventories		**222**	254	**–**	–
Trade and other receivables	8	**20,452**	25,916	**19,412**	23,114
Contract assets	9	**4,841**	4,790	**–**	–
Cash and cash equivalents	10	**15,896**	7,787	**9,041**	404
		41,411	38,747	**28,453**	23,518
Less:					
Current liabilities					
Trade and other payables	11	**7,249**	7,962	**16,969**	21,686
Contract liabilities	9	**190**	275	**–**	–
Provisions	12	**232**	432	**–**	–
Bank term loans	13	**1,823**	13,279	**–**	–
Lease liabilities	14	**236**	283	**18**	17
Current income tax payable		**498**	482	**–**	–
		10,228	22,713	**16,987**	21,703
Net current assets		**31,183**	16,034	**11,466**	1,815
Less:					
Non-current liabilities					
Bank term loans	13	**16,236**	6,839	**–**	–
Lease liabilities	14	**1,827**	2,064	**34**	52
Deferred tax liabilities	15	**234**	67	**–**	–
		18,297	8,970	**34**	52
Net assets		**40,506**	43,346	**26,759**	27,697
Equity					
Share capital	16	**55,169**	55,169	**55,169**	55,169
Foreign currency translation reserve	17	**(735)**	(586)	**–**	–
Accumulated losses	17	**(13,928)**	(11,237)	**(28,410)**	(27,472)
Equity attributable to owners of the parent		**40,506**	43,346	**26,759**	27,697

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group	
	Note	2023 $'000	2022 $'000
Revenue	18	**31,542**	30,408
Cost of services		**(27,347)**	(26,273)
Gross profit		**4,195**	4,135
Other income	19	**392**	450
Administrative and other operating expenses		**(6,207)**	(6,595)
Finance costs	20	**(826)**	(504)
Share of results of joint ventures, net of tax	7	**96**	1,880
Loss before income tax	21	**(2,350)**	(634)
Income tax expense	23	**(341)**	(95)
Loss for the financial year attributable to owners of the parent		**(2,691)**	(729)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences on translating foreign operations		**(149)**	11
Other comprehensive income for the financial year, net of tax		**(149)**	11
Total comprehensive income for the financial year attributable to owners of the parent		**(2,840)**	(718)

		2023	2022
Loss per share (cents)			
– Basic and diluted	24	**(0.62)**	(0.17)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share capital $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Equity attributable to owners of the parent $'000
Group				
Balance at 1 January 2023	**55,169**	**(586)**	**(11,237)**	**43,346**
Loss for the financial year	**–**	**–**	**(2,691)**	**(2,691)**
Other comprehensive income for the financial year				
Exchange differences on translating foreign operations	**–**	**(149)**	**–**	**(149)**
Total other comprehensive income for the financial year	**–**	**(149)**	**–**	**(149)**
Total comprehensive income for the financial year	**–**	**(149)**	**(2,691)**	**(2,840)**
Balance at 31 December 2023	**55,169**	**(735)**	**(13,928)**	**40,506**
Balance at 1 January 2022	55,169	(597)	(10,508)	44,064
Loss for the financial year	–	–	(729)	(729)
Other comprehensive income for the financial year				
Exchange differences on translating foreign operations	–	11	–	11
Total other comprehensive income for the financial year	–	11	–	11
Total comprehensive income for the financial year	–	11	(729)	(718)
Balance at 31 December 2022	55,169	(586)	(11,237)	43,346

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group	
	2023	**2022**
	$'000	**$'000**
Operating activities		
Loss before income tax	**(2,350)**	(634)
Adjustments for:		
Depreciation of property, plant and equipment	**1,056**	1,112
Fair value loss on investment property	**2,174**	1,922
Gain on disposal of property, plant and equipment	**(33)**	(44)
Interest expense	**826**	504
Interest income	**(285)**	(21)
Property, plant and equipment written off	**–**	–*
Provision (reversed)/made for defects liability	**(143)**	23
Share of results of joint ventures	**(96)**	(1,880)
Unrealised foreign exchange gain	**(2)**	(5)
Operating cash flows before working capital changes	**1,147**	977
Working capital changes:		
Inventories	**32**	(54)
Trade and other receivables	**(1,013)**	(2,743)
Contract assets and contract liabilities	**(136)**	(2,653)
Trade and other payables	**(713)**	1,781
Provisions	**(57)**	(67)
Net cash used in operations	**(740)**	(2,759)
Income taxes paid	**(156)**	(123)
Net cash used in operating activities	**(896)**	(2,882)
Investing activities		
Purchase of property, plant and equipment	**(147)**	(499)
Proceeds from disposals of property, plant and equipment	**35**	86
Advances to joint ventures	**(710)**	(1,220)
Repayment from joint ventures	**13,332**	–
Increase in investment property	**(724)**	–
Interest received	**285**	21
Net cash from/(used in) investing activities	**12,071**	(1,612)

* Amount less than $1,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group	
	2023 $'000	2022 $'000
Financing activities		
Interest paid	**(826)**	(504)
Repayment of bank borrowings (Note A)	**(1,903)**	(2,033)
Repayment of lease liabilities (Note A)	**(284)**	(235)
Net cash used in financing activities	**(3,013)**	(2,772)
Net change in cash and cash equivalents	**8,162**	(7,266)
Cash and cash equivalents at beginning of financial year	**7,787**	14,585
Effect of foreign exchange rate changes on cash and cash equivalents	**(53)**	468
Cash and cash equivalents at end of financial year (Note 10)	**15,896**	7,787

Note A: Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1.1.2023 $'000	Financing cash flows $'000	Foreign exchange differences $'000	Additions of plant and equipment $'000	31.12.2023 $'000
Bank terms loans (Note 13)	**20,118**	**(1,903)**	**(156)**	**–**	**18,059**
Lease liabilities (Note 14)	**2,347**	**(284)**	**–**	**–**	**2,063**
	22,465	**(2,187)**	**(156)**	**–**	**20,122**

	1.1.2022 $'000	Financing cash flows $'000	Foreign exchange differences $'000	Additions of plant and equipment $'000	31.12.2022 $'000
Bank terms loans (Note 13)	23,004	(2,033)	(853)	–	20,118
Lease liabilities (Note 14)	1,853	(235)	–	729	2,347
	24,857	(2,268)	(853)	729	22,465

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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.

The principal activity of the Company is that of an investment holding company. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. The ultimate controlling party is Mr Ang Boon Cheow Edward.

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2023 were authorised for issue by the Board of Directors on 1 April 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation of financial statements

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I) INTs") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements. The financial statements are expressed in Singapore dollar and rounded to the nearest thousand ("$'000"), unless otherwise stated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have significant effect on the financial statements are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

New standards, amendments and interpretations effective from 1 January 2023

On 1 January 2023, the Group adopted the new or amended SFRS(I) and SFRS(I) INTs that are mandatory for application for the financial year. The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact the Group's financial statements, except as disclosed below.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2

The amendments change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy is likely to be considered material.

Management has followed the guidance in the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 in determining which accounting policy information is material. For the preparation of financial statements for the financial year ended 31 December 2023, the material accounting policy information have been disclosed in Note 2 to the financial statements.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations, which have been issued by the ASC that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners). The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in a subsidiary.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as expense during the financial year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Property, plant and equipment (Continued)

Depreciation for property, plant and equipment is provided on straight-line basis so as to write off their depreciable amounts over their estimated useful lives as follows:

Leasehold property	Over the lease term of 41 years
Leasehold land	Over the lease term of 41 years
Plant and machinery	3 to 10 years
Renovation	10 years
Computer equipment	5 years
Motor vehicles	5 to 10 years
Furniture, fittings and other equipment	3 to 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual value and depreciation methods are reviewed, and adjusted as appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Investment property is subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

On disposal or retirement of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Joint ventures

A joint venture is an entity over which the Group has joint control established by contractual arrangement, whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

The Group recognises its interest in joint ventures as an investment and accounts for the investment using the equity method from the date on which it becomes joint ventures.

Under the equity method, the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of comprehensive income. Post-acquisition changes in the Group's share of net assets of joint ventures and distributions received are adjusted against the carrying amount of the investments.

Losses of a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment) are not recognised, unless the Group has incurred legal or constructive obligations to make good those losses or made payments on behalf of the joint venture.

Where the Group transacts with a joint venture, unrealised profits are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

2.6 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, management estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Financial instruments

The Group recognises a financial asset or a financial liability in its statements of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets as amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments) and cash and cash equivalents.

Amortised cost

These assets arise principally from the provision of goods and services to customers (for example, trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less allowance for impairment.

Impairment allowances for trade receivables are recognised based on the simplified approach. During this process, the Group assessed the probability of the non-payment of the trade receivables based on its historical observed default rates, adjusted for forward-looking information. For trade receivables, which are reported net, such impairment allowances are recorded in a separate account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated impairment allowances made.

Impairment allowances for non-trade receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised. For those that are determined to be credit impaired, lifetime expected credit losses are recognised.

Receivables are credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that receivables have occurred (i.e. significant financial difficulty of debtor, possible bankruptcy or liquidation of debtor, default of payments, etc.).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost.

Trade and other payables

Trade and other payables (excluding Goods and Services Tax ("GST") payable and provision for penalty and interest) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Borrowings

Interest-bearing bank loans are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case they are presented as non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Financial instruments (Continued)

Financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.8 Leases

As lessor

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and

- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Leases (Continued)

As lessee (Continued)

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets within property, plant and equipment, while lease liabilities are presented separately from other liabilities in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Leases (Continued)

As lessee (Continued)

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under the cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset. The right-of-use assets are depreciated based on the following bases:

Leasehold land	Over the lease term of 39 years
Plant and machinery	10 years
Motor vehicles	5 to 10 years

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.6 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities is recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Leases (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;

- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and

- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

2.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Provisions (Continued)

Onerous contracts

A provision for contract losses arising from onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contracts. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Rectification costs

A provision for defects liability is recognised for construction defects when there are potential defects that could arise, taking into consideration the estimation of the timing of incurring such costs and of the future costs of carrying out such rectification works.

2.10 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

2.11 Revenue recognition

Contract revenue

The Group's construction and engineering segment comprise civil engineering works. At the inception of the contract, the Group assesses the nature of work to be performed, and identifies the performance obligations related to the contract. The Group determines if the performance obligations within the contract are distinct i.e. if the work performed is separately identifiable and the customer is able to benefit from it. Performance obligation is satisfied when the Group has an enforceable right to payment for the performance completed to-date.

For these contracts, revenue is recognised over time by reference to the Group's progress towards completion of the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method"). Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Revenue recognition (Continued)

Contract revenue (Continued)

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The period between the completion of the construction project and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect the customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The customer is invoiced based on payment response from customer. If the value of the goods transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

Sale of construction materials

The Group's construction and engineering segment is also involved in the trading of construction materials. Revenue from the sale of these materials is recognised at a point in time when the products are delivered to customers. There is limited judgement needed to identify when the point of control passes to customers. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay within a credit term of 30 days.

Lease income

Lease income arising from rental of investment property and asset leasing is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which user benefit derived from the leased asset is diminished.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying the entity's accounting policies

The following is the critical judgement, apart from those involving estimations (Note 3.2) that management has made in the process of applying the Group's accounting policies and which have a significant effect on the amounts recognised in the consolidated financial statements.

Impairment assessment on carrying amount of investments in subsidiaries

At the end of each reporting period, management assess whether its investments in subsidiaries exhibit any indication of impairment. Where such indication exists, the recoverable amount will be determined using the higher of fair value less costs of disposal or value-in-use method, which requires the use of estimates. The carrying amount of the investments in subsidiaries is disclosed in Note 6 to the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Construction contracts

The Group recognises contract revenue to the extent of contract costs incurred where it is probable that those costs will be recoverable and based on the stage of completion method. The stage of completion is determined based on the proportion of contract costs incurred for work performed up to the end of the reporting period over the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. When it is probable that the total contract costs will exceed the total construction revenue, a provision for onerous contracts is recognised immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Construction contracts (Continued)

Significant assumptions are used to estimate the total contract costs which affect the accuracy of revenue recognition based on the percentage-of-completion and completeness of provision for onerous contracts recognised. In making these estimates, management relies on past experience and the work of specialists. Revenue from construction contracts is disclosed in Note 18 to the financial statements and the carrying amounts of contract assets and contract liabilities are disclosed in Note 9 to the financial statements.

Fair value of investment property

The Group's investment property is stated at fair value, which was determined by an independent valuer. The market value may differ from the price at which the Group's asset could be sold at a particular time. In addition, certain estimates require an assessment of factors not within management's control, such as overall market condition. As a result, actual results arising from income capitalisation approach used to measure the fair value of the investment property in the future could differ from the estimates used in the determination of the fair value. The carrying amount of the investment property is disclosed in Note 5 to the financial statements.

Expected credit loss ("ECL") allowance

Trade receivables due from third parties, retention sums and contract assets

Management estimates ECL allowance by reviewing the historical credit loss rates and adjusts for forward looking information using industry market data and customer profile so as to reflect the effects of current and future economic conditions and factors affecting the industries in which the Group is operating under. The Group's credit risk exposure for trade receivables was disclosed in Note 28.1 to the financial statements. The carrying amount of the trade receivables, retention sums and contract assets are disclosed in Notes 8 and 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Expected credit loss ("ECL") allowance (Continued)

Non-trade amounts due from subsidiaries and joint ventures

The advances made to its subsidiaries and joint ventures are mainly for the purpose of developing properties and hence settlement of these advances will be made upon the realisation of the underlying investments held by the subsidiaries and joint ventures. For those balances where management determines there is significant increase in credit risks since initial recognition, lifetime ECL is derived by assessing the expected profit from the realisation of the underlying development properties by adjusting its estimates on development costs and targeted selling price based on the relevant market data and condition. The carrying amounts of the Company's advances made to subsidiaries and the Group's advances to joint ventures are disclosed in Notes 6, 7 and 8 to the financial statements.

Income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. As at 31 December 2023, the carrying amounts of the Group's current income tax payable and deferred tax liabilities were $498,000 (2022: $482,000) and $234,000 (2022: $67,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold property $'000	Leasehold land $'000	Plant and machinery $'000	Renovation $'000	Computer equipment $'000	Motor vehicles $'000	Furniture, fittings and other equipment $'000	Total $'000
Cost								
At 1 January 2023	**8,305**	**1,385**	**3,743**	**163**	**73**	**3,069**	**527**	**17,265**
Additions	**–**	**–**	**21**	**–**	**–**	**120**	**6**	**147**
Disposals	**–**	**–**	**(44)**	**–**	**–**	**–**	**–**	**(44)**
At 31 December 2023	**8,305**	**1,385**	**3,720**	**163**	**73**	**3,189**	**533**	**17,368**
Accumulated depreciation								
At 1 January 2023	**1,256**	**142**	**2,227**	**96**	**48**	**1,883**	**331**	**5,983**
Depreciation	**211**	**36**	**401**	**16**	**11**	**316**	**65**	**1,056**
Disposals	**–**	**–**	**(42)**	**–**	**–**	**–**	**–**	**(42)**
At 31 December 2023	**1,467**	**178**	**2,586**	**112**	**59**	**2,199**	**396**	**6,997**
Carrying amount								
At 31 December 2023	**6,838**	**1,207**	**1,134**	**51**	**14**	**990**	**137**	**10,371**
Cost								
At 1 January 2022	8,305	1,385	3,426	163	74	2,390	528	16,271
Additions	–	–	354	–	1	866	7	1,228
Disposals	–	–	(37)	–	–	(187)	–	(224)
Written-off	–	–	–	–	(2)	–	(8)	(10)
At 31 December 2022	8,305	1,385	3,743	163	73	3,069	527	17,265
Accumulated depreciation								
At 1 January 2022	1,051	107	1,764	79	34	1,758	270	5,063
Depreciation	205	35	497	17	16	273	69	1,112
Disposals	–	–	(34)	–	–	(148)	–	(182)
Written-off	–	–	–	–	(2)	–	(8)	(10)
At 31 December 2022	1,256	142	2,227	96	48	1,883	331	5,983
Carrying amount								
At 31 December 2022	7,049	1,243	1,516	67	25	1,186	196	11,282

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles $'000	Furniture, fittings and other equipment $'000	Total $'000
Company			
Cost			
At 1 January 2023 and 31 December 2023	**620**	**77**	**697**
Accumulated depreciation			
At 1 January 2023	**550**	**73**	**623**
Depreciation	**40**	**4**	**44**
At 31 December 2023	**590**	**77**	**667**
Carrying amount			
At 31 December 2023	**30**	**–**	**30**
Cost			
At 1 January 2022	620	84	704
Written-off	–	(7)	(7)
At 31 December 2022	620	77	697
Accumulated depreciation			
At 1 January 2022	510	75	585
Depreciation	40	5	45
Written-off	–	(7)	(7)
At 31 December 2022	550	73	623
Carrying amount			
At 31 December 2022	70	4	74

As at 31 December 2023, the carrying amount of the Group's leasehold property pledged for Term loan I as disclosed in Note 13 to the financial statements was $6,838,000 (2022: $7,049,000).

Right-of-use of assets under leasing arrangements are presented together with the owned assets of the same class.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets classified within property, plant and equipment

	Leasehold land $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Group				
Cost				
At 1 January 2023	**1,385**	**410**	**1,389**	**3,184**
Derecognition of right-of-use assets	**–**	**(174)**	**(87)**	**(261)**
At 31 December 2023	**1,385**	**236**	**1,302**	**2,923**
Accumulated depreciation				
At 1 January 2023	**142**	**63**	**471**	**676**
Depreciation	**36**	**41**	**241**	**318**
Derecognition of right-of-use assets	**–**	**(72)**	**(83)**	**(155)**
At 31 December 2023	**178**	**32**	**629**	**839**
Carrying amount				
At 31 December 2023	**1,207**	**204**	**673**	**2,084**
Cost				
At 1 January 2022	1,385	174	798	2,357
Recognition of right-of-use assets	–	236	591	827
At 31 December 2022	1,385	410	1,389	3,184
Accumulated depreciation				
At 1 January 2022	107	38	261	406
Depreciation	35	25	210	270
At 31 December 2022	142	63	471	676
Carrying amount				
At 31 December 2022	1,243	347	918	2,508

As at 31 December 2023, the Group's plant and machinery and motor vehicles with a carrying amount of $204,000 (2022: $347,000) and $673,000 (2022: $918,000) were secured over the lease liabilities of $163,000 (2022: $207,000) and $623,000 (2022: $839,000) respectively (Note 14). These assets will be seized and returned to lessor in the event of default by the Group.

The recognition and derecognition of right-of-use assets relate to the new lease arrangement made/settlement of lease liabilities during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets classified within property, plant and equipment (Continued)

	Company	
	2023	**2022**
	$'000	**$'000**
Motor vehicles		
Cost		
At 1 January and 31 December	**202**	202
Accumulated depreciation		
At 1 January	**131**	91
Depreciation	**42**	40
At 31 December	**172**	131
Carrying amount		
At 31 December	**30**	71

As at 31 December 2023, the Company's motor vehicles are secured over the lease liabilities of $52,000 (2022: $69,000). These assets will be seized and returned to lessor in the event of default by the Company.

Consolidated statement of cash flows

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

	Group	
	2023	**2022**
	$'000	**$'000**
Additions to property, plant and equipment	**147**	1,228
Acquired under lease agreements	**–**	(729)
Cash payments to acquire property, plant and equipment	**147**	499

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. INVESTMENT PROPERTY

	Group	
	2023	**2022**
	$'000	**$'000**
At fair value		
At 1 January	**17,357**	20,567
Addition	**724**	–
Fair value loss recognised in profit or loss	**(2,174)**	(1,922)
Currency re-alignment	**(219)**	(1,288)
At 31 December	**15,688**	17,357

Valuation techniques and assumptions

The investment property was valued by independent professional valuers annually 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% (2022: 6.50%). An adjustment of capitalisation rate to 7.25% (2022: 6.75%) would result in a decrease of fair value of the investment property by $567,000 (2022: $674,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. INVESTMENT PROPERTY (CONTINUED)

Valuation techniques and assumptions (Continued)

At each reporting date, details of the Group's investment property are set out below:

Description	Location	Existing use
Freehold property	541 Blackburn Road, Mount Waverley VIC 3149, Australia	Rental of property for a lease period ranging from 2 to 10 years

The following amounts are recognised in profit or loss:

	Group	
	2023 **$'000**	**2022** **$'000**
Rental income from investment property	**1,127**	1,224
Property taxes and other direct operating expenses arising from investment property	**(747)**	(716)

As at 31 December 2023, the investment property in Australia has been pledged for Term loan III as disclosed in Note 13 to the financial statements.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 **$'000**	**2022** **$'000**
Unquoted equity investments, at cost	**1,881**	6,555
Allowance for impairment losses	**(1,781)**	(3,712)
Carrying amount of investments	**100**	2,843
Due from subsidiaries – non-trade	**15,197**	24,465
Allowance for impairment loss	**–**	(1,448)
	15,297	25,860

Non-trade receivables from subsidiaries

The amount comprised advances made to subsidiaries which were unsecured, interest-free and with no fixed terms of repayment. The settlement of these advances will be made upon the realisation of the investments held by the subsidiaries in the future. The balances are accounted for as part of the net investment in the subsidiaries and not expected to be repaid within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Impairment allowance

Movements in the allowance for impairment losses are as follows:

	Company	
	2023	**2022**
	$'000	**$'000**
Unquoted equity investments		
At 1 January	**3,712**	3,712
Derecognition due to striking off insignificant subsidiaries	**(1,931)**	–
At 31 December	**1,781**	3,712

At the end of each reporting period, where there are indicators of impairment, management determined the recoverable amount using the higher of fair value less costs of disposal ("FVLCD") or VIU method. Management uses the FVLCD method where the fair value of the underlying investments was estimated based on the information available at the reporting date.

In the previous financial year, an allowance for impairment loss of $1,448,000 was recognised which attributable to advances deemed as investment in a subsidiary. The recoverable amount of the Company's investment in a subsidiary amounted to $6,804,000, which was determined using the FVLCD.

The fair value hierarchy used in determining the above is considered as Level 3 as the assessment included unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of significant subsidiaries are as follows:

Name of subsidiaries	Country of incorporation and principal place of business	Principal activities	Proportion of equity interest	
			2023 %	**2022 %**
Held by the Company				
Ang Tong Seng Holdings Pte. Ltd.[1]	Singapore	Investment holding	**100**	100
Ocean Sky Properties Pte. Ltd.[1]	Singapore	Investment holding	**100**	100
Held by Ang Tong Seng Holdings Pte. Ltd.				
Ang Tong Seng Brothers Enterprises Pte Ltd[1]	Singapore	Building and civil engineering contractors	**100**	100
Ang Tong Seng Construction Pte. Ltd.[1]	Singapore	Civil engineering contractors and wholesales/leasing of construction-related machinery and materials	**100**	100
Held by Ocean Sky Properties Pte. Ltd.				
Pacific Sky Investment Pte. Ltd.[1]	Singapore	Investment holding	**100**	100
Arctic Sky Investment Pte. Ltd.[1]	Singapore	Investment holding	**100**	100
Ocean Sky Properties (AUS) Holdings Pty Ltd[2]	Australia	Investment holding	**100**	100
Ocean Sky Properties (AUS) Pty Ltd[2]	Australia	Investment holding	**100**	100
Held by Ocean Sky Properties (AUS) Holdings Pty Ltd				
Ocean Sky Properties (541 Blackburn) Trust[2]	Australia	Investment holding	**100**	100

Notes:

(1) Audited by BDO LLP, Singapore.

(2) The subsidiary is not audited as it qualifies for audit relief under The Australian Securities and Investments Commission ("ASIC"). Audited by BDO LLP for consolidation purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INVESTMENTS IN JOINT VENTURES

	Group	
	2023 $'000	**2022 $'000**
Unquoted equity investments, at cost	**534**	534
Share of post-acquisition results	**(1,534)**	(1,630)
Currency re-alignment	**(30)**	(9)
	(1,030)	(1,105)
Due from joint ventures – non-current	**2,591**	8,748
Investments in joint ventures – non-current	**1,561**	7,643
Due from joint ventures – current (Note 8)	**7,192**	13,670
	8,753	21,313

Non-trade receivables from joint ventures

The amount comprised advances made to joint ventures in the property segment which were unsecured, interest-free and with no fixed terms of repayment. The settlement of these advances will be made upon the realisation of the development properties of the joint ventures in the future. The balances are accounted for as part of the net investment in the joint ventures and not expected to be repaid within the next 12 months, except for the amount of $7,192,000 (2022: $13,670,000) which is expected to be repaid following the completion and sales of development properties.

During the financial year, the Group extended additional advances to the joint ventures amounting to $710,000 (2022: $1,220,000) and received repayments of $13,332,000 (2022: $Nil).

Details of the Group's significant joint ventures are as follows:

Name of joint ventures	Country of Incorporation and principal place of business	Principal activities	Proportion of equity interest 2023 %	2022 %
Held by Pacific Sky Investment Pte. Ltd.				
Eco Garden Mall Co., Ltd.[2] ("EGM")	Cambodia	Property development	**33.33**	33.33
Held by Arctic Sky Investment Pte. Ltd.				
TSky Development Pte. Ltd.[1][2] ("TSky")	Singapore	Investment holding	**40.00**	40.00
Held by TSky Development Pte. Ltd.				
TSky Balmoral Pte. Ltd.[1][2]	Singapore	Property development	**28.00**	28.00
TSky Cairnhill Pte. Ltd.[1][2]	Singapore	Property development	**20.40**	20.40

Notes:

(1) Audited by KPMG, Singapore, for statutory audit purposes.

(2) Audited by BDO LLP for consolidation purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summarised financial information in relation to the joint ventures are presented below:

	TSky and its joint ventures $'000	EGM $'000	Total $'000
2023			
Current assets	**13,894**	**364**	**14,258**
Non-current assets	**5,220**	**3,335**	**8,555**
Current liabilities	**(22,379)**	**(222)**	**(22,601)**
Non-current liabilities	**–**	**(2,651)**	**(2,651)**
Net (liabilities)/assets attributable to parents of the joint ventures	**(3,265)**	**826**	**(2,439)**
Included in the above amounts are:			
– Cash and cash equivalents	**1,048**	**172**	**1,220**
– Non-current financial liabilities (excluding trade and other payables and provisions)	**–**	**(2,651)**	**(2,651)**
Revenue	**1,082**	**135**	**1,217**
(Loss)/Profit for the financial year, representing total comprehensive income	**(645)**	**1,079**	**434**
Included in the above amounts are:			
– Interest expense	**(2,975)**	**–**	**(2,975)**
– Income tax expense	**–**	**(2)**	**(2)**
2022			
Current assets	98	213	311
Non-current assets	52,245	2,356	54,601
Current liabilities	(105)	(52)	(157)
Non-current liabilities	(54,858)	(2,688)	(57,546)
Net liabilities attributable to parents of the joint ventures	(2,620)	(171)	(2,791)
Included in the above amounts are:			
– Cash and cash equivalents	16	89	105
– Non-current financial liabilities (excluding trade and other payables and provisions)	(54,858)	(2,688)	(57,546)
Revenue	880	128	1,008
Profit/(Loss) for the financial year, representing total comprehensive income	4,835	(201)	4,634
Included in the above amounts are:			
– Interest expense	(3,556)	–	(3,556)
– Income tax expense	–	–*	–*

* Amount less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint ventures.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in the joint ventures, is as follows:

	TSky and its joint ventures $'000	EGM $'000	Total $'000
2023			
Proportion of Group ownership	**40.00%**	**33.33%**	
Net (liabilities)/assets attributable to joint venturers	**(3,265)**	**826**	
Interest in joint ventures, carrying value	**(1,306)**	**276**	**(1,030)**
Due from joint ventures – non-current	**1,708**	**883**	**2,591**
Due from joint ventures – current	**7,192**	**–**	**7,192**
Carrying value of Group's interest in joint ventures	**7,594**	**1,159**	**8,753**
2022			
Proportion of Group ownership	40.00%	33.33%	
Net liabilities attributable to joint venturers	(2,620)	(171)	
Interest in joint ventures, carrying value	(1,048)	(57)	(1,105)
Due from joint ventures – non-current	7,852	896	8,748
Due from joint ventures – current	13,670	–	13,670
Carrying value of Group's interest in joint ventures	20,474	839	21,313

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 **$'000**	2022 $'000	**2023** **$'000**	2022 $'000
Trade receivables				
– Third parties	**2,860**	3,502	**–**	–
– Accrued income	**3,299**	2,736	**–**	–
– Retention sums	**6,244**	5,133	**–**	–
Loss allowance	**(14)**	(14)	**–**	–
	12,389	11,357	**–**	–
Other receivables				
– Third parties	**225**	177	**26**	–
– Subsidiaries	**–**	–	**19,343**	23,057
– Joint venture	**7,192**	13,670	**–**	–
Deposits	**194**	262	**–**	–
Prepayments	**452**	450	**43**	57
Total trade and other receivables	**20,452**	25,916	**19,412**	23,114
Less:				
Prepayments	**(452)**	(450)	**(43)**	(57)
Add:				
Cash and cash equivalents	**15,896**	7,787	**9,041**	404
Total financial assets carried at amortised cost	**35,896**	33,253	**28,410**	23,461

Trade receivables are non-interest bearing and generally have credit terms of 30 to 60 (2022: 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.

During the financial year, the Company extended additional advances and received repayments of $1,850,000 (2022: $156,000) and $13,332,000 (2022: $Nil) respectively from its subsidiaries.

The transactions with joint venture are disclosed in Note 7 to the financial statements.

Other receivables due from subsidiaries and joint venture 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

The currency profiles of trade and other receivables at end of the reporting period were as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Singapore dollar	**20,095**	25,525	**7,958**	13,914
United States dollar	**–**	–	**11**	11
Australian dollar	**357**	391	**11,443**	9,189
	20,452	25,916	**19,412**	23,114

9. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2023 $'000	2022 $'000
Contract assets	**4,841**	4,790
Contract liabilities	**190**	275

Contract assets primarily relate to rights 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.

Revenue recognised in relation to contract liabilities

	Group	
	2023 $'000	2022 $'000
Revenue recognised in current financial year that was included in the contract liabilities balances at the beginning of the financial year	**113**	597

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

Significant changes in contract assets

Contract assets in relation to construction contracts for civil engineering works amounted to $29,866,000 (2022: $25,366,000) have been transferred to trade receivables during the financial year when the rights become unconditional.

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Cash on hand and bank balances	**4,237**	3,787	**817**	404
Fixed deposits	**11,659**	4,000	**8,224**	–
	15,896	7,787	**9,041**	404

Fixed deposits earn interest ranging from 3.25% to 4.54% (2022: 2.50%) per annum and have tenors of 3 to 6 (2022: 3) months.

Banker's performance guarantees issued in favour of customers amounted to $Nil (2022: $9,000). The performance guarantees are supported through corporate guarantee provided by the Company.

The currency profiles of cash and cash equivalents at end of the reporting period were as follows:

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Singapore dollar	**15,106**	7,397	**8,774**	139
United States dollar	**276**	274	**266**	264
Australian dollar	**514**	116	**1**	1
	15,896	7,787	**9,041**	404

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade payables				
– Third parties	**3,912**	4,357	**–**	–
– Retention sums	**1,315**	1,065	**–**	–
	5,227	5,422	**–**	–
Other payables				
– Third parties	**60**	329	**45**	35
– Subsidiaries	**–**	–	**16,743**	21,485
– Penalty and interest	**310**	313	**–**	–
Goods and services tax payable	**10**	131	**–**	–
Deposit received	**96**	97	**–**	–
Accrued expenses	**1,505**	1,629	**140**	125
Accrued Directors' fee	**41**	41	**41**	41
Total trade and other payables	**7,249**	7,962	**16,969**	21,686
Less:				
– Goods and services tax payable	**(10)**	(131)	**–**	–
– Provision for penalty and interest	**(310)**	(313)	**–**	–
Add:				
– Bank term loans	**18,059**	20,118	**–**	–
– Lease liabilities	**2,063**	2,347	**52**	69
Total financial liabilities carried at amortised cost	**27,051**	29,983	**17,021**	21,755

Trade payables due to third parties are non-interest bearing and are generally settled on 30 to 60 (2022: 30 to 60) days' credit terms.

During the financial year, the non-trade amounts due to subsidiaries of $3,738,000 (2022: $Nil) were written off following the strike off of the subsidiaries (Note 5).

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Provision for penalty and interest pertains to the outstanding withholding tax on deemed dividend distribution of $310,000 (2022: $313,000) (Note 26).

The currency profiles of trade and other payables at end of the reporting period were as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Singapore dollar	**6,808**	7,314	**226**	2,101
United States dollar	**337**	364	**16,743**	19,585
Australian dollar	**104**	284	**–**	–
	7,249	7,962	**16,969**	21,686

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. PROVISIONS

Movements in provisions are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Defects liability		
At 1 January	**432**	476
(Reversed)/Addition during the financial year	**(143)**	23
Utilised during the financial year	**(57)**	(67)
At 31 December	**232**	432

The provision for defects liability represents the best estimate of the Group's contractual obligations at each reporting date based on historical level of rectification work, typically for a period of 12 to 18 months after the completion of the projects.

The assumptions used to estimate the above provisions are reviewed periodically in light of actual experience.

13. BANK TERM LOANS

	Group	
	2023	**2022**
	$'000	**$'000**
Current		
Term loan I	**259**	321
Term loan II	**1,273**	1,248
Term loan III	**291**	11,710
	1,823	13,279
Non-current		
Term loan I	**4,573**	4,812
Term loan II	**754**	2,027
Term loan III	**10,909**	–
	16,236	6,839
	18,059	20,118
Effective interest rate per annum		
Bank term loans	**2.00% to 6.42%**	1.50% to 2.46%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. BANK TERM LOANS (CONTINUED)

Term loan I

Term loan I is repayable in 240 monthly instalments commencing 13 September 2016 and secured against the leasehold property in Singapore of $6,838,000 (2022: $7,049,000) (Note 4). Term loan I is supported by corporate guarantee provided by the Company.

Term loan II

Term loan II is unsecured and repayable in 60 monthly instalments commencing 13 September 2021 after initial 12 months interest servicing period. Term loan II is supported by corporate guarantee provided by the Company.

Term loan III

Term loan III is repayable semi-annually amounting to $113,000 (A$125,000) starting 6 months from 20 March 2023 and remaining balance repayable in full by 20 March 2026. Term loan III is secured against the investment property of $15,688,000 (2022: $17,357,000) (Note 5).

At each reporting date, the fair value of bank term loans approximates the carrying amounts because these loans are subject to floating rates.

The currency profiles of bank term loans as at the end of reporting period were as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Singapore dollar	**6,859**	8,408
Australian dollar	**11,200**	11,710
	18,059	20,118

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. LEASE LIABILITIES

	Leasehold land $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
Group				
At 1 January 2023	**1,301**	**207**	**839**	**2,347**
Additions				
Interest expense	**33**	**7**	**29**	**69**
Lease payments				
– Principal portion	**(24)**	**(44)**	**(216)**	**(284)**
– Interest portion	**(33)**	**(7)**	**(29)**	**(69)**
At 31 December 2023	**1,277**	**163**	**623**	**2,063**
At 1 January 2022	1,322	58	473	1,853
Additions	–	212	517	729
Interest expense	34	3	24	61
Lease payments				
– Principal portion	(21)	(63)	(151)	(235)
– Interest portion	(34)	(3)	(24)	(61)
At 31 December 2022	1,301	207	839	2,347

	Motor vehicles	
	2023 $'000	2022 $'000
Company		
At 1 January	**69**	86
Interest expense	**3**	3
Lease payments		
– Principal portion	**(17)**	(17)
– Interest portion	**(3)**	(3)
At 31 December	**52**	69

The total cash outflow at Group level in respect of leases, including short-term leases amounted to $972,000 (2022: $811,000) during the current financial year.

Lease liabilities are denominated in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. LEASE LIABILITIES (CONTINUED)

The maturity analysis of lease liabilities at each reporting date was as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Contractual undiscounted cash flows				
– Within one year	**292**	352	**20**	20
– Within two to five years	**829**	1,065	**35**	55
– After five years	**1,625**	1,682	**–**	–
	2,746	3,099	**55**	75
Less: Future interest expense	**(683)**	(752)	**(3)**	(6)
Present value of lease liabilities	**2,063**	2,347	**52**	69
Presented in the statements of financial position				
– Current	**236**	283	**18**	17
– Non-current	**1,827**	2,064	**34**	52
	2,063	2,347	**52**	69

The Group leases a piece of land in Singapore. It is customary for lease contract to provide payment to increase each year by inflation, to be reset periodically to market rental rates or fixed payments.

The Group also leases plant and machinery and motor vehicles with only fixed payments over the lease terms.

The Group leases dormitories on the short-term basis (i.e. 6 to 12 months) in order to provide accommodation for workers. The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operations.

The Group's and the Company's lease liabilities of $786,000 (2022: $1,046,000) and $52,000 (2022: $69,000) respectively are secured by the leased assets (Note 4), which will revert to the lessors in the event of default by the Group or the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. DEFERRED TAX LIABILITIES

	Group	
	2023 **$'000**	**2022** **$'000**
At 1 January	**67**	166
Charge/(Credit) to profit or loss	**167**	(99)
At 31 December	**234**	67

The following are the major deferred tax liabilities recognised by the Group and the movements during the financial year.

		Group	
	Accelerated tax depreciation **$'000**	**Other temporary differences** **$'000**	**Total** **$'000**
At 1 January 2023	**61**	**6**	**67**
Charge to profit or loss	**167**	**–**	**167**
At 31 December 2023	**228**	**6**	**234**
At 1 January 2022	179	(13)	166
(Credit)/Charge to profit or loss	(118)	19	(99)
At 31 December 2022	61	6	67

Deferred tax liabilities are attributable to temporary differences between the tax written down values and the carrying amounts of the property, plant and equipment computed at the statutory income tax rate of 17%.

16. SHARE CAPITAL

	Group and Company			
	2023		**2022**	
	Number of ordinary shares	**$'000**	**Number of ordinary shares**	**$'000**
Issued and fully paid				
At 1 January and 31 December	**430,610,283**	**55,169**	430,610,283	55,169

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. RESERVE AND ACCUMULATED LOSSES

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Accumulated losses

Movements in the Company's accumulated losses are as follows:

	Company	
	2023 $'000	2022 $'000
At 1 January	**(27,472)**	(24,262)
Loss for the financial year	**(938)**	(3,210)
At 31 December	**(28,410)**	(27,472)

18. REVENUE

Disaggregation of revenue

The Group has disaggregated revenue into various categorical in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- enable users to understand the relationship with revenue segment information provided in Note 27 to the financial statements.

	Group					
Segment	Construction and engineering		Property		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
<u>*Type of good or service*</u>						
Over time						
– Contract revenue	**29,867**	29,050	**–**	–	**29,867**	29,050
Point in time						
– Sales of construction materials	**57**	8	**–**	–	**57**	8
Lease income	**491**	126	**1,127**	1,224	**1,618**	1,350
	30,415	29,184	**1,127**	1,224	**31,542**	30,408

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. OTHER INCOME

	Group	
	2023 $'000	2022 $'000
Interest income	285	21
Gain on disposal of property, plant and equipment	33	44
Government grants		
– Foreign Worker Levy rebates	–	204
– Other grants	38	106
Others	36	75
	392	450

20. FINANCE COSTS

	Group	
	2023 $'000	2022 $'000
Interest expense		
– Bank term loans	757	443
– Lease liabilities (Note 14)	69	61
	826	504

21. LOSS BEFORE INCOME TAX

Loss before income tax for the financial year is arrived at after charging the following:

	Group	
	2023 $'000	2022 $'000
Cost of services		
Depreciation of property, plant and equipment	592	639
Provision (reversed)/made for defects liability	(143)	23
Material costs	5,368	6,118
Short-term leases	619	515

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. LOSS BEFORE INCOME TAX (CONTINUED)

Loss before income tax for the financial year is arrived at after charging the following: (Continued)

	Group	
	2023	**2022**
	$'000	**$'000**
Administrative and other operating expenses		
Audit fees		
– auditors of the Company	**220**	204
Non-audit fees		
– auditors of the Company	**85**	54
Depreciation of property, plant and equipment	**523**	473
Fair value loss on investment property (Note 5)	**2,174**	1,922
Foreign exchange (loss)/gain, net	**(81)**	479
Property, plant and equipment written off	**–**	–*

* Amount less than $1,000

22. EMPLOYEE BENEFITS EXPENSES

	Group	
	2023	**2022**
	$'000	**$'000**
Directors' fees	**165**	165
Short-term employee benefits	**7,418**	6,856
Post-employment benefits	**299**	295
Other expenses	**69**	122
	7,951	7,438

The employee benefits expenses are recognised in the following line items of profit or loss:

	Group	
	2023	**2022**
	$'000	**$'000**
Cost of services	**5,681**	4,924
Administrative and other operating expenses	**2,270**	2,514
	7,951	7,438

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. EMPLOYEE BENEFITS EXPENSES (CONTINUED)

The remuneration of Directors and other members of the key management personnel of the Company during the financial year was as follows:

	Group	
	2023 **$'000**	**2022** **$'000**
Directors of the Company		
– Short-term employee benefits	**765**	765
– Post-employment benefits	**9**	6
Other key management personnel		
– Short-term employee benefits	**139**	144
– Post-employment benefits	**15**	15
	928	930

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

23. INCOME TAX EXPENSE

	Group	
	2023 **$'000**	**2022** **$'000**
Current tax:		
– Current year	**128**	143
– Under provision in prior years	**46**	51
	174	194
Deferred tax:		
– Current year	**167**	(99)
Total income tax expense	**341**	95

Income tax expense is calculated at 17% (2022: 17%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. INCOME TAX EXPENSE (CONTINUED)

Reconciliation of effective tax rate

	Group	
	2023 $'000	2022 $'000
Loss before income tax	**(2,350)**	(634)
Income tax using Singapore tax rate of 17% (2022: 17%)	**(400)**	(108)
Effect of income not subject to tax	**(187)**	(337)
Effect of expenses not deductible for tax purposes	**907**	867
Income tax exemption and rebate	**(102)**	(18)
Effect of different tax rates in other countries	**(235)**	(160)
Deferred tax asset not recognised	**365**	–
Utilisation of unrecognised deferred tax asset	**(53)**	(304)
Under provision of current income tax in prior years	**46**	51
Others	**–***	104
	341	95

* Amount less than $1,000

Unrecognised deferred tax assets

Movement of unrecognised deferred tax assets are as follows:

	Group	
	2023 $'000	2022 $'000
At 1 January	**1,760**	2,023
Deferred tax asset not recognised	**365**	–
Utilisation of unrecognised deferred tax asset	**(53)**	(304)
Adjustment resulting from change in temporary differences	**2**	41
At 31 December	**2,074**	1,760

Unrecognised deferred tax assets arise as a result of:

	Group	
	2023 $'000	2022 $'000
Unutilised tax losses	**922**	677
Unutilised capital allowance	**1,152**	1,083
	2,074	1,760

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. INCOME TAX EXPENSE (CONTINUED)

Unrecognised deferred tax assets (Continued)

As at 31 December 2023, the Group had unutilised tax losses of approximately $4,285,000 (2022: $3,403,000) and unutilised capital allowance of approximately $4,606,000 (2022: $4,332,000) that are available for offset against future taxable profits of the Group, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations. No deferred tax asset has been recognised on these tax losses and capital allowance as it is uncertain that there will be sufficient future taxable profits to realise these future benefits. There is no expiry date for these unutilised tax losses and capital allowance, and subject to agreement by the tax authorities, they can be carried forward subject to conditions imposed by the law.

At each reporting date, the temporary difference associated with undistributed earnings of a subsidiary for which deferred tax liabilities have not been recognised was $1,615,000 (2022: $1,638,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

24. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the parent is based on the following data:

	Group	
	2023	**2022**
Loss		
Loss for the financial year attributable to owners of the parent ($'000)	**(2,691)**	(729)
Number of shares		
Actual number of ordinary shares in issue ('000)	**430,610**	430,610
Weighted average number of ordinary shares for the purpose of basic loss per share and diluted loss per share ('000)	**430,610**	430,610
Loss per share		
Basic and diluted (cents)	**(0.62)**	(0.17)

The diluted loss per share (2022: diluted loss per share) is the same as the basic loss per share (2022: basic loss per share) as the Company does not have any dilutive potential ordinary shares in the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. LEASE ARRANGEMENTS

The Group as lessee

As at 31 December 2023, the Group had aggregated undiscounted commitments for short-term leases amounting to $590,000 (2022: $391,000).

The Group as lessor

At each reporting date, the Group has contracted with tenants for the following minimum lease receivables:

	Group	
	2023 **$'000**	**2022** **$'000**
Within one year	**738**	750
Within two to five years	**2,072**	1,870
More than five years	**261**	597
	3,071	3,217

The lease for the investment property was negotiated for a term of 2 to 10 years commencing with no arrangement on contingent rents. Lease payments will be reviewed upon renewal to reflect market rentals.

26. CONTINGENT LIABILITIES

Corporate guarantee

The Company has provided corporate guarantees of $15,570,000 (2022: $14,731,000) to banks for which total facilities of $7,344,000 (2022: $9,121,000) were utilised by subsidiaries. The financial guarantee has not been recognised in the financial statements of the Company as the credit risk of default payment by the subsidiary is assessed to be low.

Tax assessment in relation to dividends attributable to the Group

During the financial year ended 31 December 2018, a subsidiary in Cambodia received a notice of tax reassessment for the financial year ended 31 December 2014 ("Tax Reassessment") from the Large Taxpayers Department ("LTD") of the GDT, Cambodia, of approximately $1,169,000 for the withholding tax on deemed dividend distribution to the Company, including related penalty and interest. The management had submitted an objection letter subsequently on the basis that there are no specific tax provisions and legal basis for the LTD to deem such dividend distribution as the dividend has not been paid.

Nonetheless, the management had, without admission of the correctness of the Tax Reassessment received and pending clarification from the LTD, made a provision of $293,000 in relation to the withholding tax and $327,000 for related penalty and interest in the financial year ended 31 December 2018. The respective amounts recognised in the statements of financial position under "Current income tax payable" and "Trade and other payables" as at 31 December 2023 were $278,000 and $310,000 (2022: $280,000 and $313,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker.

Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Singapore, Australia and Cambodia. Singapore remains as the Corporate Headquarters and with various subsidiaries engaged in the construction and engineering business as well as property business, while Australia and Cambodia are engaged in property business.

The Group has two reportable segments being construction and engineering as well as property.

The construction and engineering segment is in the business of building and civil engineering contractors.

The property segment is in the business of leasing of properties and development of properties.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations before tax expense.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation. Profit or loss is reviewed after elimination of intersegment transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. SEGMENT REPORTING (CONTINUED)

	Note	Construction and engineering $'000	Property $'000	Unallocated $'000	Consolidated $'000
2023					
Revenue					
Revenue from external customers		30,415	1,127	–	31,542
Total revenue		30,415	1,127	–	31,542
Results					
Segment results	A	2,403	238	(1,316)	1,325
Interest income		97	10	178	285
Interest expense		(243)	(580)	(3)	(826)
Depreciation of property, plant and equipment		(1,013)	–	(43)	(1,056)
Share of results of joint ventures		–	96	–	96
Fair value loss on investment property		–	(2,174)	–	(2,174)
Profit/(Loss) before income tax		1,244	(2,410)	(1,184)	(2,350)
Income tax expense					(341)
Loss for the financial year					(2,691)
Capital expenditure					
Additions to non-current assets	B	147	724	–	871
Assets and liabilities					
Segment assets	C	32,396	27,495	9,140	69,031
Segment liabilities	D	16,036	11,936	319	28,291
Deferred tax liabilities					234
Total liabilities					28,525

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. SEGMENT REPORTING (CONTINUED)

	Note	Construction and engineering $'000	Property $'000	Unallocated $'000	Consolidated $'000
2022					
Revenue					
Revenue from external customers		29,184	1,224	–	30,408
Total revenue		29,184	1,224	–	30,408
Results					
Segment results	A	2,567	370	(1,934)	1,003
Interest income		20	–	1	21
Interest expense		(204)	(296)	(4)	(504)
Depreciation of property, plant and equipment		(1,067)	–	(45)	(1,112)
Share of results of joint ventures		–	1,880	–	1,880
Fair value loss on investment property		–	(1,922)	–	(1,922)
Profit/(Loss) before income tax		1,316	32	(1,982)	(634)
Income tax expense					(95)
Loss for the financial year					(729)
Capital expenditure					
Additions to non-current assets	B	1,228	–	–	1,228
Assets and liabilities					
Segment assets	C	35,303	39,186	540	75,029
Segment liabilities	D	18,654	12,626	336	31,616
Deferred tax liabilities					67
Total liabilities					31,683

Notes:

A. Unallocated segment results comprise mainly Corporate Headquarter expenses.

B. Additions to non-current assets consist of additions to property, plant and equipment.

C. Unallocated segment assets comprise mainly cash and bank balances held at the Corporate Headquarter.

D. Unallocated segment liabilities comprise mainly lease liabilities and trade and other payables at the Corporate Headquarter.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. SEGMENT REPORTING (CONTINUED)

Geographic information

Revenue by geographical market

	Singapore $'000	Australia $'000	Consolidated $'000
2023			
Construction and engineering	**30,415**	**–**	**30,415**
Property	**–**	**1,127**	**1,127**
2022			
Construction and engineering	29,184	–	29,184
Property	–	1,224	1,224

Location of non-current assets

	Singapore $'000	Australia $'000	Cambodia $'000	Consolidated $'000
2023				
Non-current assets	**10,009**	**15,689**	**1,922**	**27,620**
2022				
Non-current assets	17,895	17,357	1,030	36,282

Non-current assets consist of property, plant and equipment, investment property and investments in joint ventures.

Major customer

The Group's revenue from construction and engineering segment of $30,415,000 (2022: $29,184,000) are derived from various customers in Singapore. The Group derives revenue from 4 (2022: 4) major customers from the construction and engineering segment who contributed revenue amounting more than 10% (2022: 10%) of the Group's total revenue. The revenue from these customers amounted to $14,988,000 (2022: $16,178,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's activities expose it to credit risk, market risks (including foreign currency risk and interest rate risk) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

28.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. The Group assesses the credit risk of new customers before entering into contracts and generally does not require a collateral. Such credit ratings are taken into account by local business practices.

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

28.1 Credit risk (Continued)

The Board of Directors determines concentrations of credit risk by monitoring the creditworthiness rating of existing customers and through a review of the ageing analysis. In monitoring the customers' credit risk, management reviews the historical credit loss rates and adjusts for forward looking information using industry market data and customer profile so as to reflect the effects of current and future economic conditions and factors affecting the industries in which the Group is operating under. The exposure to credit risk for trade receivables at the end of the financial year was as follows:

	Current $'000	Past due less than 1 month $'000	Past due over 1 to 2 months $'000	Past due over 2 to 3 months $'000	Past due over 3 months $'000	Total $'000
Group						
2023						
Trade receivables						
– Third parties	**1,888**	**439**	**378**	**80**	**75**	**2,860**
Retention sums	**6,244**	**–**	**–**	**–**	**–**	**6,244**
Contract assets	**4,841**	**–**	**–**	**–**	**–**	**4,841**
2022						
Trade receivables						
– Third parties	2,267	808	225	121	81	3,502
Retention sums	5,133	–	–	–	–	5,133
Contract assets	4,790	–	–	–	–	4,790

Trade receivables, retention sums and contract assets for the construction and engineering segment are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

28.1 Credit risk (Continued)

For advances made to subsidiaries and joint ventures, management has taken into account information that it has available internally about the past, current and expected operating performance and cash flow position. Management monitors and assess at each reporting date on any indicator of significant increase in credit risk on the amount due from subsidiaries and joint ventures, by considering their financial performance and any default in external debt. For those where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. There is no change in the estimation techniques made in assessing loss allowance during the financial year. There is no significant increase in credit risk since initial recognition of these advances made to subsidiaries and joint ventures as the underlying investment of these subsidiaries and joint ventures are profitable, except for the amount described in Note 6 to the financial statements where there is indication that credit risk on these receivables have increased significantly. The settlement of these advances will be made upon the realisation of the underlying investments as described in Notes 6 and 7 to the financial statements. Hence, advances due from subsidiaries and joint ventures have been measured based on 12-month and lifetime expected credit loss model respectively and subject to immaterial credit loss.

Credit risk also arises from cash and bank balances and fixed deposits with banks. For banks, only independently rated parties with minimum rating “AA-” are accepted and hence, subjected to immaterial credit loss.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that financial instruments presented in the respective statements of financial position, except for the financial guarantee issued to financial institutions for loans provided to subsidiaries (Notes 26 and 28.2).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

28.2 Liquidity risk

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of receipts and payments. The Group manages liquidity risks by keeping committed lines of credit available.

The following table details the Group's and the Company's remaining contractual maturity for its financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay. The table includes both interest and principal cash flows.

	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Total $'000
Group				
Financial liabilities				
Trade and other payables[1]	**6,929**	**–**	**–**	**6,929**
Lease liabilities	**292**	**829**	**1,625**	**2,746**
Bank term loans	**2,728**	**13,706**	**4,155**	**20,589**
As at 31 December 2023	**9,949**	**14,535**	**5,780**	**30,264**
Financial liabilities				
Trade and other payables[1]	7,518	–	–	7,518
Lease liabilities	352	1,065	1,682	3,099
Bank term loans	13,479	3,646	5,099	22,224
As at 31 December 2022	21,349	4,711	6,781	32,841
Company				
Financial liabilities				
Trade and other payables	**16,969**	**–**	**–**	**16,969**
Lease liabilities	**20**	**35**	**–**	**55**
As at 31 December 2023	**16,989**	**35**	**–**	**17,024**
Financial guarantee contract	**7,344**	**–**	**–**	**7,344**
Financial liabilities				
Trade and other payables	21,686	–	–	21,686
Lease liabilities	20	55	–	75
As at 31 December 2022	21,706	55	–	21,761
Financial guarantee contract	9,121	–	–	9,121

Note:

(1) Excludes goods and services tax payable and provision for penalty and interest.

The disclosed amounts for the financial guarantee contract represent the banking facilities utilised by subsidiaries which could be called upon in the event of default.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

28.3 Foreign currency risk

The Group has foreign currency exposures arising from monetary assets and liabilities that are denominated in a currency other than the respective functional currencies of Group entities, primarily the United States dollar and Australian dollar.

The Group does not have a formal hedging policy against foreign exchange fluctuations. The Group continuously monitors the exchange rates on a daily basis so as to realise the currencies at the most favourable exchange rate.

The Group's and the Company's exposure from foreign currency denominated monetary assets and monetary liabilities as at the end of the reporting period was as follows:

	Group		Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Monetary assets				
United States dollar	**287**	275	**277**	275
Australian dollar	**11,443**	9,190	**11,444**	9,190
Monetary liabilities				
United States dollar	**16,743**	19,585	**16,743**	19,585

Foreign currency sensitivity analysis

The Group is mainly exposed to United States dollar (USD) and Australian dollar (AUD) denominated monetary assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

28.3 Foreign currency risk (Continued)

The following table details the Group's sensitivity to 1% (2022: 3%) change in USD and AUD against Singapore dollar (SGD). The sensitivity analysis assumes an instantaneous change in the foreign currency exchange rates from the end of the reporting period, with all variables held constant. The results of the model are also constrained by the fact that only monetary items, including external loans and loans to foreign operations, which are denominated in USD and AUD are included in the analysis.

	Increase/(Decrease)			
	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
USD				
Strengthens against SGD	**(165)**	(579)	**(165)**	(579)
Weakens against SGD	**165**	579	**165**	579
AUD				
Strengthens against SGD	**114**	276	**114**	276
Weakens against SGD	**(114)**	(276)	**(114)**	(276)

28.4 Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to bank term loans as shown in Note 13 to the financial statements. The Company is not exposed to interest rate risk as it does not have any bank borrowings at the end of the reporting period.

The Group's results are affected by changes in interest rates due to the impact of such changes on interest expenses from bank borrowings which are at floating interest rates. It is the Group's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risks for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 100 basis points change in the interest rates from the end of the reporting period, with all variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

28.4 Interest rate risk (Continued)

The table below demonstrates the sensitivity to a reasonably possible change in interest rate with all other variables held constant, of the Group's loss before tax and the Group's equity.

	Group		
	Increase/ decrease in basis points	Effect on loss before tax $'000	Effect on equity $'000
2023			
Bank term loans	**+100**	**(181)**	**(150)**
Bank term loans	**-100**	**181**	**150**
2022			
Bank term loans	+100	(201)	(167)
Bank term loans	-100	201	167

If the interest rates have been higher/lower by 100 basis points with all variables including tax rate being held constant, the loss after tax would have been higher/lower (2022: higher/lower) as disclosed in the tables above.

29. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of issued capital and bank loans.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group and the Company have complied with all externally-imposed capital requirements which comprise loan covenants imposed by banks in respect of bank term loans granted to certain subsidiaries for the financial years ended 31 December 2023 and 2022 (Note 13). The Group's overall strategy remains unchanged from 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The management of the Group has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The carrying amounts of the Group's bank term loans approximate its fair value as they are mostly at floating interest rates.

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).

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

Issued and Fully Paid-Up Capital	:	S$64,643,937.37
No. of Shares Issued	:	430,610,283
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
No. of Treasury Shares and Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	15	1.42	675	0.00
100 – 1,000	59	5.57	36,588	0.01
1,001 – 10,000	421	39.75	2,638,825	0.61
10,001 – 1,000,000	546	51.56	45,217,473	10.50
1,000,001 AND ABOVE	18	1.70	382,716,722	88.88
TOTAL	**1,059**	**100.00**	**430,610,283**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	ANG BOON CHEOW EDWARD	278,160,811	64.60
2	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	31,847,044	7.40
3	DBS NOMINEES (PRIVATE) LIMITED	12,952,983	3.01
4	CITIBANK NOMINEES SINGAPORE PTE LTD	10,203,450	2.37
5	RAFFLES NOMINEES (PTE.) LIMITED	9,400,417	2.18
6	WONG SIEW HUI	8,093,556	1.88
7	ANG SIEW TIONG	7,691,098	1.79
8	UOB KAY HIAN PRIVATE LIMITED	5,415,200	1.26
9	PHILLIP SECURITIES PTE LTD	3,897,600	0.91
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,679,500	0.62
11	TAN KIM SENG	2,500,000	0.58
12	WEE HIAN KOK	1,722,200	0.40
13	TAN MARK TERENCE	1,648,300	0.38
14	ANDREA ANGELIA YEO MAY LING	1,539,463	0.36
15	TEO HOCK HENG	1,400,000	0.33
16	TEO HAN ENG	1,231,800	0.29
17	KWAK PING SIONG	1,215,700	0.28
18	SOME YEW PEW	1,117,600	0.26
19	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	901,700	0.21
20	ANNE YANG BOOT TA	860,500	0.20
	TOTAL	**384,478,922**	**89.31**

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2024

SUBSTANTIAL SHAREHOLDERS

(AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2024)

	Direct Interest		Deemed Interest	
Substantial Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**
ANG BOON CHEOW EDWARD[1]	278,160,811	64.60	–	–
ANG BOON CHONG[1][2]	–	–	31,847,044	7.40%

Notes:

(1) Mr Ang Boon Cheow Edward and Mr Ang Boon Chong are brothers.

(2) Mr Ang Boon Chong is deemed interested in 31,847,044 shares which are owned by Mr Ang Boon Chong and registered in the name of BNP Paribas Nominees Singapore Pte. Ltd.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 28.0% of the issued ordinary shares in the capital of the Company are held in the hands of the public as at 18 March 2024. Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Ocean Sky International Limited (the "**Company**") will be held at Raffles Marina, Bridge Room, Level 2, 10 Tuas West Drive, Singapore 638404 on Tuesday, 30 April 2024 at 10:00 a.m. for the following businesses:–

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2023 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Mr Tan Teng Wee who is retiring pursuant to Article 89 of the Company's Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. **(Resolution 2)**

   [See Explanatory Note (i)]

3. To re-elect Mr Chia Boon Kuah who is retiring pursuant to Article 89 of the Company's Constitution, and who, being eligible, offers himself for re-election, as Director of the Company. **(Resolution 3)**

   [See Explanatory Note (ii)]

4. To approve the payment of Directors' fees of S$138,333 for the financial year ending 31 December 2024, payable quarterly in arrears. (FY2023: S$165,000) **(Resolution 4)**

5. To re-appoint Messrs BDO LLP as independent auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary which may properly be transacted at an Annual General Meeting of the Company.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without amendments, as Ordinary Resolutions:–

7. **Authority to issue shares and convertible securities** **(Resolution 6)**

   "That, pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Act**"), the Constitution and Rule 806 of the Catalist Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue:

(i) additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional instruments in (b)(i) above,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date of this Resolution is passed;

(2) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of convertible securities;

(ii) new Shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

NOTICE OF ANNUAL GENERAL MEETING

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act, and otherwise, the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iii)]

8. **Proposed Renewal of Share Purchase Mandate** **(Resolution 7)**

"That:

(a) for the purposes of the Catalist Rules and the Act, the exercise by the Directors of the Company of all the powers of the Company to use Funds (as defined hereinafter) to purchase or otherwise acquire the ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as defined hereinafter), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined hereinafter), whether by way of:

(i) on-market purchases (each an "**On-Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit based on the requirements of Section 76C of the Act,

and in accordance with all other laws and regulations of Singapore and the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company is held or required by the law to be held;

(ii) the date on which the share purchases are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Purchase Mandate is revoked or varied;

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"**Funds**" means internal sources of funds of the Company. Illustrations of the financial impact of the use of Funds are set out in the Appendix 1;

"**Maximum Limit**" means that number of Shares representing ten per cent. (10%) of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period (as defined hereinafter), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last annual general meeting was held and expiring on the date the next annual general meeting is held or is required by law to be held or the date on which the share purchases are carried out to the full extent of the Share Purchase Mandate or the date the said mandate is revoked or varied by the Company in a general meeting, whichever is the earlier, after the date of this Resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Purchase: 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of a share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the On-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) market days period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

[See Explanatory Note (iv)]

AS SPECIAL RESOLUTION

9. **Proposed Adoption of The New Constitution** **(Resolution 8)**

All capitalized terms in the Resolution 8 below and defined in the Letter to Shareholders of the Company dated 8 April 2024 (the "**Letter**") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Letter.

(a) the Regulations contained in the new constitution of the Company as set out in Annex B to the Letter (the "**New Constitution**") be and are hereby approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the Existing Constitution of the Company; and

(b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they or he may consider expedient, desirable or necessary to give effect to the adoption of the New Constitution and all transactions contemplated and/or authorised by this special resolution.

[See Explanatory Note (v)]

By Order of the Board

Low Wei Han
Company Secretary

Singapore, 8 April 2024

EXPLANATORY NOTES:

(i) **Ordinary Resolution 2** – Mr Tan Teng Wee will, upon re-election as a Director of the Company, remain as a Non-Executive and Independent Director of the Company as well as Chairman of the Nominating Committee and a member of Audit Committee and Remuneration Committee. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information on Mr Tan Teng Wee can be found under the "Board of Directors", "Corporate Governance Report" and "Disclosure of information on Directors Seeking Re-Election" sections in the Company's Annual Report.

(ii) **Ordinary Resolution 3** – Mr Chia Boon Kuah will, upon re-election as a Director of the Company, remain as a Non-Executive and Independent Director of the Company, as well as a member of Audit Committee and Nominating Committee. He will be appointed as Chairman of Remuneration Committee after the conclusion of the AGM. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information on Mr Chia Boon Kuah can be found under the "Board of Directors", "Corporate Governance Report" and "Disclosure of information on Directors Seeking Re-Election" sections in the Company's Annual Report.

(iii) **Ordinary Resolution 6**, if passed, will empower the Directors from the date of this AGM until the date of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant Instruments convertible into shares and to issue share pursuant to such Instruments. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company, of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company.

NOTICE OF ANNUAL GENERAL MEETING

(iv) **Ordinary Resolution 7**, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued shares from time to time subject to and in accordance with the guidelines set out in the Appendix 1 accompanying this Notice. Unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date of which the next annual general meeting of the Company is held or required by the law to be held;

(ii) the date of which the share purchases are carried out to the full extent mandated; or

(iii) the date of which the authority contained in the Share Purchase Mandate is revoked or varied.

(v) **Special Resolution 8** is to adopt the New Constitution for the Company to conform with the wide-ranging changes to the Companies Act 1967 introduced pursuant to the Companies (Amendment) Act 2014, the Companies (Amendment) Act 2017, as well as the prevailing SGX listing rules and other regulatory requirements. Please refer to the Letter to Shareholders dated 8 April 2024 for more details on the New Constitution.

NOTES:

(a) Participation in the AGM

1. The Annual General Meeting (the "**Meeting**" **or** "**AGM**") will be held, in a wholly physical format at the AGM venue set out above and there will be no option for members to participate virtually. The Notice of AGM, Proxy Form and the Annual Report will be made available on the SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.oceanskyintl.com. A printed copy of the Notice of AGM, Proxy Form and Request Form will be sent to the members of the Company.

2. Members may participate in the AGM by:

   (a) attending the AGM in person;

   (b) submitting questions in relation to any agenda items in this Notice of AGM in advance of, or at the AGM; and/or

   (c) voting at the AGM by themselves personally or through their duly appointed proxy(ies).

   Details of the steps for registration, asking of questions and voting at the AGM by members, are set out in the notes below.

(b) Registration in person to attend the AGM

1. Members, including CPF and SRS investors can attend the AGM in person.

   To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Please bring along your NRIC/Passport to enable the Company to verify your identity. Members and/or their proxy(ies) are advised to arrive early to facilitate the registration process and exercise social responsibility and not to attend the AGM if they are feeling unwell. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

2. For investors who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, 1967 of Singapore) including CPF and SRS Investors and who wish to participate in the AGM should contact their respective relevant intermediaries (including CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

(c) Asking Questions

1. Members, including CPF and SRS investors may ask question relating to the item on the agenda of the AGM during the AGM physically or submitting their question to the Company in advance ("**Advanced Questions**") by 10:00 a.m. on 19 April 2024 ("**Cut-off Time**") through any of the following means:

   (i) by post, to be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

   (ii) by email to srs.teamE@boardroomlimited.com.

2. Members, including CPF and SRS investors must identify themselves when posting questions through email or mail by providing their full names (for individuals)/company names (for corporations), NRIC/passport number/company registration numbers, contact numbers, email address, number of shares and the manner in which their hold shares (if hold shares directly, please provide the CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholders).

3. The Company will address all substantial and relevant Advanced Questions through announcement on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.oceanskyintl.com by 10:00 a.m. on 26 April 2024.

4. The Company will endeavors to address (i) subsequent clarifications sought, (ii) follow-up questions, or (iii) subsequent substantial and relevant questions which are received after the Cut-off Time at the AGM itself or via an announcement on SGXNet and the Company's website. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

5. The Company will, within one month after the AGM, publish the minutes of the AGM on the SGXNet and the Company's website and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

NOTICE OF ANNUAL GENERAL MEETING

(d) Voting at the AGM or voting by appointing prox(ies)

1. Members will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf.

2. Duly completed proxy forms must be submitted through any of the following means no later than 10:00 a.m., 28 April 2024, being no later than forty-eight (48) hours before the time appointed for holding the AGM and in default the instrument of proxy shall not be treated as valid:

   (i) If sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632; or

   (ii) If by email, the proxy form must be received at srs.proxy@boardroomlimited.com.

   The proxy form is made available on SGXNet and the Company's corporate website at https://www.oceanskyintl.com and may be accessed through announcement on the SGX website at https://www.sgx.com/securities/company-announcements.

   The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorized, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

3. A proxy need not be a member of the company.

4. A member of the Company which is a corporation is entitled to appoint its authorized representatives or proxies to vote on his behalf.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

   If a member wishes to appoint the Chairman of the Meeting as proxy, such member must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

6. For investors who holds shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors:

   (a) may vote at the AGM if they are appointed as proxies by their respective relevant intermediaries, and should contact their respective relevant intermediaries if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM,

   in which case they should approach their relevant intermediaries to submit their votes at least seven (7) working days prior to the AGM.

7. A member (other than a Relevant Intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to the represented by each proxy shall be specified in the form of the proxy.

8. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote in his/her stead at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, 1967.

9. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Meeting, proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), addressing relevant and substantial questions from members received before and/or during the AGM and if necessary, following up with the relevant members in relation to such questions and enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal date of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a results of the member's breach of warranty. Photographic, sound, and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the member of the Company or the member's proxy(ies) or representative(s) (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she propose/second) may be recorded bythe Company for such Purposes.

APPENDIX 1

OCEAN SKY INTERNATIONAL LIMITED

(Registration No. 198803225E)
(Incorporated in the Republic of Singapore)

SUMMARY SHEET FOR SHARE PURCHASE MANDATE

The Sponsor and the SGX-ST assume no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix. If you are in doubt as to the action that you should take, you should consult your stockbroker or other professional adviser immediately.

(A) Shares Purchased In The Previous Twelve Months

The Company has not made any share purchases pursuant to the share purchase mandate renewed at the annual general meeting on 28 April 2023 in the last 12 months immediately preceding 18 March 2024 (the "**Latest Practicable Date**").

(B) Proposed Renewal Of The Share Purchase Mandate

The Ordinary Resolution No. 7 if passed at the annual general meeting to be held on 30 April 2024 ("**2024 AGM**"), will renew the share purchase mandate (the "**Share Purchase Mandate**") approved by the shareholders of the Company from the date of the 2024 AGM and expiring on the earliest of the date the next annual general meeting of the Company is held or is required by law to be held, the date on which the share purchases are carried out to the full extent of the Share Purchase Mandate or the date the said mandate is revoked or varied by the Company in a general meeting (the "**Relevant Period**").

(C) Rationale For The Share Purchase Mandate

The Share Purchase Mandate will provide the Company with the flexibility to undertake share purchases of up to ten per cent. (10%) of the total number of issued and paid-up share capital of the Company ("**Shares**") (excluding treasury shares and subsidiary holdings) during the period when the Share Purchase Mandate is in force.

In addition to the growth and expansion of the Group's business, a share purchase at the appropriate price level may also increase shareholders' value in the Company as it is one of the ways in which the return on equity of the Group may be enhanced.

Share purchases may also provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings per share and/or net tangible assets value per share.

The existing Shares purchased by the Company under the Share Purchase Mandate, if held as treasury shares, may be utilised for the issuance of shares pursuant to an employees' share scheme or as (part) consideration for the acquisition of shares in or assets of another company.

APPENDIX 1

Short term speculation may at times cause the market price of the Shares to be depressed below the true value of the Group. In a depressed share price situation, the Directors further believe that share purchases by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation which in turn protect shareholders' investments and bolster shareholder confidence.

The Directors will only effect a share purchase as and when the circumstances permit, after taking into account, amongst other things, the Company's financial condition, the prevailing market conditions and whether such share purchases represent the most cost-effective and efficient approach in enhancing share value. The Directors do not propose to carry out share purchases to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

The Directors will ensure that the share purchases will not have any effect on the listing of the Company's securities including the Shares listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Rule 723 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the SGX-ST requires at least ten per cent. (10%) of any class of a company's listed securities to be held by the public at all times. The Directors shall safeguard the interests of public shareholders before undertaking any share purchases. Before exercising the Share Purchase Mandate, the Directors shall at all times take due cognisance of (a) the then shareholding spread of the Company in respect of the number of Shares held by substantial shareholders and by non-substantial shareholders and (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any share purchase.

As at the Latest Practicable Date, 120,602,428 Shares (28.0%) of a total of 430,610,283 Shares issued by the Company are held by 1,057 public shareholders. For illustrative purposes only, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares, being 43,061,028 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be reduced to 77,541,400 Shares, representing approximately 20.0% of the remaining issued Shares of the Company. As such, the Company is of the view that there is sufficient number of Shares in issue held by public shareholders which would permit the Company to undertake share purchases of up to ten per cent. (10%) of its total number of 430,610,283 issued Shares (excluding treasury shares and subsidiary holdings) without affecting the listing status of the Shares on the SGX-ST. The Company will ensure that the share purchases will not cause market illiquidity or affect orderly trade.

(D) Financial Impact Of The Proposed Shares Purchases

1. The purchased Shares shall be cancelled immediately on purchase or acquisition unless held in treasury in accordance with Section 76H of the Companies Act 1967 of Singapore (the "**Act**"). Section 76H of the Act allows purchased Shares to be:

   (i) held by the Company; or

   (ii) dealt with, at any time, in accordance with Section 76K of the Act, as treasury shares.

APPENDIX 1

Section 76K of the Act allows the Company to:

(i) sell the treasury shares (or any of them) for cash;

(ii) transfer the treasury shares (or any of them) for the purposes of, or pursuant to an employees' share scheme;

(iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares (or any of them); or

(v) sell, transfer or otherwise use the treasury shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance.

The aggregate number of Shares held as treasury shares shall not at any time exceed ten per cent. (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) at that time. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months.

Any share purchase will:

(i) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;

(ii) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or

(iii) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares.

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares will be treated as having no voting rights.

2. The financial effects on the Company and the Group arising from the purchases of the Shares pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased and the consideration paid at the relevant time.

3. For illustrative purposes only, based on the existing issued and paid-up share capital of the Company of S$55,168,760 comprising 430,610,283 Shares in issue as at the Latest Practicable Date, the purchase by the Company of up to a maximum of ten per cent. (10%) of its total number of issued Shares (excluding treasury shares and subsidiary holdings) under the Share Purchase Mandate will result in the purchase of 43,061,028 Shares.

APPENDIX 1

4. For illustrative purposes only, the financial effects of share purchases by the Company pursuant to the Share Purchase Mandate based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2023 are set out below based on the following assumptions:

   (a) in full exercise of the Share Purchase Mandate, 43,061,028 Shares were purchased as at the Latest Practicable Date;

   (b) the maximum price for the On-Market Purchases (as defined in paragraph F(2)) is S$0.031, which is 105% of the Average Closing Price (as defined in paragraph F(2));

   (c) the maximum price for the Off-Market Purchases (as defined in paragraph F(2)) is S$0.036, which is 120% of the Average Closing Price; and

   (d) the maximum amount of funds required for the share purchases in the aggregate is approximately S$1.34 million and S$1.55 million for On-Market Purchases and Off-Market Purchases respectively.

<u>On-Market Purchases and held as Treasury Shares or cancelled</u>

	Company before share purchases (S$'000)	Company after share purchases (S$'000)	Group before share purchases (S$'000)	Group after share purchases (S$'000)
As at 31 December 2023				
Shareholders' funds	26,759	25,424	40,506	39,171
Net tangible assets	26,759	25,424	40,506	39,171
Current assets	28,453	27,118	41,411	40,076
Current liabilities	16,987	16,987	10,228	10,228
Net current assets	11,466	10,131	31,183	29,848
Total borrowings	52	52	20,122	20,122
Cash and cash equivalents	9,041	7,706	15,896	14,561
Number of shares[1] ('000)	430,610	430,610	430,610	430,610
(Treasury shares) ('000)	–	(43,061)	–	(43,061)
Weighted average number of shares ('000)	430,610	387,549	430,610	387,549
Financial Ratios				
Net tangible assets per share (SGD cents)	6.21	6.56	9.41	10.11
Basic loss per share (SGD cents)	(0.22)	(0.24)	(0.62)	(0.69)
Gearing ratio[2] (net) (times)	NM[3]	NM[3]	0.10	0.14
Current ratio (times)	1.67	1.60	4.05	3.92

Notes:
(1) Number of shares is the number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.
(2) Gearing ratio is equal to net borrowings divided by shareholders' funds. Net borrowings is total borrowings less cash and cash equivalents.
(3) Not meaningful

APPENDIX 1

Off-Market Purchases and held as Treasury Shares or cancelled

	Company before share purchases (S$'000)	Company after share purchases (S$'000)	Group before share purchases (S$'000)	Group after share purchases (S$'000)
As at 31 December 2023				
Shareholders' funds	26,759	25,209	40,506	38,956
Net tangible assets	26,759	25,209	40,506	38,956
Current assets	28,453	26,903	41,411	39,861
Current liabilities	16,987	16,987	10,228	10,228
Net current assets	11,466	9,916	31,183	29,633
Total borrowings	52	52	20,122	20,122
Cash and cash equivalents	9,041	7,491	15,896	14,346
Number of shares[1] ('000)	430,610	430,610	430,610	430,610
(Treasury shares) ('000)	–	(43,061)	–	(43,061)
Weighted average number of shares ('000)	430,610	387,549	430,610	387,549
Financial Ratios				
Net tangible assets per share (SGD cents)	6.21	6.50	9.41	10.05
Basic loss per share (SGD cents)	(0.22)	(0.24)	(0.62)	(0.69)
Gearing ratio[2] (net) (times)	NM[3]	NM[3]	0.10	0.15
Current ratio (times)	1.67	1.58	4.05	3.90

Notes:
(1) Number of shares is the number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.
(2) Gearing ratio is equal to net borrowings divided by shareholders' funds. Net borrowings is total borrowings less cash and cash equivalents.
(3) Not meaningful

5. **Shareholders should note that the financial effects set out above are based on the audited financial accounts of the Group and the Company for the financial year ended 31 December 2023 and are for illustration only. The results of the Group and the Company for the financial year ended 31 December 2023 may not be representative of future performance.**

6. The Company intends to use its internal sources of funds to finance its purchases of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchases of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the working capital requirements of the Group would be materially affected. Pursuant to the Act, any payment made by the Company in consideration of the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent. It is an offence for a Director or an officer of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent.

APPENDIX 1

7. The Company will take into account both financial and non-financial factors, among other things, the market conditions at such time, the Company's financial condition, the performance of the Shares and whether such share purchases would represent the most efficient and cost-effective approach to enhance the share value. Share purchases will only be made if the Board believes that such purchases are likely to benefit the Company and increase economic value for shareholders.

(E) Consequences of Shares Purchases Under The Singapore Code on Take-overs and Mergers

1. In accordance with The Singapore Code on Take-overs and Mergers (the "**Take-over Code**"), a person will be required to make a general offer for a public company if:

   (a) he acquires 30 per cent. (30%) or more of the voting rights of the company; or

   (b) he already holds between 30 per cent. (30%) and 50 per cent. (50%) of the voting rights of the company, and he increases his voting rights in the company by more than one per cent. (1%) in any six-month period.

2. Save for the substantial shareholders' and Directors' interest as disclosed below, no Directors have any shareholding interests in the Company as at the Latest Practicable Date:

	← Direct Interest →		← Deemed Interest →		← Total Interest →	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Director						
Ang Boon Cheow Edward[(1)]	278,160,811	64.60	–	–	278,160,811	64.60
Substantial Shareholder (other than Directors)						
Ang Boon Chong[(1), (2)]	–	–	31,847,044	7.40	31,847,044	7.40

Notes:
(1) Mr Ang Boon Cheow Edward and Mr Ang Boon Chong are brothers.
(2) Mr Ang Boon Chong is deemed interested in 31,847,044 Shares which are registered in the name of BNP Paribas Nominees Singapore Pte Ltd.

In the event the Company undertakes share purchases within the Relevant Period of up to ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as permitted by the Share Purchase Mandate, the shareholdings and voting rights of Mr Ang Boon Cheow Edward and Mr Ang Boon Chong will remain above 50%. Accordingly, Mr Ang Boon Cheow Edward and Mr Ang Boon Chong are not required to make a general offer pursuant to the Take-over Code.

APPENDIX 1

(F) Miscellaneous

1. The maximum number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than ten per cent. (10%) of the issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2024 AGM at which the proposed renewal of the Share Purchase Mandate is approved (unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company and subsidiary holdings from time to time). As at the Latest Practicable Date, the Company does not have any treasury shares or subsidiary holdings.

2. Any share purchases undertaken by the Company shall be at a price of up to but not exceeding:

   (a) in the case of an on-market purchases ("**On-Market Purchase**"), 105% of the Average Closing Price (as defined hereinafter); and

   (b) in the case of an off-market purchases ("**Off-Market Purchase**"), 120% of the Average Closing Price,

   (the "**Maximum Price**") in either case, excluding related expenses of the purchase.

   For the above purposes:

   "**Average Closing Price**" means the average of the closing market prices of a share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the On-Market Purchase or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period;

   "**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

   "**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

APPENDIX 1

3. In making share purchases, the Company will comply with the requirements of the Catalist Rules, in particular, Rule 871 with respect to notification to the SGX-ST of any share purchases. Rule 871 is reproduced below:

   "(1) An issuer must announce any share purchase as follows:

   (a) In the case of an On-Market acquisition, by 9.00 am on the market day following the day on which it purchased shares,

   (b) In the case of an Off-Market acquisition under an equal access scheme, by 9.00 am on the second market day after the close of acceptances of the offer.

   (2) The announcement must be in the form of Appendix 8D."

4. Share purchases will be made in accordance with the "Terms of the Share Buyback Mandate" as set out in the Company's Circular to Shareholders dated 9 April 2009. All information required under the Act relating to the Share Purchase Mandate is contained in the said Terms.

5. The Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times. However, as a listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its shares, the Company will undertake not to purchase or acquire shares pursuant to the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any shares during the period commencing one month immediately preceding the announcement of the Company's half-year and full-year results.

6. Within thirty (30) days of the passing of the shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with Accounting & Corporate Regulatory Authority of Singapore ("**ACRA**").

   The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before and after the purchase or acquisition of Shares and the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased out of profits or capital of the Company and such other particulars as may be required in the prescribed form.

   Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act 1967 of Singapore, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

APPENDIX 1

(G) Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or, reproduced in this Appendix in its proper form and context.

(H) Directors' Recommendation

The Directors of the Company are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors of the Company recommend that shareholders vote in favour of Ordinary Resolution No. 7.

(I) Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional tax advisers.

(J) Documents For Inspection

Copies of the following documents may be inspected at the registered office of the Company at 29 Tuas South Street 1, Singapore 638036 during normal business hours from the date of this Appendix up to and including the date of the 2024 AGM. Shareholders may also request for electronic copies of the following documents for inspection from the date hereof up to and including the date of the 2024 AGM by way of email to the Company at elliot@waterbrooks.com.sg:

(a) the Constitution of the Company; and

(b) the Company's annual report for the financial year ended 31 December 2023.

OCEAN SKY INTERNATIONAL LIMITED
(Co. Reg. No. 198803225E)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT
1. The Annual General Meeting ("**AGM**") will be held physically at Raffles Marina, Bridge Room, Level 2, 10 Tuas West Drive, Singapore 638404. Members have no option to participate virtually.
2. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 2 for the definition of "**relevant intermediary**").
3. For investors holding shares through a Relevant Intermediary including CPF and SRS investors), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. The investors should contact their respective relevant intermediary, Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies.

I/We, ______________________________ (Name), NRIC/Passport No./Registration No. ________________

of ____ (Address)
being a member/members* of **OCEAN SKY INTERNATIONAL LIMITED** (the "**Company**") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

or failing him/her, the Chairman of the Meeting, as *my/our proxy/proxies to vote for *me/us on *my/our behalf, at the Annual General Meeting ("**AGM**") of the Company, to be held physically at Raffles Marina, Bridge Room, Level 2, 10 Tuas West Drive, Singapore 638404 on Tuesday, 30 April 2024 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting is given, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid at the AGM and at any adjournment thereof.

No.	Resolutions	For	Against	Abstain
Ordinary Resolutions				
1.	Adoption of Directors' Statement, Audited Financial Statements and Independent Auditor's Report for the financial year ended 31 December 2023			
2.	Re-election of Mr Tan Teng Wee as Director of the Company			
3.	Re-election of Mr Chia Boon Kuah as Director of the Company			
4.	Approval of payment of Directors' Fees of S$138,333 for the financial year ending 31 December 2024, payable quarterly in arrears			
5.	Re-appointment of Messrs BDO LLP as auditors and authorise the Directors to fix their remuneration			
6.	Authority to issue shares and convertible securities			
7.	Proposed renewal of share purchase mandate			
Special Resolution				
8.	Proposed adoption of the New Constitution			

*Delete where inapplicable

NOTES: All resolutions put to vote at the AGM shall be decided by way of poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" the relevant resolution, please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy, not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _________ day of _________________ 2024

Total Number of Shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/
and, Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. A member of the Company (other than a Relevant Intermediary) is entitled to appoint not more than two proxies to attend and vote in his stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2. A member of the Company who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A proxy need not be a member of the Company.

4. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

   In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting, in the form of proxy, failing which the appointment for that resolution will be treated as invalid.

5. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

6. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and registered in his name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all shares held by the member.

7. The instrument appointing a proxy duly executed must be submitted through any one of the following means by 10:00 a.m. on 28 April 2024, being no later than forty-eight (48) hours before the time appointed for holding the AGM (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid:

   (i) By depositing a physical copy at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

   (ii) By sending a scanned PDF copy by email to srs.proxy@boardroomlimited.com.

   Members are strongly encouraged to submit completed proxy forms electronically via email.

8. For investors who holds shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors:

   (a) may vote at the AGM if they are appointed as proxies by their respective relevant intermediaries, and should contact their respective relevant intermediaries if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM,

   in which case they should approach their relevant intermediaries to submit their votes at least seven (7) working days prior to the date of the AGM.

9. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorized, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company shall be entitled to reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2024.

Ocean Sky International Limited

29 Tuas South Street 1
Singapore 638036
Tel: (65) 6789 9988
Fax: (65) 6789 9933
www.oceanskyintl.com