

OSSIA INTERNATIONAL LIMITED
(UEN No. 199004330K)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

ANNOUNCEMENT

DISPOSAL OF SHARES IN SUBSIDIARY – OSSIA (HK) COMPANY LIMITED

1. Disposal of Subsidiary

The Board of Directors of the Company (the Company and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has entered into a sale and purchase agreement (the “**SPA**”) with Mr. Wong Kin Shing (the “**Purchaser**”) to sell 8,500 ordinary shares (the “**Sale Shares**”) of HK\$1.00 each in the capital of Ossia (HK) Company Limited (“**Ossia HK**”), a subsidiary of the Company for an aggregate consideration of HK\$6,047,098 (or about S\$1,064,592 based on an exchange rate of 0.17605)(the “**Consideration**”), upon the terms and conditions of the SPA (the “**Disposal**”). The Purchaser is a director of Ossia HK.

Ossia HK will cease to be a subsidiary of the Company upon the completion of the Disposal scheduled on 19 January 2017.

2. Background and Rationale for the Disposal

The principal activities of Ossia HK are distribution of sporting equipment, accessories, apparel and footwear.

The Board of Directors of the Company is of the opinion that the Disposal is in the interest of the Group as the Company had been making losses since FY2013 and Mr Wong Kin Shing, the existing managing director of Ossia HK; had agreed to buy over this business from the Company.

3. Consideration

The Consideration was arrived at on a willing-buyer and willing-seller basis and after taking into consideration the book value and net tangible assets of Ossia HK based on the management account for the period ended 31 October 2016 of HKD15,302,465 and interim dividend payment of HK\$850,000 declared by Ossia HK on 28 November 2016. Based on the latest announced unaudited consolidated financial statements of the Group for the period ended 30 September 2016, the book value and the net tangible asset value attributable to the Sale Shares 85% was HKD13,007,095.

The Consideration will be payable in instalments, with the last instalment payable on 15 December 2017.

4. Relative Figures under Rule 1006 of the Listing Manual

Based on the latest announced unaudited consolidated financial statements of the Group for the period ended 30 September 2016, the relative figures for the Disposal computed on the bases as set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) are set out below:

Rule 1006	Bases	Percentage (%)
(a)	Net asset value of the Sale Shares to be disposed of, compared with the Group’s net asset value of S\$34,013,000.	6.7%
(b)	Net loss of approximately S\$84,757 attributable to the Assets disposed of, compared with the Group’s net loss of approximately S\$522,000.	16.2
(c)	Aggregate value of the consideration received, compared with the Company’s market capitalisation of S\$37,894,422 ⁽¹⁾	2.81
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽²⁾
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable ⁽³⁾

Notes:

- (1) The market capitalisation of the Company is calculated on the basis of 252,629,483 Shares in issue (excluding treasury shares) as at the date of this announcement, and the volume-weighted average price of S\$0.15 for such Shares transacted on 18 January 2017, being the last market day on which Shares were traded immediately preceding the date of the SPA.
- (2) This is not applicable as the Disposal pertains to a disposal of assets.
- (3) This is not applicable as the Disposal is not a disposal of mineral, oil or gas assets.

As the relative figures computed on the bases set out in Rules 1006(a) of the Listing Manual exceed 20%, the Proposed Disposal constitutes a major transaction under Rule 1014 of the Listing Manual and is accordingly conditional upon, *inter alia*, approval of the shareholders being obtained at the EGM pursuant to Rule 1014 of the Listing Manual.

As the relative figures computed on the bases set out in Rules 1006 (a), (b) and (c) does not exceed 20%, the Disposal is a “Disclosable Transaction” for the purpose of Chapter 10 of the Listing Manual of the SGX-ST that does not require shareholders’ approval.

The Disposal is estimated to result in a net loss of approximately S\$1,225,307 to the Group for the current financial year ending 31 March 2017 and the net proceeds of S\$1,064,592 from the Disposal will be utilised for the Company’s working capital purposes.

5. Financial Effect

For illustrative purposes only, the financial effects of the Disposal on the Group as set out below were prepared based on the latest audited consolidated financial statements of the Group for the year ended 31 March 2016, with the following assumptions:

- (a) the financial effects on the NTA of the Group are computed assuming that the Disposal was completed on 31 March 2016;
- (b) the financial effects on the earnings/(loss) per Share of the Group are computed assuming that the Disposal was completed on 1 April 2015;
- (c) the financial effects do not take into account any transactions completed by the Group subsequent to 31 March 2016;

(a) Net Tangible Asset (“NTA”)

	Before the Disposal	After the Disposal
Consolidated NTA (\$'000)	34,853	33,628
Number of shares (excluding treasury shares)	252,629,483	252,629,483
Consolidated NTA per share (S\$ cent)	13.80	13.31

(b) Earnings Per Share (“EPS”)

	Before the Disposal	After the Disposal
Consolidated loss attributable to the equity holders of the Company (\$'000)	2,885	2,443
Weighted average number of ordinary shares	252,629,483	252,629,483
LPS (S\$ cents)	1.14	0.97

6. Interests of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

7. Document for Inspection

A copy of the SPA will be made available at the Company’s registered office at 10 Changi South Lane, #07-01, Singapore 486162 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Company Secretary

Lotus Isabella Lim Mei Hua

22 January 2017