



Third Quarter Financial Statements For the Period Ended 31 December 2014

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			% Change
	2014 \$'000	2013 \$'000	% Change	2014 \$'000	2013 \$'000	% Change	
Revenue	12,258	15,795	(22.4)	37,285	42,734	(12.8)	
Cost of sales	(5,731)	(7,759)	(26.1)	(19,452)	(21,412)	(9.2)	
Gross profit	6,527	8,036	(18.8)	17,833	21,322	(16.4)	
Other operating income	91	1,020	(91.1)	636	2,552	(75.1)	
Distribution costs	(4,464)	(6,446)	(30.7)	(13,480)	(19,231)	(29.9)	
Administrative expenses	(2,116)	(2,718)	(22.1)	(5,525)	(9,090)	(39.2)	
Loss from operations	38	(108)		(536)	(4,447)	N/M	
Interest income	9	5	80.0	15	12	25.0	
Finance expense	(59)	(171)	(65.5)	(181)	(362)	(50.0)	
Changes in fair value of quoted investments	-	-	N/M	-	(103)	N/M	
Share of results of the associated company	(201)	(168)	N/M	(1,322)	(683)	N/M	
Loss before income tax	(213)	(442)		(2,024)	(5,583)	N/M	
Income tax	(426)	(151)	N/M	(420)	(52)	N/M	
Loss after income tax	(639)	(593)		(2,444)	(5,635)	N/M	
Other comprehensive income							
Foreign currency translation	(41)	147	N/M	3	85	N/M	
Revaluation reserve	-	-	N/M	-	2,652	N/M	
Legal reserve	6	(7)	N/M	12	17	N/M	
Share of other comprehensive income of the associated company	-	68	N/M	-	(227)	N/M	
Other comprehensive income for the period	(35)	208	N/M	15	2,527	N/M	
Total comprehensive income for the period	(674)	(385)	N/M	(2,429)	(3,108)	N/M	
Loss attributable to:							
Owners of the Company	(640)	(523)	N/M	(2,480)	(5,630)	N/M	
Non-controlling interests	1	6	N/M	36	(5)	N/M	
	(639)	(593)	N/M	(2,444)	(5,635)	N/M	
Total comprehensive income attributable to:							
Owners of the Company	(694)	(261)	N/M	(2,478)	(3,098)	N/M	
Non-controlling interests	20	(48)	N/M	49	(10)	N/M	
	(674)	(385)	N/M	(2,429)	(3,108)	N/M	

NM - Not meaningful

1(a)(ii) Note:-

Notes	Group			Group		
	Third Quarter		% Change	Nine Months		% Change
	Ended 31 Dec			Ended 31 Dec		
2014	2013		2014	2013		
	\$'000	\$'000		\$'000	\$'000	
Loss from operations is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	516	812	(36.5)	1,566	2,211	(29.2)
(Gain)/loss on disposal of property, plant and equipment	34	43	N/M	34	60	N/M
Write-off of property, plant and equipment	4	-	N/M	12	-	N/M
Net foreign exchange loss /(gain)	46	39	17.9	(12)	43	N/M
Allowance for doubtful debts	-	-	N/M	-	7	N/M
Allowance for inventory obsolescence	-	1	N/M	-	28	N/M
Write-back of allowance for doubtful debts	(3)	3	N/M	-	3	N/M
Write-back of allowance for inventory obsolescence	(251)	-	N/M	(674)	-	N/M
Gain on disposal of quoted investment	-	24	N/M	-	24	

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.

	<u>The Group</u>		<u>The Company</u>	
	31.12.14 \$'000	31.03.14 \$'000	31.12.14 \$'000	31.03.14 \$'000
ASSETS				
Current assets				
Inventories	12,875	17,778	1	4,016
Trade and other receivable	9,626	4,885	4,773	1,480
Prepayment	660	406	15	39
Other current financial assets	1,635	2,242	41	249
Other current non-financial assets	210	673	-	383
Cash and bank balances	4,690	4,150	50	128
	<u>29,696</u>	<u>30,134</u>	<u>4,880</u>	<u>6,296</u>
Non-current assets				
Investment in associated company	19,459	21,044	13,252	13,252
Investment in subsidiaries	-	-	958	1,726
Property, plant and equipment	4,304	4,503	401	652
Deferred tax assets	345	350	-	-
	<u>24,108</u>	<u>25,897</u>	<u>14,611</u>	<u>15,630</u>
Total assets	<u>53,804</u>	<u>56,031</u>	<u>19,491</u>	<u>21,926</u>
LIABILITIES				
Current liabilities				
Trade and other payables	7,886	8,390	1,651	3,233
Bills payable	117	766	-	727
Borrowings	5,625	3,978	540	1,274
Income tax liabilities	14	36	-	-
Other Liabilities	84	134	84	134
	<u>13,726</u>	<u>13,304</u>	<u>2,275</u>	<u>5,368</u>
Non-current liabilities				
Borrowings	2,580	2,737	112	112
	<u>2,580</u>	<u>2,737</u>	<u>112</u>	<u>112</u>
Total liabilities	<u>16,306</u>	<u>16,041</u>	<u>2,387</u>	<u>5,479</u>
Net assets	<u>37,498</u>	<u>39,990</u>	<u>17,104</u>	<u>16,446</u>
SHAREHOLDERS' EQUITY				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	2,802	2,802	-	-
Other reserve	(71)	(71)	-	-
Legal reserve	1,219	1,207	-	-
Translation reserve	(4,437)	(4,426)	-	-
Accumulated profits/(losses)	5,948	8,428	(14,247)	(14,905)
	<u>36,812</u>	<u>39,291</u>	<u>17,104</u>	<u>16,446</u>
Total shareholders' equity	<u>36,812</u>	<u>39,291</u>	<u>17,104</u>	<u>16,446</u>
Non-controlling interests	686	698	-	-
	<u>37,498</u>	<u>39,990</u>	<u>17,104</u>	<u>16,446</u>
Total equity	<u>37,498</u>	<u>39,990</u>	<u>17,104</u>	<u>16,446</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 31.12.14		As at 31.03.14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,867	875	2,581	2,164

Amount repayable after one year

As at 31.12.14		As at 31.03.14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
2,580	-	2,737	-

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 2014 (31 March 2014: 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.

	Group Third Quarter Ended 31 Dec		Group Nine Months Ended 31 Dec	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities				
Losses before tax	(213)	(367)	(2,024)	(5,583)
Adjustments for:				
Share of results of the associated company	201	168	1,322	683
Depreciation of property, plant and equipment	516	812	1,566	2,211
Dividend from quoted investments	-	(25)	-	(47)
Unrealised foreign exchange gain	145	87	119	83
Interest income	(9)	(5)	(15)	(12)
Finance expense	59	171	181	362
Gain on disposal of quoted investments	-	(24)	-	(24)
Loss/(Gain) on disposal of property, plant and equipment	-	61	34	78
Changes in fair value of quoted investment	-	-	-	103
Write-off of property, plant and equipment	4	-	12	-
Operating cash flow before working capital changes	703	878	1,195	(2,146)
Changes in working capital:				
Decrease in inventories	1,127	2,091	4,904	1,166
(Increase) in trade and other receivables	(372)	(1,864)	(3,679)	(789)
(Decrease)/increase in other current assets and prepayments	(34)	319	(244)	243
(Decrease)/increase in trade and other payables, and bills payable	480	(1,516)	(1,205)	(3,578)
Net cash from/(used in) operations	1,904	(92)	971	(5,104)
Income tax paid	(412)	(393)	(442)	(362)
Interest received	9	5	15	12
Interest paid	(59)	71	(181)	(120)
Net cash from/(used in) operating activities	1,442	(409)	363	(5,574)
Cash flows from investing activities				
Dividends received	-	191	164	445
Proceeds from disposal of quoted investments	-	2,212	-	2,212
Purchase of property, plant and equipment	(563)	(791)	(1,514)	(2,022)
Net cash (used in)/from investing activities	(563)	1,612	(1,350)	635
Cash flows from financing activities				
Proceeds from borrowings	672	716	2,342	6,152
Repayment of from lease liabilities	(100)	(46)	(213)	(75)
Dividends paid to a non-controlling shareholder of a subsidiary	(61)	-	(61)	-
(Decrease)/Increase in restricted bank deposits	(213)	(71)	(253)	237
Net cash from financing activities	298	599	1,815	6,314
Net decrease in cash and cash equivalents	1,177	1,800	828	1,374
Cash and cash equivalents at the beginning of the financial year	1,439	3,860	1,719	1,774
Effects of exchange rate changes on cash and cash equivalents	30	(96)	99	(167)
Cash and cash equivalents at the end of the financial period	2,646	5,564	2,646	2,981
Cash and bank balances	4,690	5,323	4,690	5,323
Less: Bank overdrafts	(758)	(1,975)	(758)	(1,975)
Less : restricted bank deposits	(1,286)	(368)	(1,286)	(368)
Cash and cash equivalents as per above	2,646	2,980	2,646	2,980

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\$1,286,000 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 \$'000	Legal reserve \$'000	Translation reserve \$'000	Revaluatio n reserve \$'000	Other reserve \$'000	Accumulated profits / (loss) \$'000	Sub- Total \$'000	Non- controlling interests \$'000	Total equity \$'000
GROUP									
Balance at 1 April 2014	31,351	1,207	(4,426)	2,802	(71)	8,428	39,291	698	39,989
<u>Other comprehensive income</u>									
Loss for the period	-	-	-	-	-	(2,480)	(2,480)	35	(2,445)
Foreign currency translation	-	-	(11)	-	-	-	(11)	14	3
Transfer from legal reserve	-	12	-	-	-	-	12	-	12
Total comprehensive income	-	12	(11)	-	-	(2,480)	(2,479)	49	(2,430)
<u>Contributions by and distributions to owners</u>									
Dividend paid to controlling shareholders	-	-	-	-	-	-	-	(61)	(61)
Total contributions by and distribution to owner	-	-	-	-	-	-	-	(61)	(61)
Balance as at 31 Dec 2014	31,351	1,219	(4,437)	2,802	(71)	5,948	36,812	686	37,498
Balance at 1 April 2013	31,351	1,206	(3,882)	75	(71)	17,556	46,235	724	46,959
<u>Other comprehensive income</u>									
Loss for the period	-	-	-	-	-	(2,226)	(2,226)	28	(2,198)
Share of gain on property revaluation of associated company	-	-	(74)	858	-	-	784	24	808
Transfer from legal reserve	-	8	-	-	-	-	8	-	8
Total comprehensive income	-	8	(74)	858	-	(2,226)	(1,434)	52	(1,382)
<u>Contributions by and distributions to owners</u>									
Dividend paid to controlling shareholders	-	-	-	-	-	-	-	(15)	(15)
Total contributions by and distribution to owner	-	-	-	-	-	-	-	(15)	(15)
Balance as at 31 Dec 2013	31,351	1,214	(3,956)	933	(71)	15,330	44,801	761	45,562
COMPANY									
	Share capital	Accumulated loss	Total equity						
Balance at 1 April 2014	31,351	(14,905)	16,446						
Profit for the period	-	658	658						
Total comprehensive income	-	658	658						
Balance as at 31 Dec 2014	31,351	(14,247)	17,104						
Balance at 1 April 2013	31,351	(7,193)	24,158						
Loss for the period	-	(1,633)	(1,633)						
Total comprehensive income	-	(1,633)	(1,633)						
Balance as at 31 Dec 2013	31,351	(8,826)	22,525						

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 2014	252,629,483
As at 31 March 2014	252,629,483

There were no treasury shares as at 31 December 2014 and 31 March 2014.

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 2014.

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	
	2014 cents	2013 cents	2014 cents	2013 cents
(i) Based on the weighted average number of ordinary shares in issue	(0.25)	(0.21)	(0.98)	(2.23)
(ii) On a fully diluted basis	(0.25)	(0.21)	(0.98)	(2.23)

Note:

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 31 December 2014 and 31 March 2014 as follows:

December 2014 - 252,629,483

March 2014 - 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 2014 cents	31-Mar 2014 cents	31-Dec 2014 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	14.57	15.55	6.77	6.51

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.**

The Group's revenue for the period ended 31 December 2014 (3QFY2015) registered \$37.3 million, a decline of 12.8% versus the corresponding period. The decline in sales is mainly due to closure of non-performing outlets.

The gross profit margin reduced from 49.8% to 47.8%. The gross margin was lower as compared to the corresponding period due to higher promotional discounts and markdowns given on the past season merchandise during the financial period.

Other operating income decreased by 75.1% or \$1.9 million as compared to the corresponding period, mainly contributed by lower dividend income received from an associated company and no rental income earned on its lease back agreement following the expiration of lease building at the start of financial year.

Distribution costs decreased by 29.9% to \$13.5 million as compared to the corresponding period. The decrease in distribution costs is mainly due to closure of non-performing outlets.

Administrative expenses decreased by 39.2% to \$5.5 million as compared to the corresponding period, principally due to a write back of allowance for stock obsolescence and decrease in rental expenses relating to lease of the office building.

The Group's share of results of the associated company has increased from a loss of \$0.6 million to a loss of \$1.3 million due to poorer results of the associated company.

Net loss attributable to owners of the Company was \$2.5 million in 3QFY2015 as compared to \$5.6 million in 3QFY2014.

Balance Sheet Review

The Group's and the Company's inventories reduced as compared to 31 March 2014. The reduction in inventories carried by the Company decreased significantly due to inventories disposed to a related party. This result in the Group's and the Company's trade and other receivables increasing as compared to 31 March 2014.

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

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

Investment in subsidiary Company reduced by 44% mainly due to impairment of subsidiary in Malaysia.

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 during the financial period.

The Company's borrowings decreased due to a reduction in utilisation of overdraft facilities during the financial period. The Group's borrowings have increased by \$1.6 million mainly due to increase in draw-down of banking facilities for its subsidiary in Taiwan.

Cashflow Review

Net cash used in operating activities of \$5.1 million to a net cash flow from operating activities of \$1.0 million largely due to lower loss for the period and lower levels of inventories. This was also partially offset by the increase in trade and other receivables.

Net cash used in investing activities decreased because of proceeds received from disposal of the quoted investments in the last corresponding period.

Net cash from financing activities decreased because the Group received more financing from the Banks for its subsidiaries in the last corresponding 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 13 November 2014.

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 challenging. The Group will continue to focus on its core business overseas, 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	
	31.12.14 \$'000	31.12.13 \$'000	31.12.14 \$'000	31.12.13 \$'000
VGO Corporation Limited				
- Purchase	-	-	25	198
- Sales	-	-	3,906	1,808
W.O.S World of Sports (M) Sdn Bhd				
- Sale	-	-	1,738	49
- Purchase	-	-	-	-

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary
12 February 2015



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 31 December 2014 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 2015