OSSIA INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No: 199004330K)

RESPONSE TO SGX QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

The Board of Directors (the "Board") of Ossia International Limited (the "Company") wishes to announce the following in response to the further query raised by the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 February 2022 in relation to the announcement of the response to SGX queries on the unaudited financial statements announcement for the six months ended 30 September 2022 announced on 19 January 2023:

Query

With regard to query 4, we note that the Group's cash generated is mainly from dividend received from its subsidiaries and associated company, which contributed to the Company's net profit position. Notwithstanding the foregoing, please explain why the Company is unable to generate net cash inflow from its operating activities despite its net profit position.

Response to query

The Company is unable to generate net cashflow from its operating activities despite the Company's net profit position for Q2 FY2022 because Ossia (Company) is an investment holding company and the Group's cash generated from operating activities is mainly from dividend and management fee from its subsidiaries and associated company and excludes non-cash item which is the share of results of the associated company.

The Group's cash outflow from operating activities is mainly for subsidiary company's purchase of inventories and increase in payment to trade and other payables. In addition, there is a payment of income tax during the period.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

16 February 2023