



OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

First Quarter Financial Statements for the Period 30 June 2018

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

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

OSSIA INTERNATIONAL LIMITED

	Group 3 months Ended 30 Jun 2018		%
	2018 \$'000	2017 \$'000	Change
Revenue	5,516	5,801	-4.9%
Cost of sales	(3,149)	(2,740)	14.9%
Gross profit	2,367	3,061	-22.7%
Other operating income	117	57	105.3%
Distribution costs	(2,049)	(2,604)	-21.3%
Administrative expenses	(640)	(907)	-29.4%
Other operating expenses	(2)	(7)	-71.4%
Loss from operations	(207)	(400)	-48.3%
Interest income	4	3	33.3%
Finance expense	(39)	(52)	-25.0%
Share of results of the associated company	913	(648)	-240.9%
Profit/(loss) before income tax	671	(1,097)	-161.2%
Income tax	19	(13)	100.0%
Profit/(loss) for the year, net of tax	690	(1,110)	-162.2%
Profit/(loss) attributable to:			
Owners of the Company	700	(1,094)	-164.0%
Non-controlling interests	(10)	(16)	-37.5%
	690	(1,110)	-162.2%
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of gain on property revaluation of associated company	-	(1)	N/M
Transfer from legal reserve	-	1	N/M
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	22	(188)	-111.7%
Share of foreign currency translation of associated company	13	-	N/M
Other comprehensive income for the period, net of tax	35	(188)	-118.6%

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 3 months Ended 30 Jun 2018	
	2018 \$'000	2017 \$'000
Total comprehensive income for the period	725	(1,298)
Total comprehensive income attributable to:		
Owners of the Company	722	(1,316)
Non-controlling interests	3	18
	725	(1,298)

1(a)(ii) Note:-

	Group 3 Months Ended 30 Jun		
	2018 \$'000	2017 \$'000	% Change
Loss from operations is arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	242	353	(31.4)
Gain on disposal of property, plant and equipment	-	(1)	(100.0)
Write-off of property, plant and equipment	-	93	(100.0)
Net foreign exchange gain	(14)	(17)	(17.6)
Write-back of allowance for inventory obsolescence	-	(5)	(100.0)
Allowance for /(write-back of allowance for) Inventory writedowns	1	(48)	(102.1)

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	
	30.6.18	30.6.17	30.6.18	30.6.17
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Inventories	8,754	9,269	-	-
Trade and other receivables	4,714	6,866	3,340	4,018
Prepayments	51	671	(14)	15
Other financial assets	2,566	1,051	-	5
Other non-financial assets	271	117	-	-
Cash and bank balances	4,501	3,453	1,382	116
	20,857	21,427	4,708	4,438
Non-current assets				
Investment in associated company	24,320	20,234	13,250	13,249
Investment in subsidiaries	-	-	1,448	1,448
Property, plant and equipment	2,195	2,718	15	22
Deposit	296	-	-	-
Due from related companies	1,650	-	1,404	-
Deferred tax assets	162	119	-	-
	28,623	23,071	16,117	14,719
Total assets	49,480	44,498	20,825	19,157
LIABILITIES				
Current liabilities				
Trade and other payables	5,075	4,632	667	874
Amount due to directors	126	-	109	-
Bills payable	1,461	1,318	-	-
Borrowings	3,056	3,373	691	-
Income tax liabilities	342	164	-	62
	10,060	9,487	1,467	936
Non-current liabilities				
Borrowings	-	1,852	-	-
Deposits received	-	145	-	-
Deferred tax liabilities	-	32	-	32
	-	2,029	-	32
Total liabilities	10,060	11,516	1,467	968
Net assets	39,420	32,982	19,358	18,189
SHAREHOLDERS' EQUITY				
Share capital	31,351	31,351	31,350	31,351
Revaluation reserve	3,164	3,126	-	-
Legal reserve	1,373	1,344	-	-
Translation reserve	(4,421)	(4,844)	-	-
Accumulated profits/(losses)	7,820	1,834	(11,992)	(13,162)
Total shareholders' equity	39,287	32,811	19,358	18,189
Non-controlling interests	133	171	-	-
Total equity	39,420	32,982	19,358	18,189

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

Amount repayable in one year or less, or on demand

Amount repayable in one year or less, or on demand

As at 30.06.18		As at 30.06.17	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,056	1,461	3,373	1,318

Amount repayable after one year

As at 30.06.18		As at 30.06.17	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	1,852	-

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

Details of any collaterals

No. collateral.

Group gearing ratio or borrowings divided by total shareholders' equity stands at 0.20 times as at 30 June 2017 (30 June 2018: 0.11 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 3 months Ended 30 Jun	
	2018	2017
	\$'000	\$'000
Cash flows from operating activities		
Profit/(loss) before tax	671	(1,097)
Adjustments for:		
Share of results of the associated company	(913)	648
Depreciation of property, plant and equipment	242	353
Unrealised foreign exchange loss/(gain)	324	(453)
Interest income	(4)	(3)
Interest expense	39	52
Allowance for inventory obsolescence	28	16
Allowance/(write-back of allowance) for inventory obsolescence	2	(5)
Gain on disposal of property, plant and equipment	-	(1)
Write-off of property, plant and equipment	-	93
Operating cash flow before working capital changes	389	(397)
Changes in working capital:		
Decrease in inventories	643	1,242
Decrease in trade and other receivables	887	1,440
Decrease/(increase) in other current assets and prepayments	133	(467)
Increase/(decrease) in trade and other payables, and bills payable	876	(759)
Net cash from operations	2,928	1,058
Income tax paid	(39)	(11)
Interest received	4	3
Interest paid	23	(52)
Net cash from operating activities	2,916	998
Cash flows from investing activities		
Purchase of property, plant and equipment	(690)	(487)
Proceeds from disposal of property, plant and equipment	-	19
Net cash used in investing activities	(690)	(468)
Cash flows from financing activities		
Net (repayment of)/proceeds from borrowings	(593)	229
Net repayment of bills payables	(859)	(525)
Decrease/(increase) in restricted bank deposits	(267)	26
Net cash used in financing activities	(1,719)	(270)
Net increase in cash and cash equivalents	507	260
Cash and cash equivalents at the beginning of the financial period	3,916	2,282
Effects of exchange rate changes on cash and cash equivalents	78	72
Cash and cash equivalents at the end of the financial period	4,501	2,614

- 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 3 months Ended 30 Jun	
	2018	2017
	\$'000	\$'000
Cash and bank balances	5,253	3,453
Less : Restricted bank deposits	(752)	(839)
Cash and cash equivalents as per above	4,501	2,614

Explanatory Note:

- (1) Cash and cash equivalents comprise cash and bank balances less bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings under the current liabilities.
- (2) Certain fixed deposit amounting to S\$752,000 (30 June 2017: S\$839,000) 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-	Total equity
	Share	Legal	Translation	Revaluation	Accumulated	Sub-Total	controlling	
	capital	reserve	reserve	reserve	profits		interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP								
Balance at 1 April 2018	31,351	1,373	(4,443)	3,164	7,120	38,565	130	38,695
<u>Other comprehensive income</u>								
Profit for the period	-	-	-	-	700	700	(10)	690
Foreign currency translation	-	-	9	-	-	9	13	22
Share of foreign currency translation of associated company	-	-	13	-	-	13	-	13
Total comprehensive income	-	-	22	-	700	722	3	725
Balance as at 30 June 2018	31,351	1,373	(4,421)	3,164	7,820	39,287	133	39,420

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 \$'000	Legal reserve \$'000	Translation reserve \$'000	Revaluation reserve \$'000	Accumulated profits / (losses) \$'000	Sub-Total \$'000	Non- controlling interests \$'000	Total equity \$'000
GROUP								
Balance at 1 April 2017	31,351	1,343	(5,032)	3,127	2,995	33,784	153	33,937
<u>Other comprehensive income</u>								
Loss for the period	-	-	-	-	(1,110)	(1,110)	16	(1,094)
Foreign currency translation	-	1	(7)	(1)	-	(7)	2	(5)
Share of other comprehensive income of associated company	-	-	195	-	-	195	-	195
Total comprehensive income	-	1	188	(1)	(1,110)	(922)	18	(904)
<u>Contributions by and distributions to owners</u>								
Transfer from accumulated profits to other reserve	-	-	-	-	(6)	(6)	-	(6)
Dividend paid to controlling shareholders	-	-	-	-	(45)	(45)	-	(45)
Total contributions by and distribution to owner	-	-	-	-	(51)	(51)	-	(51)
Balance as at 30 Jun 2017	31,351	1,344	(4,844)	3,126	724	31,701	187	31,888

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 2017	31,350	(13,947)	17,403
Profit for the year	-	(139)	(139)
Total comprehensive income	-	(139)	(139)
Balance as at 30 June 2017	31,350	(13,162)	18,189
Profit for the year 1 April 2018	-	1,170	(92,913)
Dividends	-	-	-
Balance as at 30 June 2018	31,350	(11,992)	19,358

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.

	<u>Number of shares</u>
As at 30 June 2018	252,629,483
As at 31 March 2018	252,629,483

There were no treasury shares as at 30 June 2018 and 31 March 2018.

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 has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), which is effective for Singapore-incorporated companies listed on the Singapore Exchange for annual reporting periods beginning on or after 1 January 2018. The Group has also adopted the new SFRS(I) and Interpretations to SFRS(I)s ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The adoption of SFRS(I), and the new SFRS(I) and SFRS(I) INT relevant to the Group's operations and effective for annual periods beginning on or after 1 January 2018 did not have a material effect on the financial statements for the current financial period.

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 3 months ended 30 Jun	
	2018 cents	2017 cents
(i) Based on the weighted average number of ordinary shares in issue	0.28	(0.43)
(ii) On a fully diluted basis	0.28	(0.43)

Note:

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 30 June 2018 and 31 March 2018 as follows:

	Number of shares
As at 30 June 2017	252,629,483
As at 30 June 2018	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-Jun 2018 cents	30-Jun 2017 cents	30-Jun 2018 cents	30-Jun 2017 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	15.55	12.99	7.66	7.20

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 June 2018 (1QFY2019) registered \$5.5 million compared to \$5.8 million in the corresponding previous financial period, a decline of 4.9%. The decline in sales is mainly due to closure of several stores in Malaysia.

The group reduction for gross profit of 23% is due to sales of ELLE inventory amounting to \$0.77 million in conjunction with the sales and purchase agreement on 1 May 2018. This was previously announced on 29 April 2018.

Distribution costs decreased from \$2.6 million to \$2.05 million. The decrease in distribution costs is mainly due to closure of several stores in Malaysia.

Administrative expenses decreased from \$0.91 million to \$0.64 million. The decrease in administrative expenses is mainly due to closure of several stores in Malaysia.

The Group recorded a share of profit amounting to \$0.91 million compared to a loss \$0.65 million corresponding previous financial period. The gain is mainly due to the improvement in performance of the associated company.

Net profit attributable to the Group was \$0.69 million in the period ended 30 June 2018 (1QFY2019) as compared to the loss of \$1.11 million for the period ended 30 June 2017 ('1QFY2018').

Balance Sheet Review

The Group's inventories reduced as compared to 30 June 2017. The decline in inventories was mainly due to sales of inventory to Tangs Department Store Sdn Bhd (TDST)

The Group's trade and other receivable decreased from \$6.87 million to \$4.71 million mainly due to faster collection of receivable during the year

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 prepayment and property, plant & equipment decreased in conjunction with the sales and purchase agreement on described earlier & previously announced on 29 April 2018.

The Group's trade and other payables increased from \$5.08 million to \$4.63 million mainly due to increase in purchases by its subsidiary in Taiwan.

The Group's bill payables increased from \$1.32 million to \$1.46 million mainly due to increase in new season stocks purchased in Taiwan.

The Group's short and long term borrowings decreased due to repayments made during the period

Consolidated Cash Flow Statement Review

Net cash from operating activities increased from \$1.0 million to \$2.9 million mainly due to share of profits of its associated company recorded for the current period compared to a share of loss recorded for the corresponding period

Net cash used in investing activities increased mainly due to purchases of property, plant and equipment.

Net cash used in financing activities increased mainly due to partial repayment of borrowings which is in conjunction of sale and purchase agreement with Tangs Department Store Sdn Bhd(TDST).

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 May 2017.

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 retail climate conditions in the region that we operate remain challenging. The Group will continue to focus on its core business, tightening operations by closing non-performing outlets and brands.

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?
No.

11. Dividend (continued)

(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.

No dividend has been recommended for the current financial period.

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.

No IPT transaction for the current financial period

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

13 August 2018



OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

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

**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 first quarter results of the Company for the three months ended 30 June 2018 to be false or misleading in any material respect.

On Behalf of the Board of Directors

Goh Ching Wah
Director

Wong King Kheng
Director

13 August 2018