



Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Ossia International Limited

Stock code: 008

Meeting details:

Date: 24 September 2020

Time: 9.30 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. As noted in the chairman's statement, the group recognised \$25.53 million in revenue for the financial year ended 31 March 2020, a 6.6% increase from \$23.95 million registered in FY2019. With the cessation of the group's Malaysian operations in January 2019, the group's remaining operation is the Taiwan business which has exclusive distribution rights for the Kango, True Religion, Tumi, Columbia and Sorel brands.

- (i) **Would the board/management consider providing shareholders with a holistic overview of its remaining core business, i.e. the operations in Taiwan?** For example, shareholders would like better clarity on the business model (wholesale/retail/e-commerce), the number of retail stores/cities, revenue by major brands/categories, websites/e-commerce stores and the growth opportunities. Some of these can be found in the 2015 Annual report but not in the 2020 Annual report.
- (ii) **What was the impact of the COVID-19 outbreak on the group's operations in Taiwan?**
- (iii) **Can management also help shareholders understand how successful its e-commerce business is?**
- (iv) In the past 5 years, the group has exited the Singapore, Malaysia and Hong Kong markets while increasing its revenue from the Taiwanese market by approximately 15%. **What are the key success factors for the Taiwan business? How sustainable is the Taiwan business?**
- (v) In addition, it is noted that the company was put on SGX's watch-list on 5 December 2017. The 36-month cure period ends on 4 December 2020. **Would the board update shareholders on the company's efforts to exit the watch-list?**

Q2. In addition, the group holds an effective 19.8% stake in Pertama Holdings Pte. Ltd., a leading retailer of consumer electronics and home furnishings trading under the Harvey Norman brand in Singapore and Malaysia.

Two of the company's directors sit on the board of Pertama Holdings Pte Ltd. Mr George Goh is the deputy chairman while Mr Joe Goh is a non-executive director.

In the past two financial years, the group's share of profit from the associated company amounted to \$8.76 million (FY2020: \$4.0 million, FY2019: \$4.76 million) and the group received dividends of \$5.76 million (FY2020: \$3.04 million, FY2019: \$2.72 million).

- (i) **Can the board help shareholders understand the level of control and/or influence the group has on the operational and strategic matters of Pertama Holdings Pte Ltd.?**
- (ii) **In particular, what is the contribution/value-add by the group to the success of Pertama?**
- (iii) **What are the group's long term plans for the 19.8% stake in the associated company?**

Q3. At the company's annual general meeting scheduled to be held on 24 September 2020, two of the directors, namely Mr. Goh Ching Lai and Mr. Wong King Kheng, would be retiring pursuant to Article 89 of the constitution of the company and would be seeking their re-election.

The information on directors seeking re-election can be found on pages 25-32 of the annual report.

In particular, as disclosed in the notice of annual general meeting dated 9 September 2020, Mr Wong King Kheng, if re-elected, will remain as an independent director as well as chairman of the audit committee, and a member of the remuneration and nominating committees; and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Mr Wong was first appointed to the board on 28 October 1996 and has served on the board as a director for more than 23 years.

The nominating committee ("NC") has stated that it has "reviewed and is of the view that Mr Anthony Clifford Brown, Mr Wong King Kheng and Ms Heng Su-Ling, Mae are independent" (page 15).

- (i) **Would the NC elaborate in greater detail how it had assessed the independence of the directors, especially the independence of long-tenured non-executive directors?**
- (ii) **Given that all three independent directors were appointed between 1996 and 2010, has the NC reviewed the board's succession plan?**
- (iii) In addition, the current board composition has not met the requirements of Provisions 2.2, 2.3 and 2.4. **Would the NC elaborate further on the board's diversity policy and renewal plans (including the pace) to reconstitute the board to meet the Provisions of the Code of Corporate Governance 2018?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (<https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings>)