

OSIM International Ltd News Release

News Release – Proposed Renounceable Non-Underwritten Rights Issue of Warrants

Singapore, 28 March 2008 – Singapore Exchange mainboard-listed OSIM International Ltd (“OSIM” or the “Company”), a global leader in healthy lifestyle products today announced a proposed renounceable non-underwritten rights issue of warrants (the “Rights Issue of Warrants”).

The Company is proposing a Rights Issue of Warrants of up to 136,605,039 warrants (“Warrants”) at an issue price of S\$0.09 for each Warrant (the “Issue Price”) with each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (“New Share”) at an exercise price of S\$0.35 for each New Share (the “Exercise Price”), on the basis of one (1) Warrant for every four (4) existing ordinary shares in the capital of the Company (“Shares”) held by shareholders of the Company (the “Shareholders”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Rights Issue of Warrants (the “Books Closure Date”), fractional entitlements to be disregarded.

The Company intends to use the net proceeds of approximately S\$12 million from the Rights Issue of Warrants for general working capital purposes and such other purposes as the Directors may deem fit.

Mr. Ron Sim, Founder & CEO of OSIM commented, “The outlook of the healthy lifestyle industry is positive and I believe that we are in a great position to build and transform OSIM into a Global Brand over the next few years. Both Brookstone and Global Active are hidden gems and this fundraising gives us the capital to accelerate the growth of our core business”.

“Under the current volatile stock market condition, many companies with great brands are trading at depressed levels which are not reflecting their future growth potential. As the Founder and CEO of OSIM, I feel very strongly that our share price is undervalued. With the warrants exercise price fixed at current share price level, the warrants offer all our shareholders the opportunity to enjoy potential equity upside in the medium term as OSIM continues to grow”, Mr. Sim added.

The Company has appointed DBS Bank Ltd as the manager for the Rights Issue of Warrants.

To show his support for the Rights Issue of Warrants and to demonstrate his commitment to and confidence in the prospects of the Company, Mr. Ron Sim who owns approximately 53.32% of the Company's existing issued share capital, has given the Company an irrevocable undertaking to subscribe for all the Warrants representing his allotment under the Rights Issue of Warrants, and make excess applications for all the remaining balance of Warrants which are not taken up by other Shareholders under the Rights Issue of Warrants.

In view of the above irrevocable undertaking and the savings in costs by the Company in respect of underwriting fees for a non-underwritten Rights Issue of Warrants, the board has decided to proceed with the Rights Issue of Warrants on a non-underwritten basis.

Mr. Sim said, "I am not only taking up my entitlement but will also take up any entitlements that are not subscribed by other shareholders. This commitment is a strong testimony of my confidence in the prospects of the Company."

"I believe the fundamentals of the business are strong as we expand the OSIM brand to more major cities globally. China will continue to grow and our US business will get better as the healthy lifestyle industry is growing and we are the pioneers of this industry. Based on the Issue Price of S\$0.09 and the Exercise Price of S\$0.35, I am of the view that the Warrants will provide the Shareholders with the opportunity to enjoy potential equity upside during the exercise period of the Warrants." Mr. Sim reiterated.

For full details of the Rights Issue of Warrants, please refer to the Company's SGXNET announcement dated 28 March 2008 entitled "PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF WARRANTS OF UP TO 136,605,039 WARRANTS ("WARRANTS") AT AN ISSUE PRICE OF S\$0.09 FOR EACH WARRANT, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE ("NEW SHARE") IN THE CAPITAL OF OSIM INTERNATIONAL LTD (THE "COMPANY") AT AN EXERCISE PRICE OF S\$0.35 FOR EACH NEW SHARE, ON THE BASIS OF ONE (1) WARRANT FOR EVERY FOUR (4) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY THE SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED BELOW) TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED".

About OSIM International Ltd

SGX mainboard-listed OSIM is a global leader in branded healthy lifestyle products. Established in 1980, OSIM is a brand management and niche marketing company with a focus on the consumer.

The Group is innovation-driven and is an IP (intellectual property) developer. OSIM uses innovative selling approaches and constantly enhances its innovation capabilities to produce successful products with superior designs, features and quality. As an IP developer, OSIM controls its brands, designs, technologies and concepts.

Its business currently comes under four complementary focuses - Health, Hygiene, Nutrition and Fitness. Each focus carries the fundamental theme of well-being, lifestyle and positive attitude. Together, they reflect OSIM's holistic and integrated approach to healthy lifestyle.

Today, OSIM operates a wide point-of-sales network with more than 1,100 outlets in more than 360 cities across 31 countries in Asia, Australia, Africa, the Middle East, United Kingdom and North America.

OSIM Global Network:

Singapore • China • Hong Kong • Malaysia • Taiwan • Australia • Bahrain • Brunei • Cambodia • Canada • India • Indonesia • Iran • Italy • Kuwait • Macau • Myanmar • New Zealand • Oman • Pakistan • Philippines • Portugal • Saudi Arabia • South Africa • South Korea • Spain • Thailand • UAE • UK • USA • Vietnam

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