



**OSSIA INTERNATIONAL LIMITED**

**(Company Registration No: 199004330K)**

First Quarter Financial Statements for the Period 30 June 2019

**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		%
	2019 \$'000	2018 \$'000	
Revenue	4,725	5,516	-14.3%
Cost of sales	(2,156)	(3,149)	-31.5%
<b>Gross profit</b>	<b>2,569</b>	<b>2,367</b>	8.5%
Other operating income	67	117	-42.7%
Distribution costs	(2,046)	(2,049)	-0.1%
Administrative expenses	(798)	(640)	24.7%
Other operating expenses	-	(2)	N/M
<b>Loss from operations</b>	<b>(208)</b>	<b>(207)</b>	0.5%
Interest income	3	4	N/M
Finance expense	(41)	(39)	5.1%
Share of results of the associated company	963	913	5.5%
<b>Profit before income tax</b>	<b>717</b>	<b>671</b>	6.9%
Income tax	-	19	N/M
<b>Profit for the year, net of tax</b>	<b>717</b>	<b>690</b>	3.9%
<b>Profit attributable to:</b>			
Owners of the Company	717	700	2.4%
Non-controlling interests	-	(10)	-100.0%
	<b>717</b>	<b>690</b>	3.9%
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation	(87)	22	N/M
Share of other comprehensive income of the associated company	(336)	13	N/M
Other comprehensive income for the period, net of tax	(423)	35	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**

	<b>Group 3 months Ended 30 Jun</b>		%
	<b>2019 \$'000</b>	<b>2018 \$'000</b>	Change
<b>Total comprehensive income for the period</b>	<b>294</b>	<b>725</b>	-59.4%
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	294	722	-59.3%
Non-controlling interests	-	3	N/M
	<b>294</b>	<b>725</b>	-59.4%

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

	<b>Group 3 Months Ended 30 Jun</b>		%
	<b>2019 \$'000</b>	<b>2018 \$'000</b>	Change
Loss from operations is arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	363	242	50.0
Depreciation of right-of-use assets	203	-	N/M
Write-off of property, plant and equipment	49	-	N/M
Net foreign exchange loss/(gain)	14	(14)	N/M
Write-back of allowance for inventory obsolescence	(111)	-	N/M
Allowance for inventory written down	-	1	N/M
Stocks written off	1	-	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	The Group		The Company	
	30.6.19	31.3.19	30.6.19	31.3.19
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	9,353	10,626	-	-
Trade and other receivables	4,235	3,978	802	886
Prepayments	71	96	-	3
Other financial assets	300	667	-	-
Other non-financial assets	144	-	-	-
Right of return assets	-	12	-	-
Cash and bank balances	5,479	5,794	1,751	1,802
Assets classified as held for sale	1,257	1,278	-	-
	<b>20,839</b>	<b>22,451</b>	<b>2,553</b>	<b>2,691</b>
<b>Non-current assets</b>				
Investment in associated company	25,610	24,828	13,252	13,252
Investment in subsidiaries	-	-	1,448	1,448
Property, plant and equipment	879	1,054	10	11
Right of use assets	1,277	-	-	-
Trade and other receivables	2,801	2,801	2,175	2,175
Deferred tax assets	159	161	-	-
	<b>30,726</b>	<b>28,844</b>	<b>16,885</b>	<b>16,886</b>
<b>Total assets</b>	<b>51,565</b>	<b>51,295</b>	<b>19,438</b>	<b>19,577</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	5,563	4,265	142	168
Amount due to directors	504	439	504	439
Bills payable	1,567	3,209	-	-
Borrowings	2,810	4,022	-	-
Income tax liabilities	225	226	-	-
Lease liabilities	145	-	-	-
Refund liabilities	-	31	-	-
	<b>10,814</b>	<b>12,192</b>	<b>646</b>	<b>607</b>
<b>Non-current liabilities</b>				
Lease liabilities	1,135	-	-	-
Other liabilities	69	-	-	-
	<b>1,204</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>12,018</b>	<b>12,192</b>	<b>646</b>	<b>607</b>
<b>Net assets</b>	<b>39,547</b>	<b>39,103</b>	<b>18,792</b>	<b>18,970</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	2,800	2,800	-	-
Legal reserve	1,533	1,533	-	-
Translation reserve	(655)	(384)	-	-
Accumulated profits/(losses)	4,518	3,803	(12,559)	(12,381)
<b>Total shareholders' equity</b>	<b>39,547</b>	<b>39,103</b>	<b>18,792</b>	<b>18,970</b>
<b>Non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>39,547</b>	<b>39,103</b>	<b>18,792</b>	<b>18,970</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 30.06.19</b>		<b>As at 31.03.19</b>	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,567	2,810	3,209	4,022

**Amount repayable after one year**

<b>As at 30.06.19</b>		<b>As at 31.03.19</b>	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

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 0.11 times as at 30 June 2019 (31 March 2018: 0.18 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**

	<b>Group 3 months Ended 30 Jun</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	717	671
Adjustments for:		
Share of results of the associated company	(963)	(913)
Depreciation of property, plant and equipment	363	242
Depreciation of right-of-use assets	203	-
Unrealised foreign exchange (gain)/loss	(92)	324
Interest income	(3)	(4)
Interest expense	41	39
Interest on leases	7	-
Allowance for inventory obsolescence	10	30
Write-back of allowance for inventory obsolescence	(111)	-
Gain on disposal of property, plant and equipment	(1)	-
Write-off of property, plant and equipment	49	-
<b>Operating cash flow before working capital changes</b>	<b>220</b>	<b>389</b>
<b>Changes in working capital:</b>		
Decrease in inventories	1,311	643
(Increase)/Decrease in trade and other receivables	(103)	887
Decrease in other current assets and prepayments	24	133
Increase in trade and other payables and bills payable	1,506	876
<b>Net cash flows from operations</b>	<b>2,958</b>	<b>2,928</b>
Income tax paid	4	(39)
Interest received	3	27
Interest paid	(41)	-
<b>Net cash flows from operating activities</b>	<b>2,924</b>	<b>2,916</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(137)	(690)
<b>Net cash flows used in investing activities</b>	<b>(137)</b>	<b>(690)</b>
<b>Cash flows from financing activities</b>		
Net repayment from borrowings	(1,190)	(593)
Repayment of lease liabilities	(204)	-
Interest on leases	(7)	-
Net repayment of bills payables	(1,629)	(859)
Decrease/(increase) in restricted bank deposits	139	(267)
<b>Net cash flows used in financing activities</b>	<b>(2,891)</b>	<b>(1,719)</b>
Net (decrease)/increase in cash and cash equivalents	(104)	507
Cash and cash equivalents at the beginning of the financial period	4,773	3,916
Effects of exchange rate changes on cash and cash equivalents	(60)	78
<b>Cash and cash equivalents at the end of the financial period</b>	<b>4,609</b>	<b>4,501</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**

	<b>Group 3 months Ended 30 Jun</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and bank balances	5,479	5,253
Less : Restricted bank deposits	(870)	(752)
<b>Cash and cash equivalents as per above</b>	<b>4,609</b>	<b>4,501</b>

***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\$870,000 (30 June 2018: S\$752,000) 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		
<b>GROUP</b>								
<b>Balance at 1 April 2019</b>	31,351	1,533	(232)	2,800	3,801	39,253	-	39,253
Profit for the period	-	-	-	-	717	717	-	717
<u>Other comprehensive income</u>								
Share of other comprehensive income of associated company	-	-	(336)	-	-	(336)	-	(336)
Foreign currency translation	-	-	(87)	-	-	(87)	-	(87)
Total comprehensive income	-	-	(423)	-	-	(423)	-	(423)
<b>Balance as at 30 Jun 2019</b>	<b>31,351</b>	<b>1,533</b>	<b>(655)</b>	<b>2,800</b>	<b>4,518</b>	<b>39,547</b>	<b>-</b>	<b>39,547</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							Non-controlling interests	Total equity
	Share capital	Legal reserve	Translation reserve	Revaluation reserve	Accumulated profits	Sub-Total			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>GROUP</b>									
<b>Balance at 1 April 2018 (FRS Framework)</b>	31,351	1,373	(4,443)	3,164	7,120	38,565	130	38,695	
Cummulative effects of adopting SFRS(I)	-	-	4,443	-	(4,443)	-	-	-	
<b>Balance at 1 April 2018 (SFRS(I) Framework)</b>	31,351	1,373	-	3,164	2,677	38,565	130	38,695	
Profit for the period	-	-	-	-	700	700	(10)	690	
<u>Other comprehensive income</u>									
Share of other comprehensive income of associated company	-	-	13	-	-	13	-	13	
Foreign currency translation	-	-	9	-	-	9	13	22	
Total comprehensive income	-	-	22	-	700	722	3	725	
<b>Balance as at 30 June 2018</b>	<b>31,351</b>	<b>1,373</b>	<b>22</b>	<b>3,164</b>	<b>4,077</b>	<b>39,987</b>	<b>123</b>	<b>40,110</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 2018 (FRS Framework)</b>	31,351	(13,162)	18,189
Cummulative effects of adopting SFRS(I)	-	-	-
<b>Balance at 1 April 2018 (SFRS(I) Framework)</b>	31,351	(13,162)	18,189
Profit for the year	-	1,170	(1,170)
Total comprehensive income	-	1,170	(1,170)
<b>Balance as at 30 June 2018</b>	31,351	(11,992)	17,019
<b>Balance at 1 April 2019</b>	31,351	(12,381)	18,970
Profit for the year	-	(178)	(178)
Total comprehensive income	-	(178)	(178)
<b>Balance as at 30 Jun 2019</b>	31,351	(12,559)	18,792

**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 2019	252,629,483
As at 31 March 2019	252,629,483

There were no treasury shares as at 30 June 2019 and 31 March 2019.

**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.**

Save as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and methods of computation in its unaudited consolidated financial statements for the three months ended 30 June 2019 compared to its most recently audited consolidated financial statements for the financial year ended 31 March 2019.

**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.**

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 January 2019.

The adoption of these new and revised SFRS(I) has no material effect on the announcement for the current reporting period, except for the adoption of SFRS(I) 16 Leases which came into effect on 1 April 2019.

The impact of adopting SFRS(I) 16 Leases resulted in the recognition of right-of-use assets of S\$1.48 million and non-current and current lease liabilities of S\$1.28 million as at 1 April 2019.

**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 per share attributable to owners of the Company:-	Group	
	3 months ended 30 Jun 2019 cents	2018 cents
(i) Based on the weighted average number of ordinary shares in issue	0.28	0.28
(ii) On a fully diluted basis	0.28	0.28

**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. (continued)**

**Note:**

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 30 June 2019 and 31 March 2019 as follows:

	<u>Number of shares</u>
As at 30 June 2019	252,629,483
As at 31 March 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-Jun 2019 cents	30-Jun 2018 cents	30-Jun 2019 cents	30-Jun 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	15.65	15.48	7.44	7.51

**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 2019 (1QFY2020) registered \$4.7 million, a decline of 14.3% versus the corresponding period. The decline in sales is mainly due to disposal of business and cessation of operations in Malaysia.

Gross profit margin increased by 11.5% from 42.9% in the corresponding period to 54.4%. The increase in gross profit margin is due to sales of ELLE inventory at a discounted price amounting to \$0.77 million in last financial period.

Other operating income decreased by 42.7% or \$0.05 million mainly due to less subsidy from principal of its' Taiwan subsidiary.

Administrative expenses increased by 24.7% or \$0.16 million. The increase in administrative expenses is mainly due to higher depreciation expenses arising from the renovation carried out at various stores of its Taiwan subsidiary 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)**

**Consolidated Statement of Comprehensive Income Review (continued)**

The Group's share of results of the associated company has increased from \$0.91 million to \$0.96 million due to the improvement in performance of the associated company.

Net profit attributable to owners of the Company was \$0.72 million in 1QFY2020 as compared to \$0.69 million for the period ending 30 June 2018 ("1QFY2019").

**Balance Sheet Review**

The Group's inventories reduced by 12% or \$1.20 million as compared to 31 March 2019. The decrease in inventories is mainly due to better control over the purchases in Taiwan.

The Group's trade and other receivables increased by 6.5% or \$0.26 million from \$3.98 million to \$4.24 million is mainly due to reduce in collection from customers during the financial period.

The Group's other financial assets decreased by 55% or \$0.37 million from \$0.7 million to \$0.3 million mainly due to refund of rental deposits for the closure of non-performing shops.

The Group's assets classified as held for sale as at 30 June 2019 relates to the sales and purchase agreement entered by a Subsidiary for the disposal of leasehold land and building as announced on 1 February 2019. This transaction was completed in July 2019 resulting a gain of \$1.2 million in the second quarter results.

The Group's right of use assets and long-term lease liabilities recognized during the financial period arose from the adoption of the SFRS (I) 16 for the lease of Taiwan subsidiary.

The Group's trade and other payables increased by 30.4% or \$1.3 million from \$4.27 million to \$5.56 million mainly due to increase in purchases for new season stocks by its Taiwan operation.

The Group's bills payable decreased by \$1.64 million from \$3.21 million to \$1.57 million mainly due to repayment during the financial period.

The Group's bank borrowings decreased by \$1.21 million from \$4.02 million to \$2.81 million mainly due to repayment during the financial period.

**Consolidated Cash Flow Statement Review**

Net cash flows from operating activities decreased due to additional depreciation recognized for the right-of-use assets and increase in purchases for Taiwan operation.

Net cash flows used in investing activities decreased mainly due to lower purchase of property, plant and equipment made as compare to last financial period.

Net cash flows used in financing activities decreased mainly due to higher repayment made 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 24 May 2019.

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.

**(c) Date the dividend is payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommendeded 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 2019



**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 2019 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 2019