

**OSSIA INTERNATIONAL LIMITED**

Incorporated in the Republic of Singapore
(Company Registration No: 199004330K)

RESPONSE TO SGX-ST'S QUERY ON THE ANNOUNCEMENT OF THE SECOND QUARTER FINANCIAL STATEMENTS FOR THE PERIOD 30 SEPTEMBER 2016

The Board of Directors of OSSIA International Limited (the “**Company**”) wishes to announce the following in response to the query raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 14 November 2016 in relation to the announcement of Second Quarter Financial Statements for the Period 30 September 2016.

SGX-ST's Query 1.

With reference to the income statement on page 1 of the second quarter financial statements for the period 30 September 2016, please disclose the reason(s) for the material differences in the amounts of the following items:-

Line Item	Group (S'000) Second Quarter ended 30 Sep		Group (S'000) 6 months ended 30 Sep	
	2016	2015	2016	2015
Administrative expenses	(1,336)	(1,534)	(2,563)	(3,229)

Company's Reply

Administrative expenses decreased by 12.9% or \$0.2 million for 2QFY2017. These were mainly due to reduction in directors' fees and headcount in Singapore and overseas subsidiaries.

SGX-ST's Query 2

We note that the Group's "Trade and other receivable" financial statement line item as at 30.9.16 is approximately \$6,626,000. Please disclose the breakdown between (i) trade receivables; and (ii) other receivables. Please also provide the Board of Director's assessment of the recoverability of the trade receivables.

Company's Reply

Presentation as per announcement on 3 November 2016

	GROUP	
	30.09.16	31.03.16
	\$'000	\$'000
Current Assets		
Trade and Other Receivables	6,626	7,926
Other financial assets	1,204	1,368
Other non-financial assets	125	136
	7,955	9,430

Represented as below as per Audit Report classification

	GROUP	
	30.09.16	31.03.16
	\$'000	\$'000
Current Assets		
Trade and Other Receivables		
Trade Receivables		
i) External	3,252	4,162
ii) Related parties	2,070	2,468
	5,322	6,630
Other Receivables		
Financial assets		
Deposits	1,045	1,281
Sundry debtors	159	87
Due from a related party	1,304	1,304
	2,508	2,672
Non-financial asset		
Tax recoverable	125	128
	2,633	2,800
	7,955	9,430

The Board of Directors have assessed that the trade receivables are recoverable. Allowance for doubtful receivables is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

By Order of the Board

Lotus Isabella Lim Mei Hua
Company Secretary

Date: 17 November 2016