

OSSIA INTERNATIONAL LIMITED

(Company Registration Number: 199004330K)

(Incorporated in the Republic of Singapore)

RESPONSE TO SGX QUERIES ON THE FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2019

The Board of Directors (the “Board”) of Ossia International Limited (the “Company”) wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 19 July 2018 in relation to the announcement for the year ended 31 March 2019:

SGX Query

- a. Guideline 9.3 of the Code of Corporate Governance 2012 (the “Code”) states that the company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel.

Company’s Response

Please refer to the table below for the disclosure of the remuneration for the top five key management personnel.

	Below S \$250,000		Between S \$250,000 and S \$499,999	
	Percentage (%)		Percentage (%)	
	Remuneration earned through:		Remuneration earned through:	
Name of Management Staff	Base / Fixed salary	Variable or performance related income/ bonuses	Base / Fixed salary	Variable or performance related income/ bonuses
	%	%	%	%
Anita Hsu	-	-	36.30%	63.70%
Jenny Wang	88.70%	11.30%	-	-
Maggie Yang	87.40%	12.60%	-	-
Paloma Hsieh	89.60%	10.40%	-	-
Rita Wu	87.60%	12.40%	-	-

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- b. As required under Listing Rule 1207(12), please make disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

Guideline 11.3 of the Code states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. The Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO:

- a. that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- b. regarding the effectiveness of the company's risk management and internal control systems.

As required under Listing Rule 710, please make disclosure as recommended in the Code, in particular, the Board's comment on whether it has received assurance from the CEO and the CFO (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) regarding the effectiveness of the Company's risk management and internal control systems.

Company's Response

The Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls and risk management systems are effective and adequate to meet the financial, operational, compliance and information technology risks of the Group in its current business environment.

The Board has received assurance from the CEO and the Finance Manager:

- a) that the financial records of the Group have been properly maintained and the financial statements for the year ended 31 March 2019 give a true and fair view of the Group's operations and finances; and
 - b) regarding the effectiveness of the Group's risk management systems and internal control systems.
- c. With reference to the audited consolidated cash flow statement on pages 44 to 45 of the Company's 2019 Annual Report, please provide an explanation for the material difference in the amount of the following items, as compared to the unaudited financial results announcement of the Company for the financial year ended 31 March 2019:
- i. The net cash flows from operating activities of approximately \$113,000 as compared to the amount of \$1,271,000.
 - ii. The net cash flows from investing activities of approximately \$2,228,000 as compared to the amount of \$1,067,000.

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Company's Response

The differences are due to the reclassification of the proceeds from the disposal of disposal group classified as held for sale from operating activities to investing activities.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

23 July 2019