



Second Quarter Financial Statements for the Period 30 September 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 Second Quarter Ended 30 Sep			%	Group 6 months Ended 30 Sep			%
	2018	2017	Change		2018	2017	Change	
	\$'000	\$'000			\$'000	\$'000		
Revenue	4,883	5,451	-10.4%	10,399	11,252	-7.6%		
Cost of sales	(2,420)	(2,715)	-10.9%	(5,569)	(5,455)	2.1%		
Gross profit	2463	2,736	-10.0%	4,830	5,797	-16.7%		
Other operating income	165	144	14.6%	282	201	40.3%		
Distribution costs	(1,879)	(2,512)	-25.2%	(3,928)	(5,116)	-23.2%		
Administrative expenses	(1,382)	(966)	43.1%	(2,022)	(1,873)	8.0%		
Other operating expenses	-	(7)	N/M	(2)	(14)	-85.7%		
Loss from operations	(633)	(605)	4.6%	(840)	(1,005)	-16.4%		
Interest income	3	3	0.0%	7	6	16.7%		
Finance expense	(46)	(54)	-14.8%	(85)	(106)	-19.8%		
Share of results of the associated company	1,249	604	106.8%	2,162	(44)	N/M		
Profit/(loss) before income tax	573	(52)	N/M	1,244	(1,149)	-208.3%		
Income tax	2	21	-90.5%	21	8	162.5%		
Profit/(loss) for the period, net of tax	575	(31)	N/M	1,265	(1,141)	-210.9%		
Profit attributable to:								
Owners of the Company	567	(29)	N/M	1,267	(1,123)	N/M		
Non-controlling interests	8	(2)	N/M	(2)	(18)	-88.9%		
	575	(31)	N/M	1,265	(1,141)	N/M		
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Share of gain on property revaluation of associated company	-	-	N/M	-	(1)	N/M		
Transfer from legal reserve	159	-	N/M	159	1	N/M		
Items that may be reclassified subsequently to profit or loss								
Foreign currency translation	321	95	237.9%	343	(93)	N/M		
Share of foreign currency translation of of the associated company	(770)	-	N/M	(757)	-	N/M		
Other comprehensive loss for the period, net of tax	(290)	95	N/M	(255)	(93)	174.2%		

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 Second Quarter Ended 30 Sep 2018			%	Group 6 months Ended 30 Sep 2018			%
	2018	2017	Change		2018	2017	Change	
	\$'000	\$'000			\$'000	\$'000		
Total comprehensive income for the period	285	64	345.3%	1,010	(1,234)	-181.8%		
Total comprehensive income attributable to:								
Owners of the Company	160	61	162.3%	882	(1,255)	-170.3%		
Non-controlling interests	125	3	4066.7%	128	21	509.5%		
	285	64	345.3%	1,010	(1,234)	-181.8%		

1(a)(ii) Note:-

	Group Second Quarter Ended 30 Sep			%	Group 6 Months Ended 30 Sep			%
	2018	2017	Change		2018	2017	Change	
	\$'000	\$'000			\$'000	\$'000		
Loss from operations is arrived at after charging/(crediting):								
Depreciation of property, plant and equipment	374	326	14.7	616	679	(9.3)		
Gain on disposal of property, plant and equipment	(4)	-	N/M	(4)	(1)	300		
Write-off of property, plant and equipment	-	150	N/M	-	162	N/M		
Net foreign exchange loss	69	69	-	55	24	129.2		
Write-back of allowance for inventory obsolescence	(248)	(6)	N/M	(248)	(59)	320		

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	
	30.9.18	31.3.18	30.9.18	31.3.18
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Inventories	11,195	8,887	-	-
Trade and other receivables	7,252	7,176	3,942	2,463
Prepayments	55	183	46	42
Asset held-for-sale	-	1,087	-	-
Cash and bank balances	3,446	4,687	268	1,373
	21,948	22,020	4,256	3,878
Non-current assets				
Investment in associated company	24,768	23,307	13,250	13,252
Investment in subsidiaries	-	-	1,448	1,448
Property, plant and equipment	2,254	2,080	13	16
Due from related parties	1,044	1,651	807	1,407
Deferred tax assets	162	162	-	-
	28,228	27,200	15,518	16,123
Total assets	50,176	49,220	19,774	20,001
LIABILITIES				
Current liabilities				
Trade and other payables	5,901	4,131	1,896	410
Amounts due to directors	500	126	500	126
Bills payable	3,588	2,343	-	-
Borrowings	1,614	1,624	-	-
Income tax payable	-	344	-	-
Liability directly associated with asset classified as held for sale	-	52	-	-
	11,603	8,620	2,396	536
Non-current liabilities				
Borrowings	1,897	1,905	-	-
	1,897	1,905	-	-
Total liabilities	13,500	10,525	2,396	536
Net assets	36,676	38,695	17,378	19,465
SHAREHOLDERS' EQUITY				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	2,800	3,164	-	-
Legal reserve	1,532	1,373	-	-
Translation reserve	(4,836)	(4,443)	-	-
Accumulated profits/(losses)	5,701	7,120	(13,973)	(11,886)
Total shareholders' equity	36,548	38,565	17,378	19,465
Non-controlling interests	128	130	-	-
Total equity	36,676	38,695	17,378	19,465

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 31.09.18		As at 31.03.18	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,614	3,588	1,624	2,343

Amount repayable after one year

As at 31.09.18		As at 31.03.18	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,897	-	1,905	-

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 0.19 times as at 30 September 2018 (31 March 2018: 0.15 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. (continued)

OSSIA INTERNATIONAL LIMITED

	Group		Group	
	Second Quarter		6 months	
	Ended 30 Sep		Ended 30 Sep	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	3,446	3,200	3,446	3,200
Less : Restricted bank deposits	(1,321)	(947)	(1,321)	(947)
Cash and cash equivalents as per above	2,125	2,253	2,125	2,253

Explanatory Note:

- (1) Cash and cash equivalents comprise cash and bank balances less restricted bank deposits.
- (2) Certain fixed deposit amounting to S\$1,321,000 (30 September 2017: S\$947,000) 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							
	Share capital	Legal reserve	Translation reserve	Revaluation reserve	Retained Earnings	Sub-Total	Non-controlling interests	Total equity
	\$'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	-	-	-	-	1,267	1,267	(2)	1,265
Transfer from accumulated profits to legal reserve	-	159	-	-	(159)	-	-	-
Share of other comprehensive income of associated company	-	-	(393)	(364)	-	(757)	-	(757)
Total comprehensive income	-	159	(393)	(364)	1,108	510	(2)	508
<u>Distributions to owners</u>								
Dividend Paid/Payable	-	-	-	-	(2,527)	(2,527)	-	(2,527)
Balance as at 30 Sep 2018	31,351	1,532	(4,836)	2,800	5,701	36,548	128	36,676

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 / (losses)	Sub-Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	-	-	-	-	(1,123)	(1,123)	(18)	(1,141)
Share of other comprehensive income of associated company	-	-	217	-	-	217	-	217
Foreign currency translation	-	1	(124)	(1)	5	(119)	39	(80)
Total comprehensive income	-	1	93	(1)	(1,118)	(1,025)	21	(1,004)
Transfer from accumulated profits to legal reserve	-	-	-	-	-	-	-	-
Dividend paid to controlling shareholders	-	-	-	-	(45)	(45)	-	(45)
Total contributions by and distribution to owner	-	-	-	-	(45)	(45)	-	(45)
Balance as at 30 Sep 2017	31,351	1,344	(4,939)	3,126	1,832	32,714	174	32,888

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	31,351	(13,023)	18,328
Loss for the period	-	(268)	(268)
Total comprehensive income for the period	-	(268)	(268)
Balance as at 30 September 2017	31,351	(13,291)	18,060
Balance at 1 April 2018	31,351	(11,886)	19,465
Profit for the period	-	440	440
Total comprehensive income for the period	-	440	440
Dividends paid/payable	-	(2,527)	(2,527)
Balance as at 30 September 2018	31,351	(13,973)	17,378

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 2018	252,629,483
As at 31 March 2018	252,629,483

There were no treasury shares as at 30 September 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.

Please refer to item 4 above.

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 Second Quarter ended 30 Sep		Company 6 months ended 30 Sep	
	2018 cents	2017 cents	2018 cents	2017 cents
(i) Based on the weighted average number of ordinary shares in issue	0.22	(0.01)	0.50	(0.44)
(ii) On a fully diluted basis	0.22	(0.01)	0.50	(0.44)

Note:

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

	Number of shares
As at 30 September 2018	252,629,483
As at 31 March 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) **31 March 2017.**

	Group		Company	
	30-Sep 2018 cents	31-Mar 2018 cents	30-Sep 2018 cents	31-Mar 2018 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	14.47	15.27	6.88	7.70

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 2018 ("1HFY2019") registered \$10.40 million, a decline of 7.6% versus the corresponding period. The decline in sales is mainly due to closure of non-performing outlets and discontinued brands.

No major fluctuation for the gross profit margin for the period ended 30 September 2018.

The Group recorded a share of results of its associated company amounting to \$2.16 million compared to a share of loss of \$0.04 million in the corresponding previous financial period. The gain is mainly due to the improvement in performance of the associated company.

Net gain attributable to the Group was \$1.27 million in 1HFY2019 as compared to a share of loss \$1.14 million for the period ending 30 September 2017 ("1HFY2018").

Balance Sheet Review

The Group's inventories increased from \$8.89 million to \$11.20 million mainly due to increase in new season stocks purchased in Taiwan.

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 assets held for sale decreased by \$1.22 million in conjunction with the sales and purchase agreement as described earlier and previously announced on 29 April 2018.

The Group's cash and bank balances decreased from \$4.69 million to \$3.45 million mainly due to payment of \$1.01 million dividend to shareholders.

The Group's trade and other payables increased from \$4.13 million to \$5.90 million mainly due to interim dividend declared for FY2019.

The Group's amounts due to directors increased from \$0.13 million to \$0.50 million mainly due to provision for FY2019 bonus.

The Group's bills payable increased from \$2.34 million to \$3.59 million mainly due to increase in new season stocks purchased in Taiwan.

Consolidated Cash Flow Statement Review

Net cash used in operating activities increased from \$0.30 million to \$0.73 million mainly due to increase in new season stocks purchased in Taiwan.

Net cash used in investing activities increased mainly due to increase in purchase of fixed assets for the renovation of Taiwan outlets.

Net cash used in financing activities increased mainly due to increase in bills payable.

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 14 August 2018.

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?

Yes

	FY 2019	FY 2018
Ordinary	S\$'000	S\$'000
Interim	1,561	-

FY2019's interim dividend of 0.6 Singapore cent per share is calculated based on number of ordinary shares in issue as at 30 September 2018.

11. Dividend (continued)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No.

(c) Date the dividend is payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

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.

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 second quarter results of the Company for the six months ended 30 September 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 November 2018

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

13 November 2018