

OCEAN SKY INTERNATIONAL LIMITED

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

JOINT VENTURE WITH C.I.A.C INVESTMENT LTD AND CENTRA PROPERTIES PTE. LTD. FOR A PROPOSED SHOP HOUSE DEVELOPMENT PROJECT IN CAMBODIA

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, Pacific Sky Investment Pte. Ltd. (“**PSIPL**”) has entered into a joint venture agreement with C.I.A.C Investment Ltd (“**CIAC**”) and Centra Properties Pte. Ltd. (“**CPPL**”) (collectively, the “**JV Parties**”, each, a “**JV Party**”) on 12 April 2017 (the “**JV Agreement**”) for the purpose of jointly developing and/or acquiring, owning and managing a proposed 71 units of shop house development project (the “**Project Eco Garden Mall**”) located in Kandal Province, Cambodia, on a freehold land area of approximately 9,185 square meters (the “**Land**”) owned by CIAC (the “**Joint Venture**”).

2. RATIONAL FOR THE JOINT VENTURE AND DEVELOPMENT

The Joint Venture is in line with the core business of the Company and the Board believes that the Joint Venture would allow the Company to grow its property development, investment and management business in a prudent manner.

3. JV CO INCORPORATION, CAPITAL CONTRIBUTION AND SHAREHOLDERS LOAN

Pursuant to the terms of the JV Agreement, PSIPL, CIAC and CPPL shall incorporate a private limited liability company namely Eco Garden Mall Co., Ltd (the “**JV Co**”), subject to the approval of Ministry of Commerce of the Kingdom of Cambodia. The JV Co shall be incorporated for the purpose of carrying out the business of development, construction, marketing and management of the Project Eco Garden Mall.

The JV Co shall be incorporated with an issued and paid-up capital of US\$300,000 comprising 300,000 shares (“**JV Co Shares**”). Upon incorporation of the JV Co, the JV Parties shall extend a shareholder loan of US\$1,950,000 to the JV Co.

The shareholding and shareholder loan to be contributed by the JV Parties into the JV Co shall be as follows:

Shareholders	No. of JV Co Shares	Registered Capital	Shareholder Loan	Total Contribution
CIAC	100,000	US\$100,000	US\$650,000	US\$750,000
PSIPL	100,000	US\$100,000	US\$650,000	US\$750,000
CPPL	100,000	US\$100,000	US\$650,000	US\$750,000
Total	300,000	US\$300,000	US\$1,950,000	US\$2,250,000

The total contribution of US\$750,000 by PSIPL and CPPL respectively to the JV Co shall be in cash whereas the total contribution of US\$750,000 by CIAC shall be in non-cash consideration by providing the land development rights to the JV Co to develop the Land. The title deeds to the shop houses shall be free from any encumbrances and to be transferred directly to the buyers upon completion of the development and sales of the shop houses.

The Land has a market value of approximately US\$781,000 based on a valuation report commissioned by CIAC (the "**Valuation Report**"). The Valuation Report was prepared by Khmer Real Estate Co., Ltd on 3 April 2017 using the direct comparison approach by making reference to comparable sale transactions as available in the relevant market and assuming, *inter alia*, the sale of the Land in its existing state with the benefit of immediate vacant possession.

4. INTERESTED PERSON TRANSACTION

Mr Ang Boon Chong ("**Mr Albert Ang**") is a director of CIAC, holds an indirect beneficial interests of 58.2% in CIAC and is a substantial shareholder of the Company as at the date of this announcement. Mr Albert Ang is also the brother of Mr Ang Boon Cheow Edward ("**Mr Edward Ang**"), the Executive Chairman and Chief Executive Officer and controlling shareholder of the Company. Mr Albert Ang is considered an associate of Mr Edward Ang and accordingly, an interested person of the Company for the purposes of Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**"). The JV Agreement is therefore an interested person transaction within the meaning set out in Chapter 9 of the Catalist Rules.

Based on the latest audit consolidated financial statements of the Group as at 31 December 2016, the net tangible assets (the "**NTA**") of the Group is US\$29,469,000. The Company's proposed overall investment in the Project Eco Garden Mall of US\$750,000 does not exceed 3% of the latest audited NTA of the Group based on current development estimates.

For the current financial year ending 31 December 2017, save for the above Joint Venture amounting to US\$750,000, there are no other interested person transactions entered into by the Group.

Having considered the proposed Joint Venture, the Audit Committee of the Company is of the view that :

- (i) the risks and rewards of the Joint Venture are in proportion to the equity of each JV Party;
- (ii) the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders; and
- (iii) the provision of the loan is not prejudicial to the interests of the Company and its minority shareholders.

Neither Mr Edward Ang nor his associates have an existing equity interest in the JV Co prior to the entry of the JV Agreement.

Accordingly, as the risks and rewards of the Joint Venture are in proportion to the equity of each JV Party to the JV Co and the loan to be extended by all JV Parties is in proportion to their equity and on the same terms; and the interested persons do not have an existing equity interest in the JV Co prior to the participation of the Company in the Joint Venture, the joint venture transaction falls within the scope of Rule 916(2) and 916(3) of the Catalist Rules.

5. FINANCIAL EFFECTS

The abovementioned joint venture investment is not expected to have any material impact on the earnings per share and net tangible assets per share of the Company for the current financial year ending 31 December 2017.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the transactions save for their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Chia Yau Leong
Executive Director and Company Secretary

12 April 2017

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 Catalist Rules. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor and the SGX-ST assume 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 Alvin Soh, Head of Catalist Operations, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.