

# OCEAN SKY INTERNATIONAL LIMITED

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

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## ACQUISITION OF COMMERCIAL PROPERTY IN MELBOURNE, AUSTRALIA

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### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Ocean Sky International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Ocean Sky Properties Pte. Ltd. (the “**Purchaser**”), has on 20 December 2019 entered into a contract of sale (the “**Acquisition**”) to acquire a commercial property at 541 Blackburn Road, Mount Waverley, Melbourne, Australia (the “**Property**”) from 541 Blackburn Road Pty Ltd (the “**Vendor**”). Subsequently, a wholly-owned subsidiary will be established in Australia to own the Property.

### 2. INFORMATION ON THE PROPERTY

The Property is an office building with an approximate net lettable area (“**NLA**”) of 3,628 square metres, which sits on a large freehold site area measuring approximately 6,210 square metres with a 150-metre-long corner street frontage and offers 157 on-site car parking lots. The Property is currently 100% leased to a premium and diversified tenant mix with a weighted average lease expiry (“**WALE**”) of approximate 3.83 years. The individual leases have a built-in rent escalation clause which range from 3.25% to 4.00% per annum.

The Property is well-located within the Monash National Employment and Innovation Cluster, specifically in the Monash Technology precinct in Melbourne.

### 3. PURCHASE CONSIDERATION

The purchase consideration of A\$21.83 million (S\$20.40 million<sup>1</sup>) (the “**Purchase Consideration**”) was arrived at on a willing buyer-willing seller basis after taking into account current market prices of properties in the surrounding area and the Group’s assessment of the Property’s development potential. No formal valuation of the Property has been conducted.

A sum of A\$3.27 million (S\$3.06 million<sup>1</sup>) has been paid as deposit towards the Purchase Consideration. The balance of the Purchase Consideration shall be paid upon completion of the Acquisition.

Net property income yield<sup>2</sup> for the first year is approximately 5.79% before stamp duty and 5.49% after stamp duty to be incurred respectively.

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<sup>1</sup> All conversions from Australian Dollar amounts into Singapore Dollar amounts in this announcement are based on the 20 December 2019 exchange rate of A\$1.0000: S\$0.9346 and is provided for reference only.

<sup>2</sup> The net property income (NPI) yield is derived from the estimated NPI expected in the first year of acquisition (excluding any incentives granted to the tenants in their respective leases).

#### 4. RATIONALE

The Company has been exploring investment opportunities in Singapore and the Asia Pacific region to seek diversified sources of revenue for sustainable long-term shareholder value. Following extensive due diligence, the Company believes the Acquisition presents significant value and long-term opportunities.

The Acquisition is a transaction carried out in the ordinary course of the Group's business of property investment and the Board is of the view the Acquisition will not materially change the risk profile of the Group.

The Acquisition will allow the Group to grow its portfolio of investment properties and to provide a source of recurring rental income and further diversify the Group's revenue.

#### 5. FUNDING OF ACQUISITION

The Acquisition will be funded by a combination of internal resources and bank borrowings.

#### 6. FINANCIAL EFFECTS

The Acquisition is not expected to have any material impact on the earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2019.

#### 7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, directly or indirectly, in the Acquisition, save for their respective shareholdings in the Company.

#### BY ORDER OF THE BOARD

Chia Yau Leong  
Executive Director and Company Secretary

20 December 2019

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#### Sponsor's Statement

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

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

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