



OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

Second Quarter Financial Statements for the Period 30 September 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

OSSIA INTERNATIONAL LIMITED	Group 6 months Ended 30 Sep		%
	2020 \$'000	2019 \$'000	
Revenue	9,165	10,105	-9.3%
Cost of sales	(4,455)	(4,948)	-10.0%
Gross profit	4,710	5,157	-8.7%
Other operating income	185	1,686	-89.0%
Distribution costs	(4,146)	(4,118)	N/M
Administrative expenses	(1,413)	(1,611)	-12.3%
(Loss)/profit from operations	(664)	1,114	-159.6%
Interest income	3	4	N/M
Finance expense	(72)	(100)	N/M
Share of results of the associated company	1,222	1,841	-33.6%
Profit before income tax	489	2,859	-82.9%
Income tax	-	-	100.0%
Profit for the period, net of tax	489	2,859	-82.9%
Profit attributable to:			
Owners of the Company	489	2,859	-82.9%
Non-controlling interests	-	-	0.0%
	489	2,859	-82.9%
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of gain on property revaluation of associated company	(92)	-	N/M
Transfer from legal reserve	-	(116)	N/M
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	16	72	N/M
Share of other comprehensive income of the associated company	(49)	(87)	N/M
Other comprehensive income for the period, net of tax	(125)	(131)	N/M

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

OSSIA INTERNATIONAL LIMITED

	Group 6 months Ended 30 Sep		%
	2020	2019	Change
	\$'000	\$'000	
Total comprehensive income for the period	364	2,728	-86.7%
Total comprehensive income attributable to:			
Owners of the Company	364	2,728	-86.7%
Non-controlling interests	-	-	0.0%
	364	2,728	-86.7%

1(a)(ii) Note: -

	Group 6 Months Ended 30 Sep		%
	2020	2019	Change
	\$'000	\$'000	
(Loss)/profit from operations is arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	548	596	(8.1)
Depreciation of right-of-use assets	532	433	22.9
Gain on disposal of property, plant and equipment	-	(1,597)	(100.0)
Net foreign exchange (gain)/loss	(8)	167	(104.8)
Allowance for/(write-back of allowance for) inventory obsolescence	190	(159)	(219.5)

NM - Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

OSSIA INTERNATIONAL LIMITED	The Group		The Company	
	30.9.20 \$'000	31.3.20 \$'000	30.9.20 \$'000	31.3.20 \$'000
ASSETS				
Current assets				
Inventories	12,763	11,396	-	-
Trade and other receivables	3,213	3,752	1,416	738
Prepayments	177	29	10	15
Other financial assets	26	139	7	-
Other non-financial assets	66	125	-	-
Cash and bank balances	7,190	7,094	4,687	4,941
	<u>23,435</u>	<u>22,535</u>	<u>6,120</u>	<u>5,694</u>
Non-current assets				
Investment in associated company	26,817	25,735	13,249	13,249
Investment in subsidiaries	-	-	1,448	1,448
Property, plant and equipment	715	1,145	11	7
Right of use assets	1,722	1,625	197	2
Trade and other receivables	1,983	1,972	1,462	1,436
Deposit	414	434	25	25
Deferred tax assets	162	161	-	-
	<u>31,813</u>	<u>31,072</u>	<u>16,392</u>	<u>16,167</u>
Total assets	<u>55,248</u>	<u>53,607</u>	<u>22,512</u>	<u>21,861</u>
LIABILITIES				
Current liabilities				
Trade and other payables	5,308	2,322	762	94
Amount due to directors	85	645	85	645
Bills payable	1,481	3,370	-	-
Borrowings	3,172	2,373	-	-
Income tax liabilities	-	220	-	-
Lease liabilities	662	1,123	50	2
Dividend payable	2,274	-	2,274	-
	<u>12,982</u>	<u>10,053</u>	<u>3,171</u>	<u>741</u>
Non-current liabilities				
Lease liabilities	1,095	511	171	-
Other liabilities	81	43	-	-
	<u>1,176</u>	<u>554</u>	<u>171</u>	<u>-</u>
Total liabilities	<u>14,158</u>	<u>10,607</u>	<u>3,342</u>	<u>741</u>
Net assets	<u>41,090</u>	<u>43,000</u>	<u>19,170</u>	<u>21,120</u>
SHAREHOLDERS' EQUITY				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	2,708	2,800	-	-
Legal reserve	1,651	1,651	-	-
Translation reserve	119	152	-	-
Accumulated profits/(losses)	5,260	7,045	(12,181)	(10,231)
	<u>41,089</u>	<u>42,999</u>	<u>19,170</u>	<u>21,120</u>
Total shareholders' equity	<u>41,089</u>	<u>42,999</u>	<u>19,170</u>	<u>21,120</u>
Non-controlling interests	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total equity	<u>41,090</u>	<u>43,000</u>	<u>19,170</u>	<u>21,120</u>

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30.09.20		As at 31.03.20	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,834	1,481	3,496	3,370

Amount repayable after one year

As at 30.09.20		As at 31.03.20	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,095	-	511	-

The group's borrowings and debt securities include bills payable, lease liabilities and other bank borrowings.

Details of any collaterals

No collateral.

Group gearing ratio or borrowings divided by total shareholders' equity stands at 0.16 times as at 30 September 2020 (31 March 2020: 0.17 times).

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

OSSIA INTERNATIONAL LIMITED

	Group	
	6 months	
	Ended 30 Sep	
	2020	2019
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	489	2,859
Adjustments for:		
Share of results of the associated company	(1,222)	(1,841)
Depreciation of property, plant and equipment	548	596
Depreciation of right-of-use assets	532	433
Unrealised foreign exchange (gain)/loss	(8)	167
Interest income	(3)	(4)
Interest expense	72	115
Allowance for inventory obsolescence	190	-
Write-back of allowance for inventory obsolescence	-	(159)
Gain on disposal of property, plant and equipment	-	(1,597)
Operating cash flow before working capital changes	598	569
Changes in working capital:		
Increase in inventories	(1,516)	(2,357)
Decrease/(increase) in trade and other receivables	725	(546)
Increase in other current assets and prepayments	(148)	(24)
Increase/(decrease) in trade and other payables	2,449	(687)
Net cash flows from operations	2,108	(3,045)
Income tax paid	(222)	(226)
Interest received	3	4
Interest paid	(53)	(100)
Net cash flows from/(used in) operating activities	1,836	(3,367)
Cash flows from investing activities		
Purchase of property, plant and equipment	(116)	(379)
Proceeds from disposal of property, plant and equipment	-	2,875
Net cash flows (used in)/from investing activities	(116)	2,496
Cash flows from financing activities		
Proceeds from borrowings	4,949	2,386
Repayment of borrowings	(4,159)	(1,193)
Proceeds from bills payables	1,482	1,346
Repayment of bills payables	(3,374)	(2,019)
Interest on leases	(19)	(15)
Repayment of lease liabilities	(506)	(430)
Dividends paid to shareholder	-	(429)
Decrease in restricted bank deposits	176	158
Net cash flows used in financing activities	(1,451)	(196)

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

OSSIA INTERNATIONAL LIMITED

	Group 6 months Ended 30 Sep	
	2020	2019
	\$'000	\$'000
Net increase/(decrease) in cash and cash equivalents	269	(1,067)
Cash and cash equivalents at the beginning of the financial period	6,173	4,773
Effects of exchange rate changes on cash and cash equivalents	5	(12)
Cash and cash equivalents at the end of the financial period	6,447	3,694
Cash and bank balances	7,190	4,550
Less : Restricted bank deposits	(743)	(856)
Cash and cash equivalents as per above	6,447	3,694

Explanatory Note:

(1) Cash and cash equivalents comprise cash and bank balances less restricted bank deposits.

(2) Certain fixed deposit amounting to S\$743,000 (30 September 2019: S\$856,000) is pledged to the bank for banking facilities to subsidiaries.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

OSSIA INTERNATIONAL LIMITED

	Attributable to Equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Legal reserve	Translation reserve	Revaluation reserve	Accumulated profits	Sub-Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
GROUP								
Balance at 1 April 2020	31,351	1,651	152	2,800	7,045	42,999	1	43,000
Profit for the period	-	-	-	-	489	489	-	489
<u>Other comprehensive income</u>								
Share of other comprehensive income of associated company	-	-	(49)	(92)	-	(141)	-	(141)
Foreign currency translation	-	-	16	-	-	16	-	16
Total comprehensive income	-	-	(33)	(92)	-	(125)	-	(125)
<u>Contributions by and distributions to owners</u>								
Dividend payable to shareholders	-	-	-	-	(2,274)	(2,274)	-	(2,274)
	-	-	-	-	(2,274)	(2,274)	-	(2,274)
Balance as at 30 September 2020	31,351	1,651	119	2,708	5,260	41,089	1	41,090

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

OSSIA INTERNATIONAL LIMITED

Attributable to Equity holders of the Company

	Share capital	Legal reserve	Translation reserve	Revaluation reserve	Accumulated profits	Sub-Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP								
Balance at 1 April 2019	31,351	1,533	(384)	2,800	3,803	39,103	-	39,103
Profit for the period	-	-	-	-	2,859	2,859	-	2,859
<u>Other comprehensive income</u>								
Transfer from legal reserve	-	116	-	-	(116)	-	-	-
Share of other comprehensive income of associated company	-	-	(87)	-	-	(87)	-	(87)
Foreign currency translation	-	-	72	-	-	72	-	72
Total comprehensive income	-	116	(15)	-	(116)	(15)	-	(15)
<u>Contributions by and distributions to owners</u>								
Dividend paid to shareholders	-	-	-	-	(429)	(429)	-	(429)
	-	-	-	-	(429)	(429)	-	(429)
Balance as at 30 September 2019	31,351	1,649	(399)	2,800	6,117	41,518	-	41,518

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

**OSSIA INTERNATIONAL LIMITED
COMPANY**

	Share capital	Accumulated losses	Total equity
	\$'000	\$'000	\$'000
Balance at 1 April 2019	31,351	(12,381)	18,970
Profit for the year	-	2,121	2,121
Total comprehensive income	-	2,121	2,121
Dividends paid to shareholders	-	(429)	(429)
Balance as at 30 September 2019	31,351	(10,689)	20,662
Balance at 1 April 2020	31,351	(10,231)	21,120
Profit for the year	-	324	324
Total comprehensive income	-	324	324
Dividends payable to shareholders	-	(2,274)	(2,274)
Balance as at 30 September 2020	31,351	(12,181)	19,170

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the financial period, there has been no change in the Company's issued share capital. The Company does not have any outstanding convertibles.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of shares
As at 30 September 2020	252,629,483
As at 31 March 2020	252,629,483

There were no treasury shares as at 30 September 2020 and 31 March 2020.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the current period's financial statements as in the audited annual financial statements as at 31 March 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Profit/(Loss) per share attributable to owners of the Company:-	Group	
	6 months ended 30 Sep 2020	2019
	cents	cents
(i) Based on the weighted average number of ordinary shares in issue	0.19	1.13
(ii) On a fully diluted basis	0.19	1.13

Note:

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 30 September 2020 and 30 September 2019 as follows:

	<u>Number of shares</u>
As at 30 September 2020	252,629,483
As at 30 September 2019	252,629,483

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
 (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	30-Sep 2020 cents	31-Mar 2020 cents	30-Sep 2020 cents	31-Mar 2020 cents
Net assets value per ordinary share based on the total number of issued shares (excluding treasury shares) at the end of the reporting year	16.26	17.02	7.59	8.36

The decrease in the net asset value per ordinary share is due to the final dividend for FY 31 March 2020 amounting to S\$2.27 million declared and approved at the annual general meeting on 24 September 2020.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
 (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated Statement of Comprehensive Income Review

The Group's revenue for the period ended 30 September 2020 (1HFY2021) registered \$9.17 million compared to \$10.11 million in the corresponding last financial period, a decline of 9.3%. The decline in sales is mainly due to COVID-19 pandemic impact on the Group's retail operations.

No major fluctuation in gross profit margin.

Other operating income decreased from \$1.69 million to \$0.19 million mainly due to the gain on disposal of the leasehold land and building recognised in the period ended 30 September 2019 for the Malaysia subsidiary as announced on 1 February 2019. This transaction was completed in July 2019 and resulted in a gain of \$1.6 million.

No major fluctuation in the distribution costs

Administrative expenses decreased by 12.3% or \$0.20 million. The decrease in administrative expenses is mainly due to cost saving from the traveling expenses as less traveling required during the COVID-19 pandemic and rental saving from the rental rebate granted by the landlords.

The Group's share of results of the associated company has decreased from a profit of \$1.84 million to \$1.22 million due to decrease in sales performance of the associated company during the period.

Balance Sheet Review

The Group's inventories increased by 12.0% or \$1.37 million from \$11.40 million to \$12.76 million as compared to 31 March 2020, this is mainly due to new season stock purchased for existing brands in Taiwan.

The Group's trade and other receivable decreased by 14.3% or \$0.54 million from \$3.75 million to \$3.21 million mainly due to better collection from customers during the financial period.

The Company's trade and other receivable increased by 93.7% or \$0.70 million from \$2.17 million to \$2.88 million mainly due to dividend receivable from Taiwan subsidiary during the financial period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (continued)

Balance Sheet Review (continued)

The Group's other financial assets decreased by 81.3% or \$0.11 million from \$0.14 million to \$0.03 million mainly due to refund of rental deposits for the closure of non-performing shops.

The Group's and the Company's property, plant and equipment decreased mainly due to depreciation charged during the financial period.

The Group's and the Company's right-of-use asset increased due to capitalisation of the lease premises, for both offices and shops in accordance with the SFRS(I) 16 and net off against the depreciation charged during the financial period.

The Group's trade and other payables increased by 128.9% or \$2.99 million from \$2.32 million to \$5.31 million mainly due to increase in purchases for the new season collection for the year end sales.

The Group's bill payables decreased by 56.1% or \$1.89 million from \$3.37 million to \$1.48 million mainly due to repayment of bill payables during the financial period.

The Group's borrowings increased by 33.7% or \$0.80 million from \$2.37 million to \$3.17 million mainly due to additional borrowings by the Taiwan subsidiary.

The Group's and the Company's lease liabilities increased due to the new lease agreements entered by the Taiwan's subsidiary for their shops and the Singapore office during the financial period and offset against the lease payment made during the financial period.

The Group's and the Company's dividend payable pertaining to the final dividend proposed and approved final dividend for the financial year ended 31 March 2020 as announced on 24 September 2020.

Consolidated Cash Flow Statement Review

Net cash flows generated from operating activities increased mainly due to the increase in trade and other payables for the new season stock purchased during the period.

Net cash flows investing activities decreased mainly due to proceeds received from the disposal of purchase of property, plant and equipment in previous corresponding financial period.

Net cash flows used in financing activities increased mainly due to repayment of bank borrowings for new season stock purchases and working capital purposes in Taiwan during the financial period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current results are in line with the Company's commentary in Paragraph 10 of the financial results announcement dated 30 July 2020.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic has and will continue to exert a major impact on the Group's retail operations and prospects for the next financial year. Pandemic induced economic disruptions have resulted in more cautious consumer spending. The Group has undertaken a careful review of its operations in order to align operating costs and strategies with market expectations in the new normal.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?
No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
Yes.

FY2020's interim dividend of 0.5 Singapore cent per share is calculated based on numbers of ordinary shares in issue as at 30 September 2019.

(c) Date the dividend is payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

The COVID-19 pandemic has exerted a major impact on the Group's retail operations. No dividend has been declared for this financial period ended 30 September 2020 to conserve capital.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have any general mandate from shareholders for interested person transactions. Append below is the summary of the IPTs transactions for the period ended 30 September 2020 and 30 September 2019.

No IPT transaction for the current financial period.

**14. Negative confirmation pursuant to Rule 705(5).
(Not required for announcement on full year results)**

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the half year ended 30 September 2020 to be false or misleading.

15. Appendix 7.2, Paragraph 15, Rule 702(1) of the Listing Manual states that:

“Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).”

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company



OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

**Ossia International Limited (“the Company”)
Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that to the best of our knowledge, nothing of a material impact has come to the attention of the Board of Directors of the Company which may render the second quarter results of the Company for the six months ended 30 September 2020 to be false or misleading in any material respect.

On Behalf of the Board of Directors

Goh Ching Huat
Director

Wong King Kheng
Director

11 November 2020

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary
11 November 2020