

OSSIA INTERNATIONAL LIMITED
(Company Registration Number: 199004330K)
(Incorporated in the Republic of Singapore)

**VOLUNTARY UNCONDITIONAL CASH OFFER BY MR. GOH CHING WAH, MR. GOH CHING LAI
AND MR. GOH CHING HUAT FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE
CAPITAL OF OSSIA INTERNATIONAL LIMITED**

RESPONSES TO SGX-ST'S CLARIFICATIONS

1. INTRODUCTION

The board of directors ("**Board**") of Ossia International Limited (the "**Company**") refers to the clarifications received from The Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 19 August 2024 and 20 August 2024 in relation to the letter dated 16 July 2024 from Asian Corporate Advisors Pte. Ltd. ("**IFA Letter**"), the independent financial adviser ("**IFA**") to the directors of the Company who are considered to be independent for the purposes of making a recommendation to the shareholders of the Company in relation to the voluntary unconditional general offer ("**Offer**") by Mr. Goh Ching Wah, Mr. Goh Ching Lai and Mr. Goh Ching Huat (the "**Joint Offerors**") to acquire all the issued and paid-up ordinary shares ("**Shares**") in the share capital of the Company, other than Shares held, directly or indirectly, by the Joint Offerors ("**Offer**"). The IFA Letter is set out in Appendix A to the offeree circular issued on 16 July 2024 by the Company ("**Circular**") in connection with the Offer in accordance with the Singapore Code on Take-overs and Mergers.

The clarifications received from SGX-ST and the responses from the IFA are set out in Appendix A to this announcement. Shareholders should note that such clarifications and responses set out therein should be read in conjunction with the IFA Letter and the Circular.

Unless otherwise defined, all capitalised terms used but not defined herein shall have the same meanings ascribed to them in the IFA Letter.

2. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement (other than those relating to the IFA Letter, the IFA, the Joint Offerors and the Offer) are fair and accurate, and that no material facts have been omitted from this announcement (the omission of which would render any statement in this announcement misleading in any material aspect), and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the IFA (including, without limitation, the IFA Letter and the responses from the IFA set out in Appendix A to this announcement), the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary
26 August 2024

APPENDIX A

Ossia International Ltd (“Ossia” or the “Company”) – IFA’s Responses to Clarifications by the SGX-ST dated 19 and 20 Aug 2024

Unless otherwise stated, all terms and expressions used herein shall have the meanings ascribed to them in the IFA Letter dated 16 July 2024.

Clarification 1: Comparison with other successful privatisation transactions for companies listed on SGX-ST

It is noted that in assessing the Offer Price, the IFA has examined recent similar transactions by listed companies on the SGX-ST involving successful privatisation transactions which were announced and completed for the period between 1 January 2021 and the Latest Practicable Date.

What is the rationale and relevant factors that the IFA took into consideration to decide on examining the premium/(discount) of the Offer Price of successful privatisation transactions which were announced and completed from 1 January 2021? Did the IFA take into consideration that the privatization transactions from 1 January 2021 to 31 December 2022 would potentially be affected by the Covid-19 pandemic?

IFA’s Response:

In making comparison against the successful privatisations, we note that, *inter alia*, the sample size chosen should not be too small. It is commonly accepted that the larger the sample size, the more accurate the median/average values will be.

The precedent privatisation transactions as illustrated in the IFA Letter would have incorporated historical transactions prior to the relevant announcement date of the offers, and the relevant analysis for these precedent privatisation transactions would have captured the then prevailing market sentiments. Thus, the premiums/(discounts) reflected in such datasets would capture, *inter alia*, premiums for period prior to, during, and after Covid-19 pandemic.

Clarification 2: Selected Comparable Companies and the Group

It is noted that majority of the selected Retail Companies that the IFA used for performing its relative valuation analysis are from Japan and Korea. Please provide reasons for performing the comparative analysis against such companies instead of other comparable Singapore listed companies? What is the selection criteria for the Comparable Companies and the basis for the selection criteria?

IFA’s Response:

As stated on page A-24 of the IFA Letter, the IFA has had discussions with the Directors and Management on the suitability and reasonableness of the Selected Comparable Companies acting as a basis for comparison with the core business of the Group. The selection of the Selected Comparable Companies including criteria, basis and limitation (geographical) are set out in Section 8.4 (page A-24 & A-25) of the IFA Letter.

The IFA has considered retail companies listed on the SGX-ST but they were subsequently eliminated as their core business or business model and products offering are different from the Group’s Retail segment.

Clarification 3: Advice of the IFA to the Independent Directors

We refer to the following: - *“In summary, having regard to our analysis and the consideration in this Letter (including, inter alia, its limitation and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant considerations prevailing as at the Latest Practicable Date, and subject to our terms of reference, as well as the representation and confirmation from the Directors, we are of the opinion that, in the absence of an alternative offer, the financial terms of the Offer is, on balance, FAIR and REASONABLE.”*

Please clarify as to how the absence of an alternative offer impact the IFA's assessment of the fairness and reasonableness of the Offer?

IFA's Response:

The IFA wishes to clarify that it is a statement of fact, and one of the many factors considered, ie. there was no alternative offer on the table for independent shareholders to consider or compare with as at the Latest Practicable Date. It should be read together with other sections of the IFA Letter (in particular Section 9.4). Section 9.4 states that the possibility of an alternative offer is remote and any competing offer is unlikely to be forthcoming without the support of the Joint Offerors and Concert Party. In essence, there is just one Offer for the Company as at the Latest Practicable Date. Likewise, the analysis and opinion may or may not change in the event of an alternative offer depending on the terms.

The IFA's consideration, disclosure and statements in relation to the alternative offer are in line and consistent with the market practice.

Clarification 4: It is noted that, in Harvey Norman Holdings Limited's 2023 annual report, it was disclosed that, *"Amid rising prices and cost of living pressures in Malaysia, the Harvey Norman® brand is strong and continues to gain a loyal customer base, especially in the mid-to-premium market. Estimated population growth in Malaysia, the emerging middle-class and the anticipated growth in the local economy continues to underpin our vision to expand from 28 stores to 80 stores by the end of 2028. 10 of these stores are on track to open in FY24, with 7 sites confirmed and 3 sites currently in progress. A further 12 sites are anticipated to open during FY25. The store that was planned to open in Malaysia in 2H23 will open in early FY24."*

Did the IFA take into consideration the above disclosure in Harvey Norman Holdings Limited's 2023 annual report?

IFA's Response:

Yes, the IFA has reviewed and considered the above disclosure as stated in Harvey Norman Holdings Limited's AR for FY2023 in the IFA Letter. The statements referred to are "visions" and "anticipation" from the majority and controlling shareholder who determines the strategic directions of HNO.

Please note that Ossia is a minority investor in the Associate (40% shareholding) and does not have control over the board of directors of the Associate or Pertama. Save for its non-controlling and minority interest of approximately 49.4% in Pertama, the Associate does not have any principal activity. These points were disclosed on pages A-31, A-42, and A-43 of the IFA Letter.

Please do note that under Section 2 of the IFA Letter, the IFA has stated, consistent with other market precedents, *inter alia*, that the IFA's evaluation, opinion, and recommendation do not take into account or reflect the future or prospective financial performance after FY2024 for the Group.

The Directors have also confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, the IFA Letter, the Group's audited financial statements for FY2024, and the Company's announcements on the SGXNET, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.

The Group's results for the FY ended 31 March 2024 which is, *inter alia*, used for our analysis and arriving at our opinion would have captured the effects of stores opened during the period April 2023 to March 2024.

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