

# OCEAN SKY INTERNATIONAL LIMITED

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

---

## RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED REGARDING THE ACQUISITION OF COMMERCIAL PROPERTY IN AUSTRALIA

---

The Board of Directors (the “**Board**”) of Ocean Sky International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following in response to queries raised by the Singapore Exchange Securities Trading Limited (“**SGX**”) in relation to the Acquisition of Commercial Property in Melbourne, Australia announcement released on 20 December 2019:

*Unless otherwise defined, all capitalised terms used in the section herein shall bear the same meanings ascribed to them in the Company’s announcement dated 20 December 2019.*

### **SGX Query 1**

How material is the acquisition of the Property to the Group given the Purchase Consideration to be S\$20.40m and that net assets as at 3Q2019 is S\$52.07m?

### **SGX Query 2**

The Company had held investment properties in Singapore and Cambodia, but the current acquisition of Property is in Melbourne, Australia. Please substantiate with basis and justify why such an acquisition does not change the risk profile of the Company given response to question 1 above, and thereby do not require shareholders’ approval for the transaction.

### **Company’s Responses to Query 1 & 2**

Although the Purchase Consideration represents approximately 39% of the Group’s net asset value (“**NAV**”) as at 30 September 2019, the Acquisition does not have any impact on the NAV of the Group and is accretive in nature due to the expected net income yield of 5.49% generated by the Property. Further, approximately 43% of the NAV of the Group or S\$22 million consisted of cash and cash equivalents. Assuming the Group finances 60% of the Acquisition with bank borrowings, the Company would still have approximately S\$14 million in cash and cash equivalents and the net gearing ratio of the Group as at 30 September 2019 would stand at only approximately 0.22 times.

The Acquisition was as part of the ordinary course of business of the Group to expand its property investment business into the Asia Pacific region. The Board is familiar and has investment experience in Australian market and notes that Australia has a transparent and deep real estate transaction market with clear rule of law, efficient tax system and freehold property opportunities. Further, the current low interest rate environment together with the Australian dollar at multi-year low in relation to the Singapore dollar increases the attractiveness of the Australian market. The Acquisition will enhance the Group’s portfolio of investment properties and provide another source of recurring rental income for the Group.

As such, the Board is of the view the Acquisition will not materially change the risk profile of the Group.

**BY ORDER OF THE BOARD**

Chia Yau Leong  
Executive Director and Company Secretary

26 December 2019

---

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

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

*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.*