



OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

First Quarter Financial Statements for the Period 30 June 2017

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 2017		
	2017 \$'000	2016 \$'000	
Revenue	5,801	7,268	-20.2%
Cost of sales	(2,740)	(3,432)	-20.2%
Gross profit	3,061	3,836	-20.2%
Other operating income	57	18	216.7%
Distribution costs	(2,604)	(3,055)	-14.8%
Administrative expenses	(907)	(1,227)	-26.1%
Other operating expenses	(7)	(38)	-81.6%
(Loss) from operations	(400)	(466)	-14.2%
Interest income	3	6	-50.0%
Finance expense	(52)	(47)	10.6%
Share of results of the associated company	(648)	(146)	343.8%
Loss before income tax	(1,097)	(653)	68.0%
Income tax	(13)	-	100.0%
Loss for the year, net of tax	(1,110)	(653)	70.0%
Loss attributable to:			
Owners of the Company	(1,094)	(666)	64.3%
Non-controlling interests	(16)	13	-223.1%
	(1,110)	(653)	70.0%
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of gain on property revaluation of associated company	(1)	38	N/M
Transfer from legal reserve	1	-	N/M
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	(188)	-	N/M
Other comprehensive income for the period, net of tax	(188)	38	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 3 months		%
	Ended 30 Jun 2017		
	2017 \$'000	2016 \$'000	Change
Total comprehensive income for the period	(1,298)	(615)	111.1%
Total comprehensive income attributable to:			
Owners of the Company	(1,316)	(615)	114.0%
Non-controlling interests	18	-	0.0%
	(1,298)	(615)	111.1%

1(a)(ii) Note:-

	Group 3 Months		%
	Ended 30 Jun		
	2017 \$'000	2016 \$'000	Change
Loss from operations is arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	222	469	(52.7)
(Gain)/loss on disposal of property, plant and equipment	(1)	-	N/M
Write-off of property, plant and equipment	93	4	2,225
Net foreign exchange (gain)/loss	(17)	38	(144.7)
Write-back of allowance for inventory obsolescence	(5)	-	N/M
Stocks written off	(48)	-	N/M

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	<u>The Group</u>		<u>The Company</u>	
	30.6.17 \$'000	31.3.17 \$'000	30.6.17 \$'000	31.3.17 \$'000
ASSETS				
Current assets				
Inventories	9,269	10,008	-	-
Trade and other receivables	6,866	8,080	4,018	4,750
Prepayments	671	216	15	15
Other financial assets	1,051	827	5	5
Other non-financial assets	117	134	-	-
Cash and bank balances	3,453	3,119	116	5
	<u>21,427</u>	<u>22,384</u>	<u>4,438</u>	<u>4,776</u>
Non-current assets				
Investment in associated company	20,234	20,727	13,249	13,252
Investment in subsidiaries	-	-	1,448	1,448
Property, plant and equipment	2,718	2,568	22	26
Deferred tax assets	119	119	-	-
	<u>23,071</u>	<u>23,414</u>	<u>14,719</u>	<u>14,726</u>
Total assets	<u>44,498</u>	<u>45,798</u>	<u>19,157</u>	<u>19,502</u>
LIABILITIES				
Current liabilities				
Trade and other payables	4,632	4,851	874	785
Amount due to directors	-	295	-	295
Bills payable	1,318	1,753	-	-
Borrowings	3,373	2,905	-	-
Income tax liabilities	164	165	62	62
	<u>9,487</u>	<u>9,969</u>	<u>936</u>	<u>1,142</u>
Non-current liabilities				
Borrowings	1,852	1,860	-	-
Deposits received	145	-	-	-
Deferred tax liabilities	32	32	32	32
	<u>2,029</u>	<u>1,892</u>	<u>32</u>	<u>32</u>
Total liabilities	<u>11,516</u>	<u>11,861</u>	<u>968</u>	<u>1,174</u>
Net assets	<u>32,982</u>	<u>33,937</u>	<u>18,189</u>	<u>18,328</u>
SHAREHOLDERS' EQUITY				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	3,126	3,127	-	-
Legal reserve	1,344	1,343	-	-
Translation reserve	(4,844)	(5,032)	-	-
Accumulated profits/(losses)	1,834	2,995	(13,162)	(13,023)
	<u>32,811</u>	<u>33,784</u>	<u>18,189</u>	<u>18,328</u>
Total shareholders' equity	<u>32,811</u>	<u>33,784</u>	<u>18,189</u>	<u>18,328</u>
Non-controlling interests	<u>171</u>	<u>153</u>	<u>-</u>	<u>-</u>
Total equity	<u>32,982</u>	<u>33,937</u>	<u>18,189</u>	<u>18,328</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 30.06.17		As at 31.03.17	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,373	1,318	2,905	1,753

Amount repayable after one year

As at 30.06.17		As at 31.03.17	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,852	-	1,860	-

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 June 2017 (31 March 2017: 0.19 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	
	2017	2016
	\$'000	\$'000
Cash flows from operating activities		
Loss before tax	(1,097)	(653)
Adjustments for:		
Share of results of the associated company	648	146
Depreciation of property, plant and equipment	353	469
Unrealised foreign exchange loss/(gain)	(453)	(97)
Interest income	(3)	(6)
Interest expense	52	47
Allowance for inventory obsolescence	16	-
Write-back of allowance for inventory obsolescence	(5)	-
Gain on disposal of property, plant and equipment	(1)	-
Write-off of property, plant and equipment	93	4
Operating cash flow before working capital changes	(397)	(90)
Changes in working capital:		
Decrease in inventories	1,242	766
Decrease in trade and other receivables	1,440	1,112
Increase in other current assets and prepayments	(467)	(140)
Decrease in trade and other payables, and bills payable	(759)	(1,057)
Net cash from operations	1,058	591
Income tax paid	(11)	(16)
Interest received	3	6
Interest paid	(52)	(47)
Net cash from operating activities	998	534
Cash flows from investing activities		
Purchase of property, plant and equipment	(487)	-
Proceeds from disposal of property, plant and equipment	19	-
Net cash used in investing activities	(468)	-
Cash flows from financing activities		
Net proceeds from borrowings	229	(745)
Repayment of finance lease liabilities	-	(78)
Net repayment of bills payables	(525)	(613)
Decrease/(increase) in restricted bank deposits	26	(169)
Net cash used in financing activities	(270)	(1,605)
Net increase/(decrease) in cash and cash equivalents	260	(1,071)
Cash and cash equivalents at the beginning of the financial period	2,282	3,482
Effects of exchange rate changes on cash and cash equivalents	72	2
Cash and cash equivalents at the end of the financial period	2,614	2,413

- 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	
	2017	2016
	\$'000	\$'000
Cash and bank balances	3,453	4,521
Less: Bank overdrafts	-	1
Less : Restricted bank deposits	(839)	(2,109)
Cash and cash equivalents as per above	2,614	2,413

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\$839 000 (31 June 2016: S\$2,109,000) 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	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	-	-	-	-	(1,110)	(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

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 2016	31,351	1,328	(4,830)	3,088	3,321	34,258	596	34,854
<u>Other comprehensive income</u>								
Loss for the period	-	-	-	-	(666)	(666)	13	(653)
Share of other comprehensive income of associated company	-	-	(339)	38	-	(301)	-	(301)
Foreign currency translation	-	-	18	-	-	18	(18)	-
Total comprehensive income	-	-	(321)	38	(666)	(949)	(5)	(954)
Balance as at 30 Jun 2016	31,351	1,328	(5,151)	3,126	2,655	33,309	591	33,900

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	Accumulate d losses	Total equity
	\$'000	\$'000	\$'000
Balance at 1 April 2017	31,351	(13,023)	18,328
Loss for the year	-	(139)	(139)
Total comprehensive income	-	(139)	(139)
Balance as at 30 Jun 2017	31,351	(13,162)	18,189
Balance at 1 April 2016	31,351	(13,947)	17,404
Loss for the year	-	(178)	(178)
Total comprehensive income	-	(178)	(178)
Balance as at 30 Jun 2016	31,351	(14,125)	17,226

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 June 2017	252,629,483
As at 31 March 2017	252,629,483

There were no treasury shares as at 30 June 2017 and 31 March 2017.

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 2017.

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 2017	2016
	cents	cents
(i) Based on the weighted average number of ordinary shares in issue	(0.43)	(0.26)
(ii) On a fully diluted basis	(0.43)	(0.26)

Note:

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 30 June 2017 and 31 March 2017 as follows:

	Number of shares
As at 30 June 2017	252,629,483
As at 31 March 2017	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 2017 cents	31-Mar 2017 cents	30-Jun 2016 cents	31-Mar 2016 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	12.99	13.37	7.20	7.25

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 2017 ("1QFY2018") registered \$5.80 million, a decline of 20.2% versus the corresponding period. The decline in sales is mainly due to discontinued brands.

The Group's gross profit for the 1QFY2018 registered \$3.06 million, a decline of 20.2% versus the corresponding period. The decline is in line with the decrease in revenue.

No major fluctuation for the gross profit margin for the period ended 30 June 2017.

Other operating income increased by 216.7% or \$0.04million mainly due to sundry income received by the Taiwan subsidiary.

Distribution costs decreased by 14.8% or \$0.45 million. The decrease in distribution costs is mainly due to discontinued brands.

The Group's share of losses of the associated company has increased from a loss of \$0.15 million to \$0.65 million due to the poorer results of the associated company.

Net loss attributable to owners of the Company was \$1.09 million in 1QFY2018 as compared to \$0.67 million for the period ending 30 June 2016 ("1QFY2017").

Balance Sheet Review

The Group's inventories reduced by \$0.74 million or 7.4% as compared to 31 March 2017. The decrease due to better control over the purchases of inventory.

The Group's and Company's trade and other receivable decreased by \$1.21 million or 15% mainly due to better collection from customers 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 increased by \$0.22 million or 27.1% mainly due to receivable for the disposal of subsidiary, Ossia (HK) Company Limited in January 2017.

The Group's prepayment increased by \$0.46 million or 210.6% mainly due to higher advance payments to principals.

The Group's property, plant and equipment increased by \$0.15 million or 5.8% mainly due to for new outlets opened in Taiwan during the financial period.

The Group's trade and other payables decreased by \$0.22 million or 4.5% mainly due to decrease in purchases during the financial period.

The Group's bill payables decreased by 0.44 million or 24.8% mainly due to repayment of bills payable during the financial period.

Consolidated Cash Flow Statement Review

Net cash from operating activities increased by \$0.46 million or 86.9% mainly due to higher levels of inventories and the increase in trade and other receivables.

Net cash used in investing activities increased by \$0.47 million or 100.0% mainly due to purchase of property, plant and equipment for new outlets opened in Taiwan during the financial period.

Net cash used in financing activities decreased by \$1.34 million or 83.2% mainly due to additional bank facilities obtained for 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 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

11 August 2017



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 2017 to be false or misleading in any material respect.

On Behalf of the Board of Directors

Goh Ching Wah
Director

Wong King Kheng
Director

11 August 2017