



Third Quarter Financial Statements For the Period Ended 31 December 2013

**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.**

	Group Third Quarter Ended 31 Dec			Group Nine Months Ended 31 Dec		
	2013	2012	%	2013	2012	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
Revenue	15,795	16,552	(4.6)	42,734	45,176	(5.4)
Cost of sales	(7,759)	(7,962)	(2.5)	(21,412)	(22,015)	(2.7)
<b>Gross profit</b>	<b>8,036</b>	<b>8,590</b>	(6.4)	<b>21,322</b>	<b>23,161</b>	(7.9)
Other operating income	1,020	872	17.0	2,552	2,405	6.1
Distribution costs	(6,446)	(6,931)	(7.0)	(19,231)	(20,165)	(4.6)
Administrative expenses	(2,718)	(3,616)	(24.8)	(9,090)	(9,631)	(5.6)
<b>Loss from operations</b>	<b>(108)</b>	<b>(1,085)</b>	N/M	<b>(4,447)</b>	<b>(4,230)</b>	N/M
Finance income	5	(5)	N/M	12	3	N/M
Finance expense	(171)	(202)	(15.3)	(362)	(443)	(18.3)
Changes in fair value of quoted investments	-	92	N/M	(103)	(72)	N/M
Share of results of the associated company	(93)	134	N/M	(683)	493	(238.6)
<b>Loss before income tax</b>	<b>(367)</b>	<b>(1,066)</b>	(65.6)	<b>(5,583)</b>	<b>(4,249)</b>	N/M
Income tax	(151)	(168)	N/M	(52)	(94)	(44.5)
<b>Loss after income tax</b>	<b>(518)</b>	<b>(1,234)</b>	(58.0)	<b>(5,636)</b>	<b>(4,343)</b>	N/M
<b>Other comprehensive income</b>						
Foreign currency translation	147	272	N/M	85	(299)	128.4
Share of revaluation reserve of associated company			N/M			N/M
Legal reserve	2,652	-		2,652	-	
Legal reserve	17	2		17	4	
Share of foreign currency translation of the associate company	68	(106)	N/M	(227)	(213)	N/M
Other comprehensive income for the period	2,884	168	N/M	2,527	(508)	597.4
<b>Total comprehensive income for the period</b>	<b>2,366</b>	<b>(1,066)</b>	N/M	<b>(3,109)</b>	<b>(4,851)</b>	N/M
<b>Loss attributable to:</b>						
Owners of the Company	(524)	(1,224)	N/M	(5,639)	(4,338)	N/M
Non-controlling interests	6	(7)	N/M	(5)	(5)	N/M
	<b>(518)</b>	<b>(1,231)</b>	N/M	<b>(5,636)</b>	<b>(4,343)</b>	N/M
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	2,375	(1,088)	N/M	(3,099)	(4,912)	N/M
Non-controlling interests	(9)	22	N/M	(10)	61	N/M
	<b>2,366</b>	<b>(1,066)</b>	N/M	<b>(3,109)</b>	<b>(4,851)</b>	N/M

NM - Not meaningful

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

	Notes	Group Third Quarter Ended December			Group 9 months Ended December		
		2013	2012	% Change	2013	2012	% Change
		\$'000	\$'000		\$'000	\$'000	
Loss from operations is arrived at after charging/(crediting):							
Depreciation of property, plant and equipment		812	566	43	2,211	1,982	12
Loss/(Gain) on disposal of property, plant and equipment		43	(22)	N/M	60	(11)	N/M
Write-off of property, plant and equipment		-	2	N/M	-	319	N/M
Net foreign exchange loss /(gain)		39	(66)	N/M	43	(15)	N/M
Allowance for doubtful debts		-	5	N/M	7	17	(59)
Allowance for inventory obsolescence		1	(8)	N/M	28	(1)	N/M
Write off of allowance for doubtful debts		-	2	N/M	3	3	N/M
Write-off of allowance for inventory obsolescence		-	13	N/M	-	-	N/M
Write off of inventory		2	(29)	N/M	22	-	N/M
Gain on disposal of quoted investment		24	-		24	-	N/M

**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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>31.12.13</b>	<b>31.03.13</b>	<b>31.12.13</b>	<b>31.03.13</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	19,494	20,660	4,616	6,425
Trade and other receivable	7,075	6,523	2,581	5,099
Prepayment	324	515	51	122
Other current financial assets	2,354	2,466	312	197
Other current non-financial assets	693	344	382	161
Quoted investments	-	2,291	-	2,291
Cash and bank balances	5,323	3,868	630	398
	<b>35,263</b>	<b>36,667</b>	<b>8,572</b>	<b>14,693</b>
<b>Non-current assets</b>				
Investment in associated company	21,057	19,713	13,252	13,252
Investment in subsidiaries	-	-	2,518	2,518
Property, plant and equipment	6,928	7,288	2,861	3,063
Other receivables	117	170	116	133
Deferred tax assets	224	231	-	-
	<b>28,326</b>	<b>27,402</b>	<b>18,747</b>	<b>18,966</b>
<b>Total assets</b>	<b>63,589</b>	<b>64,069</b>	<b>27,319</b>	<b>33,659</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	9,598	11,584	3,365	4,782
Bills payable	1,836	3,406	1,692	2,759
Borrowings	8,160	1,579	1,790	1,523
Income tax liabilities	-	68	-	-
	<b>19,594</b>	<b>16,637</b>	<b>6,847</b>	<b>9,064</b>
<b>Non-current liabilities</b>				
Borrowings	179	198	162	162
Other Liabilities	252	275	252	275
	<b>431</b>	<b>473</b>	<b>414</b>	<b>437</b>
<b>Total liabilities</b>	<b>20,025</b>	<b>17,110</b>	<b>7,261</b>	<b>9,501</b>
<b>Net assets</b>	<b>43,564</b>	<b>46,959</b>	<b>20,058</b>	<b>24,158</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	2,727	75	-	-
Other reserve	(71)	(71)	-	-
Legal reserve	1,221	1,206	-	-
Translation reserve	(4,315)	(3,882)	-	-
Accumulated profits/(losses)	11,917	17,556	(11,293)	(7,193)
	<b>42,830</b>	<b>46,235</b>	<b>20,058</b>	<b>24,158</b>
<b>Total shareholders' equity</b>	<b>42,830</b>	<b>46,235</b>	<b>20,058</b>	<b>24,158</b>
<b>Non-controlling interests</b>	<b>734</b>	<b>724</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>43,564</b>	<b>46,959</b>	<b>20,058</b>	<b>24,158</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 31.12.13</b>		<b>As at 31.03.13</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
6,186	3,810	89	4,896

**Amount repayable after one year**

<b>As at 31.12.13</b>		<b>As at 31.03.13</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
179	-	198	-

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 0.24 times as at 31 December 2013 (31 March 2013: 0.11 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.**

	Group Third Quarter		Group Nine Months	
	Ended 31 December		Ended 31 December	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Cash flows from operating activities</b>				
Losses before tax	(367)	(1,066)	(5,583)	(4,249)
Adjustments for:				
Share of results of the associated company	93	(133)	608	(492)
Depreciation of property, plant and equipment	812	566	2,211	1,982
Dividend income from quoted investment	(25)	(12)	(47)	(61)
Unrealised foreign exchange gain	163	(62)	158	(134)
Interest income	(5)	5	(12)	(4)
Finance expense	171	202	362	444
Gain on disposal of quoted investments	(24)	-	(24)	-
Loss /(Gain) on disposal of property, plant and equipment	60	(1)	78	(12)
Loss in changes in fair value of quoted investments	(1)	(95)	103	72
Write-off of property, plant and equipment	-	-	-	318
<b>Operating cash flow before working capital changes</b>	<b>877</b>	<b>(596)</b>	<b>(2,146)</b>	<b>(2,136)</b>
<b>Changes in working capital:</b>				
Decrease in inventories	2,091	2,491	1,166	1,923
(Increase)/Decrease in trade and other receivables	(1,864)	67	(789)	(768)
Decrease/(Increase) in other current assets and prepayment	319	16	243	(494)
(Decrease)/Increase in trade and other payables	(1,516)	1,936	(3,578)	2,317
<b>Net cash (used in)/ from operations</b>	<b>(93)</b>	<b>3,914</b>	<b>(5,104)</b>	<b>842</b>
Income tax paid	(393)	(493)	(362)	(494)
Interest received	5	(5)	12	4
Finance expense paid	71	(202)	(120)	(444)
<b>Net cash (used in)/ from operating activities</b>	<b>(410)</b>	<b>3,214</b>	<b>(5,575)</b>	<b>(92)</b>
<b>Cash flows from investing activities</b>				
Dividends received	191	738	445	1,171
Purchase of property, plant and equipment	(791)	(1,631)	(2,022)	(3,335)
Proceeds from disposal of quoted investments	2,212	-	2,212	4
Proceeds from disposal of property, plant and equipment	-	-	-	250
<b>Net cash from /(used in) investing activities</b>	<b>1,612</b>	<b>(893)</b>	<b>635</b>	<b>(1,910)</b>
<b>Cash flows from financing activities</b>				
Proceed from/(repayment of) borrowings	714	642	6,152	(251)
Repayment of lease liabilities	(46)	(35)	(75)	(79)
Increase/(decrease) in restricted bank deposits	(71)	4	237	20
<b>Net cash from /(used in) financing activities</b>	<b>597</b>	<b>611</b>	<b>6,314</b>	<b>(310)</b>
Net decrease in cash and cash equivalents	1,799	2,932	1,375	(2,312)
Cash and cash equivalents at the beginning of the financial period	1,255	298	1,774	5,622
Effects of exchange rate changes on cash and cash equivalents	(74)	242	(167)	162
<b>Cash and cash equivalents at the end of the financial period</b>	<b>2,980</b>	<b>3,472</b>	<b>2,981</b>	<b>3,472</b>
Cash and bank balances	5,323	5,122	5,323	5,122
Less: Bank overdrafts	(1,975)	(1,650)	(1,975)	(1,650)
Less: Pledged bank deposits	(368)	-	(368)	-
<b>Cash and cash equivalents as per above</b>	<b>2,980</b>	<b>3,472</b>	<b>2,980</b>	<b>3,472</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\$368,000 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.**

	Attributable to Equity holders of the Company								
	Share capital	Legal reserve	Translation reserve	Revaluation reserve	Premium paid on acquisition of non-controlling interest	Accumulated profits / (loss)	Sub-Total	Non-controlling interests	Total equity
<b>GROUP</b>									
<b>Balance at 1 April 2013</b>	31,351	1,206	(3,882)	75	(71)	17,556	46,235	724	46,959
Loss for the period	-	-	-	-	-	(5,639)	(5,639)	(5)	(5,644)
Other comprehensive income, net of tax	-	15	(433)	2,652	-	-	2,234	30	2,264
Total comprehensive income	-	15	(433)	2,652	-	(5,639)	(3,405)	25	(3,380)
Dividend paid to shareholders	-	-	-	-	-	-	-	(15)	(15)
<b>Balance as at 31 December 2013</b>	<b>31,351</b>	<b>1,221</b>	<b>(4,315)</b>	<b>2,727</b>	<b>(71)</b>	<b>11,917</b>	<b>42,830</b>	<b>734</b>	<b>43,564</b>
<b>Balance at 1 January 2012</b>	31,351	1,116	(4,708)	-	-	22,341	50,100	681	50,781
Loss for the year	-	-	-	-	-	(3,679)	(3,679)	13	(3,666)
Other comprehensive income, net of tax	-	(36)	(351)	-	-	121	(266)	(30)	(296)
Share of other comprehensive income of the associated company	-	-	(213)	-	-	-	(213)	-	(213)
Total comprehensive income	-	(36)	(564)	-	-	(3,558)	(4,158)	(17)	(4,175)
<b>Balance as at 31 December 2012</b>	<b>31,351</b>	<b>1,080</b>	<b>(5,272)</b>	<b>-</b>	<b>-</b>	<b>18,783</b>	<b>45,942</b>	<b>664</b>	<b>46,606</b>
	<b>Share capital</b>	<b>Accumulated profit/(loss)</b>			<b>Total</b>				
	<b>\$'000</b>	<b>\$'000</b>			<b>\$'000</b>				
<b>COMPANY</b>									
<b>Balance at 1 April 2013</b>	31,351	(7,193)			24,158				
Loss for the period	-	(1,633)			(1,633)				
Other comprehensive income, net of tax	-	-			-				
Total comprehensive income	-	(1,633)			(1,633)				
<b>Balance at 30 June 2013</b>	<b>31,351</b>	<b>(8,826)</b>			<b>22,525</b>				
Loss for the Second Quarter	-	(1,580)			(1,580)				
Other comprehensive income, net of tax	-	-			-				
Total comprehensive income	-	(1,580)			(1,580)				
<b>Balance at 30 September 2013</b>	<b>31,351</b>	<b>(10,406)</b>			<b>20,945</b>				
Loss for the Third Quarter	-	(887)			(887)				
Other comprehensive income, net of tax	-	-			-				
Total comprehensive income	-	(887)			(887)				
<b>Balance at 31 December 2013</b>	<b>31,351</b>	<b>(11,293)</b>			<b>20,058</b>				
<b>Balance at 1 January 2012</b>	31,351	(1,846)			29,505				
Loss for the year	-	(1,792)			(1,792)				
Other comprehensive income, net of tax	-	-			-				
Total comprehensive income	-	(1,792)			(1,792)				
<b>Balance at 31 December 2012</b>	<b>31,351</b>	<b>(3,638)</b>			<b>27,713</b>				

**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 2013	252,629,483
As at 31 March 2013	252,629,483

There were no treasury shares as at 31 December 2013 and 31 March 2013.

**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 2013.

**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.**

Loss per share attributable to owners of the Company:-	Group Third Quarter ended 31 Dec		Group 9 months ended 31 Dec	
	2013 cents	2012 cents	2013 cents	2012 cents
(i) Based on the weighted average number of ordinary shares in issue	(0.21)	(0.48)	(2.23)	(1.72)
(ii) On a fully diluted basis	(0.21)	(0.48)	(2.23)	(1.72)

**Note:**

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 31 December 2013 and 31 March 2013 as follows:

Dec 2013 - 252,629,483

March 2013 - 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 2013 cents	31-Mar 2013 cents	31-Dec 2013 cents	31-Mar 2013 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	16.95	18.30	7.94	9.56

**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 decreased by 5.4% to \$42.7 million in Q3FY14 as compared to the corresponding period. The decline in revenue is mainly contributed by one of the Group's subsidiary which had ceased operation since Sept 2012 and dropped in sales of Hong Kong.

The gross profit margin reduced from 51.3% in 3QFY13 to 49.9% in 3QFY14. The gross margin was lower as compared to the corresponding period due to higher promotional discounts and markdowns given on the past season merchandise.

Other operating income has remained fairly constant.

Distribution costs decreased by 4.6% to \$19.2 million as compared to 3QFY13. The decrease in distribution costs is mainly contributed by one of the Group's subsidiaries which had ceased operation since Sept 2012.

Finance expense decreased by 18.3% as compared to the corresponding period, mainly contributed by the decrease in finance expenses by one of the Group's subsidiaries which had ceased operation.



The Group's share of results of the associated company for 3Q2014 has reduced from a profit of \$0.5 million to a loss of \$0.6 million for the current period due to poorer results of the associated company.

Net loss attributable to equity holders of the Company was \$5.6 million in 3QFY14 as compared to \$4.3 million in 3QFY13.

### **Balance Sheet Review**

The Group's and the Company's inventories reduced by \$1.2 million and \$1.8 million respectively as compared to 31 March 2013. The reduction in inventories was mainly due to higher sales and better control over the purchases of inventory during the financial period.

The Company's trade and other receivable reduced by \$2.5 million as compared to 31 March 2013 was mainly due to improved collections.

The Group's and Company's current non-financial assets increased mainly due to advance payments to suppliers.

The Group's disposed of all quoted shares during the financial period.

The Group's investment in associated increased mainly due to share of associated company's revaluation reserve.

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 bill payables decreased due to repayment of bill payables during the financial period.

The Group's borrowings have increased by \$6.6 million mainly due to an increase in draw-down of banking facilities and higher utilization of bank overdraft facilities.

The Group's revaluation reserve increased by \$2.7 million due to an increase in its share of associated company's revaluation reserve.

### **Cashflow Review**

The Group received more financing from the Banks. This resulted in an increase in net cash from financing activities.

Cash and cash equivalents reduced by \$0.5 million compared to the corresponding period mainly due to higher loss for the financial period and cash being used to finance working capital requirements of the Group.

**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 13 November 2013.

**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 remain sluggish and competition intensified. Local market is negatively affected by the entry of globally established brands into the local market, dampening the overall fashion sale performance. In addition, retail is increasingly facing mounting pressure from online retailers who offer very competitive pricing.

Moving forward, the Group will continue to focus on its core business, improve operational efficiency and cost management to stay competitive.

**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.**

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 2013 and 30 September 2012:

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)	
	Group	
	31.12.2013 \$'000	31.12.2012 \$'000
VGO Corporation Limited		
- Purchase	197	193
- Sales	1,808	438

**BY ORDER OF THE BOARD**

Lotus Isabella Lim Mei Hua  
Company Secretary  
12 February 2014



**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 six month ended 31 December 2013 to be false or misleading in any material respect.

**On Behalf of the Board of Directors**

**Goh Ching Wah**  
Director

**Wong King Kheng**  
Director

12 February 2014