



OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

First Quarter Financial Statements For the Period 30 June 2016

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 2016		
	2016	2015	Change
	\$'000	\$'000	
Revenue	7,268	7,865	-7.6%
Cost of sales	(3,432)	(3,680)	-6.7%
Gross profit	3,836	4,185	-8.3%
Other operating income	18	7	160.2%
Distribution costs	(3,055)	(3,740)	-18.3%
Administrative expenses	(1,227)	(1,695)	-27.6%
Other operating expenses	(38)	-	N/M
Loss from operations	(466)	(1,243)	-62.5%
Interest income	6	4	N/M
Finance expense	(47)	(74)	-36.7%
Share of results of the associated company	(146)	(424)	-65.5%
Loss before income tax	(653)	(1,737)	-62.4%
Income tax	0	69	-99.8%
Loss after income tax	(653)	(1,668)	-60.8%
Profit/(loss) attributable to:			
Owners of the Company	(666)	(1,677)	-60.3%
Non-controlling interests	13	9	39.8%
	(653)	(1,668)	-60.8%
Other comprehensive income			
Share of gain on property revaluation of associated company	38	-	N/M
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	-	(578)	N/M
Other comprehensive income for the period, net of tax	38	(578)	N/M
Total comprehensive income for the period	(615)	(2,246)	N/M
Total comprehensive income attributable to:			
Owners of the Company	(615)	(2,236)	N/M
Non-controlling interests	(0)	(10)	(0)
	(615)	(2,246)	N/M

1(a)(ii) Note:-

	Notes	Group 3 Months Ended 30 Jun		% Change
		2016	2015	
		\$'000	\$'000	
Loss from operations is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment		469	396	18.3
Loss on disposal of property, plant and equipment		-	54	(100.0)
Write-off of property, plant and equipment		4	7	(47.9)
Net foreign exchange loss /(gain)		38	1	N/M
Write-back of allowance for inventory obsolescence		-	(6)	(100.0)

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	
	30.6.16 \$'000	31.3.16 \$'000	30.6.16 \$'000	31.3.16 \$'000
ASSETS				
Current assets				
Inventories	11,367	12,225	-	-
Trade and other receivables	6,892	7,926	3,489	3,747
Prepayment	348	208	6	24
Other financial assets	1,235	1,368	7	15
Other non-financial assets	130	136	-	-
Cash and bank balances	4,521	5,422	53	44
	<u>24,493</u>	<u>27,285</u>	<u>3,555</u>	<u>3,830</u>
Non-current assets				
Investment in associated company	19,357	19,608	13,252	13,252
Investment in subsidiaries	(0)	(0)	1,646	1,646
Property, plant and equipment	3,290	3,645	48	64
Deferred tax assets	105	105	-	-
	<u>22,752</u>	<u>23,357</u>	<u>14,946</u>	<u>14,962</u>
Total assets	<u>47,245</u>	<u>50,642</u>	<u>18,501</u>	<u>18,792</u>
LIABILITIES				
Current liabilities				
Trade and other payables	4,876	6,030	442	687
Amount due to directors	833	701	833	701
Bills payable	1,513	2,125	-	-
Borrowings	4,043	4,787	-	-
Income tax liabilities	48	64	-	-
	<u>11,313</u>	<u>13,707</u>	<u>1,275</u>	<u>1,388</u>
Non-current liabilities				
Borrowings	2,032	2,082	-	-
	<u>2,032</u>	<u>2,082</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>13,345</u>	<u>15,789</u>	<u>1,275</u>	<u>1,388</u>
Net assets	<u>33,900</u>	<u>34,854</u>	<u>17,226</u>	<u>17,404</u>
SHAREHOLDERS' EQUITY				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	3,126	3,088	-	-
Legal reserve	1,328	1,328	-	-
Translation reserve	(5,151)	(4,830)	-	-
Accumulated profits/(losses)	2,655	3,321	(14,125)	(13,947)
	<u>33,309</u>	<u>34,258</u>	<u>17,226</u>	<u>17,404</u>
Total shareholders' equity	<u>33,309</u>	<u>34,258</u>	<u>17,226</u>	<u>17,404</u>
Non-controlling interests	<u>591</u>	<u>596</u>	<u>-</u>	<u>-</u>
Total equity	<u>33,900</u>	<u>34,854</u>	<u>17,226</u>	<u>17,404</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 30.06.16		As at 31.03.16	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,043	1,513	4,787	2,125

Amount repayable after one year

As at 30.06.16		As at 31.03.16	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
2,032	-	2,082	-

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 30 June 2016 (31 March 2016: 0.26 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.

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	Group 3 months Ended 30 Jun	
	2016	2015
	\$'000	\$'000
Cash flows from operating activities		
Profit/(losses) before tax	(653)	(1,737)
Adjustments for:		
Share of results of the associated company	146	424
Depreciation of property, plant and equipment	469	396
Unrealised foreign exchange loss/(gain)	(97)	116
Interest income	(6)	(4)
Interest expense	47	74
Loss on disposal of property, plant and equipment	-	55
Write-off of property, plant and equipment	4	7
Operating cash flow before working capital changes	(90)	(669)
Changes in working capital:		
Decrease in inventories	766	500
Decrease in trade and other receivables	1,112	759
(Increase) in other current assets and prepayments	(140)	(395)
(Decrease)/increase in trade and other payables, and bills payable	(1,057)	733
Net cash from operations	591	928
Income tax paid	(16)	10
Interest received	6	4
Interest paid	(47)	(74)
Net cash from operating activities	534	868
Cash flows from investing activities		
Purchase of property, plant and equipment	(0)	(148)
Net cash used in investing activities	(0)	(148)
Cash flows from financing activities		
Net repayment of borrowings	(745)	(623)
Repayment of finance lease liabilities	(78)	(190)
Net (repayment)/proceeds from bills payables	(613)	25
Dividends paid to a non-controlling shareholder of a subsidiary	-	(16)
Increase in restricted bank deposits	(169)	(54)
Net cash (used in) financing activities	(1,605)	(858)
Net (decrease)/increase in cash and cash equivalents	(1,071)	(138)
Cash and cash equivalents at the beginning of the financial period	3,482	3,096
Effects of exchange rate changes on cash and cash equivalents	2	(370)
Cash and cash equivalents at the end of the financial period	2,413	2,588
Cash and bank balances	4,521	4,241
Less: Bank overdrafts	1	(72)
Less : restricted bank deposits	(2,109)	(1,581)
Cash and cash equivalents as per above	2,413	2,588

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\$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.

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Attributable to Equity holders of the Company

	Share capital	Legal reserve	Translation reserve	Revaluation reserve	Other reserve	Accumulated profits / (loss)	Sub-Total	Non-controlling interests	Total equity
	\$'000	\$'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)
Foreign currency translation	-	-	18	-	-	-	18	(18)	-
Transfer from legal reserve	-	-	-	-	-	-	-	-	-
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of	-	-	(339)	38	-	-	(301)	-	(301)
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
Balance at 1 April 2015	31,351	1,280	(4,290)	2,802	(71)	6,287	37,359	673	38,032
<u>Other comprehensive income</u>									
Loss for the period	-	-	-	-	-	(1,677)	(1,677)	9	(1,668)
Foreign currency translation	-	(7)	(553)	-	-	-	(560)	(19)	(579)
Total comprehensive income	-	(7)	(553)	-	-	(1,677)	(2,237)	(10)	(2,247)
Balance as at 30 Jun 2015	31,351	1,273	(4,843)	2,802	(71)	4,610	35,122	663	35,785
COMPANY									
	Share capital	Accumulated loss	Total equity						
Balance at 1 April 2016	31,351	(13,947)	17,404						
Loss for the year	-	(178)	(178)						
Other comprehensive income, net of tax	-	-	-						
Total comprehensive income	-	(178)	(178)						
Balance as at 30 Jun 2016	31,351	(14,125)	17,226		-				
Balance at 1 April 2015	31,351	(13,085)	18,266						
Loss for the year	-	(289)	(289)						
Other comprehensive income, net of tax	-	-	-						
Total comprehensive income	-	(289)	(289)						
Balance as at 30 Jun 2015	31,351	(13,374)	17,977						

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 2016	252,629,483
As at 31 March 2016	252,629,483

There were no treasury shares as at 30 June 2016 and 31 March 2016.

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 2016.

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	
	2016 cents	2015 cents
(i) Based on the weighted average number of ordinary shares in issue	(0.26)	(0.66)
(ii) On a fully diluted basis	(0.26)	(0.66)

Note:

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 30 June 2016 and 31 March 2016 as follows:

June 2016 - 252,629,483

March 2016 - 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 2016 cents	31-Mar 2016 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	13.18	13.56	6.82	6.89

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.

The Group's revenue for the period ended 30 June 2016 (1QFY2017) registered \$7.3 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.

The gross profit margin decreased from 53.2% to 52.8%. The gross margin decreased mainly due to mark down for clearance of old stocks.

Other operating income increased by 160.2% or \$11,000 mainly because of sundry income received by Taiwan subsidiary.

Distribution costs decreased by 18.3% or \$0.7 million. The decrease in distribution costs is mainly due to closure of non-performing outlets.

The Group's share of results of the associated company has decreased from a loss of \$0.4 million to a loss of \$0.1 million due to improved results of the associated company.

Net loss attributable to owners of the Company was \$0.67 million in 1QFY2017 as compared to \$1.7 million in 30 June 2015 ("1QFY2016").

Balance Sheet Review

The Group's inventories reduced as compared to 31 March 2016. The reduction in inventories was mainly due to better control over the purchases of inventory.

The Group's and Company's other financial assets decreased mainly due to refund of rental deposits.

The Group's and Company's other non-financial assets decreased mainly due to lower advance payments to principals.

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

The Group's and the Company's trade and other payables decreased due to repayment during the financial period.

The Group's and the Company's borrowings and bills payable have decreased by \$1.4 million mainly due to repayment during the financial period.

Cashflow Review

Net cash from operating activities decreased by \$0.3 million mainly due to lower levels of inventories and the decrease in trade and other payables.

Net cash used in financing activities increased mainly due to increase in placement of restricted bank deposits 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 31 May 2016.

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/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.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	Group		Group	
	30.06.16	30.06.15	30.06.16	30.06.15
	\$'000	\$'000	\$'000	\$'000
VGO Corporation Limited				
- Purchase	-	-	-	-
- Sales	-	-		20
W.O.S World of Sports (M) Sdn Bhd				
- Sale	-	-	-	-
- Purchase	-	-	-	-

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

11 August 2016



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 2016 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 2016