



Third Quarter Financial Statements For the Period 31 December 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	Group Thrid Quarter			Group 9 months		
	Ended 31 Dec		%	Ended 31 Dec		%
	2017 \$'000	2016 \$'000	Change	2017 \$'000	2016 \$'000	Change
Revenue	9,976	8,986	11.0%	21,228	23,076	-8.0%
Cost of sales	(4,589)	(4,545)	1.0%	(10,044)	(11,589)	-13.3%
<b>Gross profit</b>	<b>5,387</b>	<b>4,441</b>	21.3%	<b>11,184</b>	<b>11,487</b>	-2.6%
Other operating income	83	181	-54.1%	284	301	-5.6%
Distribution costs	(2,947)	(3,196)	-7.8%	(8,063)	(9,370)	-13.9%
Administrative expenses	(875)	(1,489)	-41.2%	(2,748)	(4,052)	-32.2%
Other operating expenses	(9)	(32)	-71.9%	(23)	(104)	-77.9%
<b>Profit/(loss) from operations</b>	<b>1,639</b>	<b>(95)</b>		<b>634</b>	<b>(1,738)</b>	
Interest income	6	15	-60.0%	12	23	-47.8%
Finance expense	(64)	(49)	30.6%	(170)	(140)	21.4%
Share of results of the associated company	2,127	365	482.7%	2,083	1,569	32.8%
<b>Profit/(loss) before income tax</b>	<b>3,708</b>	<b>236</b>	N/M	<b>2,559</b>	<b>(286)</b>	N/M
Income tax	(255)	(12)	100.0%	(247)	(57)	100.0%
<b>Profit/(loss) for the period, net of tax</b>	<b>3,453</b>	<b>224</b>	N/M	<b>2,312</b>	<b>(343)</b>	N/M
<b>Profit/(loss) attributable to:</b>						
Owners of the Company	3,402	145	2246.2%	2,279	(415)	-649.2%
Non-controlling interests	51	79	-35.4%	33	72	-54.2%
	<b>3,453</b>	<b>224</b>		<b>2,312</b>	<b>(343)</b>	-774.1%
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Share of gain on property revaluation of associated company	-	-	N/M	(1)	-	N/M
Transfer from legal reserve	-	-	N/M	1	-	N/M
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation	500	(391)	N/M	407	(391)	N/M
Other comprehensive income for the period, net of tax	500	(391)	N/M	407	(391)	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	Group Third Quarter Ended 31 Dec		%	Group 9 months Ended 31 Dec		%
	2017	2016		2017	2016	
	\$'000	\$'000	Change	\$'000	\$'000	Change
<b>Total comprehensive income for the period</b>	<b>3,953</b>	<b>(167)</b>	N/M	<b>2,719</b>	<b>(734)</b>	N/M
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	4,125	(134)	N/M	2,870	(701)	N/M
Non-controlling interests	(172)	(33)	N/M	(151)	(33)	N/M
	<b>3,953</b>	<b>(167)</b>	N/M	<b>2,719</b>	<b>(734)</b>	N/M

**1(a)(ii) Note:-**

	Group Third Quarter Ended 31 Dec		%	Group 9 Months Ended 31 Dec		%
	2017	2016		2017	2016	
	\$'000	\$'000	Change	\$'000	\$'000	Change
Profit/(loss) from operations is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	287	423	(32.2)	966	1,302	(25.8)
Gain on disposal of property, plant and equipment	(31)	(18)	72.2	(32)	(18)	N/M
Write-off of property, plant and equipment	177	30	490.0	339	-	N/M
Net foreign exchange (gain)/loss	(57)	54	(205.6)	(33)	15	N/M
Allowance for inventory obsolescence	91	-	N/M	61	-	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>	
	31.12.17 \$'000	31.3.17 \$'000	31.12.17 \$'000	31.3.17 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	10,056	10,008	-	-
Trade and other receivables	11,102	8,080	4,068	4,751
Prepayments	658	216	40	15
Other financial assets	454	827	-	5
Other non-financial assets	139	134	-	-
Cash and bank balances	3,674	3,119	351	5
	<b>26,083</b>	<b>22,384</b>	<b>4,459</b>	<b>4,776</b>
<b>Non-current assets</b>				
Investment in associated company	23,169	20,727	13,249	13,252
Investment in subsidiaries	-	-	1,448	1,448
Property, plant and equipment	2,262	2,568	22	26
Deferred tax assets	117	119	-	-
	<b>25,548</b>	<b>23,414</b>	<b>14,719</b>	<b>14,726</b>
<b>Total assets</b>	<b>51,631</b>	<b>45,798</b>	<b>19,178</b>	<b>19,502</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	5,880	4,851	881	785
Amount due to directors	-	295	-	295
Bills payable	3,212	1,753	-	-
Borrowings	3,585	2,905	-	-
Income tax liabilities	247	165	62	62
	<b>12,924</b>	<b>9,969</b>	<b>943</b>	<b>1,142</b>
<b>Non-current liabilities</b>				
Borrowings	1,786	1,860	-	-
Deposits received	67	-	-	-
Accrued expenses	234	-	-	-
Deferred tax liabilities	32	32	32	32
	<b>2,119</b>	<b>1,892</b>	<b>32</b>	<b>32</b>
<b>Total liabilities</b>	<b>15,043</b>	<b>11,861</b>	<b>975</b>	<b>1,174</b>
<b>Net assets</b>	<b>36,588</b>	<b>33,937</b>	<b>18,203</b>	<b>18,328</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	3,126	3,127	-	-
Legal reserve	1,344	1,343	-	-
Translation reserve	(4,625)	(5,032)	-	-
Accumulated profits/(losses)	5,390	2,995	(13,148)	(13,023)
	<b>36,586</b>	<b>33,784</b>	<b>18,203</b>	<b>18,328</b>
<b>Total shareholders' equity</b>	<b>36,586</b>	<b>33,784</b>	<b>18,203</b>	<b>18,328</b>
<b>Non-controlling interests</b>	<b>2</b>	<b>153</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>36,588</b>	<b>33,937</b>	<b>18,203</b>	<b>18,328</b>

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

**Amount repayable in one year or less, or on demand**

<b>As at 31.12.17</b>		<b>As at 31.03.17</b>	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,585	3,212	2,905	1,753

**Amount repayable after one year**

<b>As at 31.12.17</b>		<b>As at 31.03.17</b>	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,786	-	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 0.23 times as at 31 December 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		Group	
	Third Quarter		9 months	
	Ended 31 Dec		Ended 31 Dec	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax	3,708	236	2,559	(286)
Adjustments for:				
Share of results of the associated company	(2,127)	365	(2,083)	1,569
Depreciation of property, plant and equipment	287	423	966	1,302
Unrealised foreign exchange gain	(175)	(302)	(771)	(2,770)
Interest income	(6)	(15)	(12)	(23)
Interest expense	64	49	170	140
Allowance for inventory obsolescence	91	-	61	-
Gain on disposal of property, plant and equipment	(31)	(18)	(32)	(18)
Write-off of property, plant and equipment	177	30	339	-
<b>Operating cash flow before working capital changes</b>	<b>1,988</b>	<b>768</b>	<b>1,197</b>	<b>(86)</b>
<b>Changes in working capital:</b>				
Decrease in inventories	1,290	651	482	62
Increase in trade and other receivables	(3,132)	(2,422)	(2,152)	(1,026)
(Increase)/decrease in other current assets and prepayments	(391)	98	(438)	(151)
Increase in trade and other payables, and bills payable	99	713	647	184
<b>Net cash flows from operations</b>	<b>(146)</b>	<b>(192)</b>	<b>(264)</b>	<b>(1,017)</b>
Income tax paid	(83)	(56)	(166)	(167)
Interest received	6	15	12	23
Interest paid	(64)	(49)	(170)	(140)
<b>Net cash flows used in operating activities</b>	<b>(287)</b>	<b>(282)</b>	<b>(588)</b>	<b>(1,301)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(105)	-	(629)	(1)
<b>Net cash flows used in investing activities</b>	<b>(105)</b>	<b>-</b>	<b>(629)</b>	<b>(1)</b>
<b>Cash flows from financing activities</b>				
Net proceeds from borrowings	25	1,456	425	1,316
Repayment of finance lease liabilities	-	(1,977)	-	(2,192)
Net proceed from bills payables	823	197	1,239	399
Dividends paid to a non-controlling shareholder of a subsidiary	-	(52)	-	-
Increase/(decrease) in restricted bank deposits	39	1,177	(35)	1,008
<b>Net cash flows generated from financing activities</b>	<b>887</b>	<b>801</b>	<b>1,629</b>	<b>531</b>

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 Third Quarter Ended 31 Dec		Group 9 months Ended 31 Dec	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Net increased/(decrease) in cash and cash equivalents	495	519	412	(771)
Cash and cash equivalents at the beginning of the financial period	2,253	2,192	2,282	3,482
Effects of exchange rate changes on cash and cash equivalents	15	40	69	40
<b>Cash and cash equivalents at the end of the financial period</b>	<b>2,763</b>	<b>2,751</b>	<b>2,763</b>	<b>2,751</b>
Cash and bank balances	3,674	3,683	3,674	3,683
Less : Restricted bank deposits	(911)	(932)	(911)	(932)
<b>Cash and cash equivalents as per above</b>	<b>2,763</b>	<b>2,751</b>	<b>2,763</b>	<b>2,751</b>

***Explanatory Note:***

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

(2) Certain fixed deposit amounting to S\$911,000 (31 December 2016: S\$932,000) 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	Sub-Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROUP</b>								
<b>Balance at 1 April 2017</b>	31,351	1,343	(5,032)	3,127	2,995	33,784	153	33,937
<u>Other comprehensive income</u>								
Profit for the period	-	-	-	-	2,279	2,279	33	2,312
Foreign currency translation	-	1	9	(1)	3	12	4	16
Liquidation of subsidiary	-	-	-	-	188	188	(188)	-
Share of other comprehensive income of associated company	-	-	398	-	-	398	-	398
Total comprehensive income	-	1	407	(1)	2,470	2,877	(151)	2,726
<u>Distributions to owners</u>								
Dividend paid to controlling shareholders	-	-	-	-	(75)	(75)	-	(75)
Total distributions to owner	-	-	-	-	(75)	(75)	-	(75)
<b>Balance as at 31 Dec 2017</b>	<b>31,351</b>	<b>1,344</b>	<b>(4,625)</b>	<b>3,126</b>	<b>5,390</b>	<b>36,586</b>	<b>2</b>	<b>36,588</b>

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
<b>GROUP</b>								
<b>Balance at 1 April 2016</b>	31,351	1,328	(4,830)	3,088	3,321	34,258	596	34,854
<u>Other comprehensive income</u>								
Loss for the period	-	-	-	-	(415)	(415)	72	(343)
Share of other comprehensive income of associated company	-	-	(517)	38	192	(287)	(105)	(392)
Total comprehensive income	-	-	(517)	38	(223)	(702)	(33)	(735)
<u>Distributions to owners</u>								
Dividend paid to controlling shareholders	-	-	-	-	(50)	(50)	-	(50)
Total distribution to owner	-	-	-	-	(50)	(50)	-	(50)
<b>Balance as at 31 Dec 2016</b>	<b>31,351</b>	<b>1,328</b>	<b>(5,347)</b>	<b>3,126</b>	<b>3,048</b>	<b>33,506</b>	<b>563</b>	<b>34,069</b>



**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
<b>Balance at 1 April 2017</b>	31,351	(13,023)	18,328
Loss for the period	-	(125)	(125)
Total comprehensive income	-	(125)	(268)
<b>Balance as at 31 Dec 2017</b>	31,351	(13,148)	31,351
<b>Balance at 1 April 2016</b>	31,351	(13,947)	17,404
Loss for the period	-	(32)	(32)
Total comprehensive income	-	(32)	(32)
<b>Balance as at 31 Dec 2016</b>	31,351	(13,979)	(13,979)

**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 31 December 2017	252,629,483
As at 31 March 2017	252,629,483

There were no treasury shares as at 31 December 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 Third Quarter ended 31 Dec		Group 9 months ended 31 Dec	
	2017 cents	2016 cents	2017 cents	2016 cents
(i) Based on the weighted average number of ordinary shares in issue	1.35	0.06	0.90	(0.16)
(ii) On a fully diluted basis	1.35	0.06	0.90	(0.16)

**Note:**

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

	Number of shares
As at 31 December 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	
	31-Dec 2017 cents	31-Mar 2017 cents	31-Dec 2017 cents	31-Mar 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	14.48	13.37	7.21	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 31 December 2017 (3QFY2018) registered \$21.23 million compared to \$23.08 million in the corresponding last financial period, a decline of 8.0%. The decline in sales is mainly due to discontinued brands.

No major fluctuation for the gross profit margin for the period ended 31 December 2017.

Distribution costs decreased from \$9.37 million to \$8.06 million. The decrease in distribution costs is mainly due to cost associated to discontinued brands.

The Group's share of results of the associated company has increased from \$1.57 million to \$2.08 million due to the better performance of the associated company.

Net profit attributable to owners of the Company was \$2.28 million in 3QFY2018 as compared to loss of \$0.42 million in 31 December 2016 ("3Q FY2017").

**Balance Sheet Review**

The Group's trade and other receivable increased from \$8.08 million to \$11.1 million mainly due to higher sales during the year end festive season sales period.

The Group's other financial assets decreased from \$0.83 million to \$0.45 million mainly due to refund of rental deposits for the closure of non-performance shops and repayment received from disposal of subsidiary, Ossia (HK) Company Limited.

The Group's prepayment increased from \$0.22 million to \$0.66 million mainly due to payment in advance to the suppliers.

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

The Group's trade and other payables increased from \$4.85 million to \$5.88 million mainly due to increase in purchases and royalty payments for the year end sales.

The Group's bill payables increased by \$1.46 million from \$1.75 million to \$3.21 million mainly due to increase of bill payables for new season stocks purchased in Taiwan.

The Group's borrowings increased by \$0.60 million from \$4.77 million to \$5.39 million mainly due to additional borrowings by Taiwan subsidiary.

**Consolidated Cash Flow Statement Review**

Net cash used in operating activities was comparable to the previous period.

Net cash used in investing activities increased mainly due to purchase of property, plant and equipment for new outlets opened in Taiwan during the financial period.

Net cash generated from financing activities increased 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 9 November 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.**

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 31 December 2017 and 31 December 2016.

No IPT transaction for the current financial period.

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

**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).”

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua  
Company Secretary  
9 February 2018



**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 third quarter results of the Company for the nine months ended 31 December 2017 to be false or misleading in any material respect.

**On Behalf of the Board of Directors**

**Goh Ching Huat**  
Director

**Wong King Kheng**  
Director

9 February 2018

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua  
Company Secretary  
9 February 2018