OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

Full Year Financial Statements For the Year Ended 31 Mar 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 Full year Ended 31 Mar		%
	2016 $'000	**2015 $'000**	Change
Revenue	36,166	47,728	-24%
Cost of sales	(17,575)	(24,104)	-27%
Gross profit	**18,591**	**23,624**	-21%
Other operating income	157	1,171	-87%
Distribution costs	(14,385)	(17,419)	-17%
Administrative expenses	(6,220)	(7,053)	-12%
Other operating expenses	(233)	-	#DIV/0!
(Loss)/profit from operations	**(2,090)**	**323**	-747%
Interest income	27	8	N/M
Finance expense	(356)	(309)	15%
Loss on liquidation of subsidiary company	(599)	-	N/M
Share of results of the associated company	615	(1,384)	-144%
Loss before income tax	**(2,403)**	**(1,362)**	76%
Income tax	(252)	(754)	-67%
Loss after income tax	**(2,655)**	**(2,116)**	26%
Loss attributable to:			
Owners of the Company	(2,617)	(2,135)	23%
Non-controlling interests	(38)	19	-303%
	(2,655)	**(2,116)**	26%
Other comprehensive income			
Share of gain on property revaluation of associated	286	-	N/M
Translation and other reserve taken to profit or loss on liquidation of a subsidiary	599	-	N/M
Foreign currency translation	(1,079)	174	
Other comprehensive income for the period, net of tax	(194)	174	N/M
Total comprehensive income for the period	**(2,849)**	**(1,942)**	N/M
Total comprehensive income attributable to:			
Owners of the Company	(2,800)	(1,932)	N/M
Non-controlling interests	(49)	(10)	0
	(2,849)	**(1,942)**	N/M

1(a)(ii) Note:-

	Notes	Group Twelve Months Ended 31 Mar 2016 $'000	2015 $'000	% Change
Loss from operations is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment		1,772	2,206	(19.7)
Loss on disposal of property, plant and equipment		53	62	(14.1)
Write-off of property, plant and equipment		51	72	(28.9)
Net foreign exchange loss		172	65	164.3
Allowance for doubtful debts		-	2	N/M
Allowance for inventory obsolescence		147	160	N/M
Write-back of allowance for doubtful debts		-	(42)	N/M
Write-back of allowance for inventory obsolescence		-	(793)	(100.0)
Impairment loss of property,plant and equipment		112	-	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.

	The Group		The Company	
	31.3.16 $'000	31.03.15 $'000	31.3.16 $'000	31.03.15 $'000
ASSETS				
Current assets				
Inventories	12,225	13,374	-	-
Trade and other receivable	7,851	7,709	3,747	4,229
Prepayment	203	334	19	23
Other financial assets	1,363	1,881	10	208
Other non-financial assets	128	171	-	1
Cash and bank balances	5,422	5,005	45	182
	27,192	28,474	3,821	4,643
Non-current assets				
Investment in associated company	19,608	19,069	13,252	13,252
Investment in subsidiaries	-	-	1,646	1,663
Property, plant and equipment	3,645	3,897	64	263
Deferred tax assets	105	197	-	-
	23,358	23,163	14,962	15,178
Total assets	50,550	51,637	18,783	19,821
LIABILITIES				
Current liabilities				
Trade and other payables	5,676	5,966	333	1,205
Amount due to directors	661	-	661	-
Bills payable	2,125	42	-	-
Borrowings	4,787	5,029	-	282
Income tax liabilities	64	80	-	-
	13,313	11,117	994	1,487
Non-current liabilities				
Borrowings	2,082	2,488		67
	2,082	2,488	-	67
Total liabilities	15,395	13,605	994	1,554
Net assets	**35,155**	**38,032**	**17,789**	**18,267**
SHAREHOLDERS' EQUITY				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	3,088	2,802	-	-
Other reserve	-	(71)	-	-
Legal reserve	1,328	1,280	-	-
Translation reserve	(4,830)	(4,290)	-	-
Accumulated profits/(losses)	3,622	6,287	(13,562)	(13,084)
Total shareholders' equity	34,559	37,359	17,789	18,267
Non-controlling interests	596	673	-	-
Total equity	**35,155**	**38,032**	**17,789**	**18,267**

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 31.03.16		As at 31.03.15	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
4,787	2,125	4,648	424

Amount repayable after one year

As at 31.03.16		As at 31.03.15	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
2,082	-	2,488	-

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 0.26 times as at 31 March 2016 (31 March 2015: 0.20 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

	Group Twelve months Ended 31 MAR	
	2016 $'000	**2015 $'000**
Cash flows from operating activities		
Losses before tax	(2,403)	(1,362)
Adjustments for:		
Share of results of the associated company	(615)	1,384
Depreciation of property, plant and equipment	1,772	2,206
Unrealised foreign exchange loss	55	27
Interest income	(27)	(8)
Interest expense	356	309
Allow ance for inventory obsolescence	147	160
Write-back of allow ance for inventory obsolescence	-	(793)
Loss on liquidation of subsidiary company	599	-
Loss on disposal of property, plant and equipment	53	(62)
Writeback of impairment loss on property, plant and equipment	-	(47)
Impairment loss on property, plant and equipment	112	-
Write-off of property, plant and equipment	51	72
Operating cash flow before working capital changes	**100**	**1,886**
Changes in working capital:		
Decrease in inventories	483	5,039
Decreae/(Increase) in trade and other receivables	12	(1,970)
Decrease in other current assets and prepayments	130	82
Increase/(Decrease) in trade and other payables, and bills payable	603	(2,551)
Net cash from operations	1,328	2,486
Income tax paid	(194)	(556)
Interest received	27	8
Interest paid	(356)	(309)
Net cash (used in)/from operating activities	**806**	**1,629**
Cash flows from investing activities		
Dividends received	-	398
Purchase of property, plant and equipment	(2,091)	(1,773)
Proceeds from disposal of property, plant and equipment	-	269
Net cash used in investing activities	**(2,091)**	**(1,106)**
Cash flows from financing activities		
Net proceeds from borrow ings	1,494	2,312
Repayment of finance lease liabilities	(59)	(172)
Repayment of borrow ings	-	(109)
Net repayments from bills payables	782	(724)
Dividends paid to a non-controlling shareholder of a subsidiary	(28)	(15)
Increase in restricted bank deposits	(492)	(494)
Net cash from financing activities	**1,697**	**798**
Net increase in cash and cash equivalents	411	1,321
Cash and cash equivalents at the beginning of the financial period	3,096	1,719
Effects of exchange rate changes on cash and cash equivalents	(194)	56
Cash and cash equivalents at the end of the financial period	**3,313**	**3,096**
Cash and bank balances	5,422	5,005
Less: Bank overdrafts	-	(382)
Less : restricted bank deposits	(2,109)	(1,527)
Cash and cash equivalents as per above	**3,313**	**3,096**

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$1,940,000 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	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 2015	31,351	1,280	(4,290)	2,802	(71)	6,287	37,359	673	38,032
Other comprehensive income									
Loss for the period	-	-	-	-	-	(2,617)	(2,617)	(38)	(2,655)
Foreign currency translation	-	-	(1,068)	-	-	-	(1,068)	(11)	(1,079)
Translation and other reserve taken to profit or loss on liquidation of a subsidiary	-	-	528		71	-	599		599
Share of other comprehensive income of	-	-	-	286	-	-	286	-	286
Total comprehensive income	-	-	(540)	286	71	(2,617)	(2,800)	(49)	(2,849)
Contributions by and distributions to owners									
Transfer from accumulated profits to legal reserve	-	48	-	-	-	(48)	-	-	-
Dividend paid to controlling shareholders	-	-	-	-	-		-	(28)	(28)
Total contributions by and distribution to owner	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	**31,351**	**1,328**	**(4,830)**	**3,088**	**-**	**3,622**	**34,559**	**596**	**35,155**
Balance at 1 April 2014	31,351	1,207	(4,426)	2,802	(71)	8,428	39,291	698	39,989
Other comprehensive income									
Loss for the period	-	-	-	-	-	(2,135)	(2,135)	19	(2,116)
Transfer from legal reserve	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	67	136	-	-	-	203	(29)	174
Total comprehensive income	-	67	136	-	-	(2,135)	(1,932)	(10)	(1,942)
Contributions by and distributions to owners									
Transfer from accumulated profits to legal reserve	-	6	-	-	-	(6)	-	-	-
Dividend paid to controlling shareholders	-	-	-	-	-	-	-	(15)	(15)
Total contributions by and distribution to owner	-	6	-	-	-	(6)	-	(15)	(15)
Balance as at 31 March 2015	**31,351**	**1,280**	**(4,290)**	**2,802**	**(71)**	**6,287**	**37,359**	**673**	**38,032**

COMPANY

	Share capital	Accumulated loss	Total equity	
Balance at 1 April 2015	31,351	(13,084)	18,267	
Loss for the year	-	(478)	(478)	
Total comprehensive income	-	(478)	(478)	
Balance as at 31 March 2016	31,351	(13,562)	17,789	(0)
Balance at 1 April 2014	31,351	(14,905)	16,446	
Loss for the year	-	1,821	1,821	
Total comprehensive income	-	1,821	1,821	
Balance as at 31 March 2015	31,351	(13,084)	18,267	

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 year, 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.

	Number of shares
As at 31 March 2016	252,629,483
As at 31 March 2015	252,629,483

There were no treasury shares as at 31 March 2016 and 31 March 2015.

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 2015.

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 Year ended 31 Mar 2016 cents	2015 cents
(i) Based on the weighted average number of ordinary shares in issue	(1.04)	(0.85)
(ii) On a fully diluted basis	(1.04)	(0.85)

Note:
Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 31 March 2016 and 31 March 2015 as follows:

March 2016 - 252,629,483
March 2015 - 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-Mar 2016 cents	31-Mar 2015 cents	31-Mar 2016 cents	31-Mar 2015 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	13.68	14.79	7.04	7.23

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 was $36.2 million for the year ended 31 March 2016 (FY2016), a decline of 24.0% from $47.7 million in the last corresponding year. The decline in sales is mainly due to closure of non-performing outlets.

The gross profit margin increased slightly from 49.5% to 51.4%. The slight increase in gross margin as compared to the prior year was due to bulk sales of discontinued merchandise and brands that were written down in previous years.

Other operating income decreased by 87% or $1.0 million mainly contributed by lower dividend income received from an associated company.

Distribution costs decreased by 17% or $3.0 million mainly due to closure of non-performing outlets.

Administrative expenses decreased by 12% or $0.8million, principally due to a decrease in HQ staff costs being partially offset by a write back of allowance of stock obsolescence.

The Group's share of results of the associated company improved from a loss of $1.4 million in FY2015 to a profit of $0.6 million for FY2016 due to better results of the associated company.

Net loss attributable to owners of the Company was $2.6 million in FY2016 as compared to $2.1 million in 31 March 2015 ("FY2015").

Balance Sheet Review

The Group's inventories reduced as compared to 31 March 2015. The reduction in inventories carried by the Group decreased due to inventories disposed to a related party.

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

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

The Group's bill payables increased due to Taiwan subsidiary's higher purchase from suppliers for sales peak season sale towards end of the financial year.

The Company's borrowings decreased due to a reduction in utilisation of overdraft facilities during the financial year. The Group's borrowings have decreased by $0.6million mainly due to reduction in banking facilities for its subsidiary in Malaysia which was partially offset by increase in draw-down of banking facilities for its subsidiary in Taiwan.

Cashflow Review

Net cash flow from operating activities decrease from $1.6 million in prior year to S$0.8 million in FY 2016 due to higher losses during the current year.

Net cash used in investing activities increased due to higher amount of cash used in purchase of property, plant and equipment for new outlets opening in Taiwan and Malaysia.

Net cash from financing activities increased due to lower repayment of bill payables.

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 05 February 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 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 year.

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	
	31.3.16	31.3.15	31.3.16	31.3.15
	$'000	$'000	$'000	$'000
VGO Corporation Limited				
- Purchase	-	-	-	25
- Sales	-	-	26	4,006
W.O.S World of Sports (M) Sdn Bhd				
- Sale	-	-	-	1,703
- Purchase	-	-	-	-

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Year ended 31 March 2016	Singapore & Malaysia $'000	Hong Kong $'000	Taiwan $'000	Adjustment & eliminations $'000	Total Group $'000
Revenue from external customers	10,243	3,092	22,830	-	36,166
Segment (loss)/profit	(1,863)	(442)	484	(268)	(2,090)
Finance income	18	-	9	-	27
Finance expense	(119)	-	(237)	-	(356)
Loss on liquidation of a subsidiary	-	-	-	(599)	(599)
Impariment loss on subsidiary company	(17)	-	-	17	-
Share of results of the associated company	-	-	-	615	615
(Loss)/profit before income tax	(1,981)	(442)	255	(235)	(2,403)
Income tax (paid)/refund	(135)	-	(118)	-	(252)
(Loss)/profit for the year	(2,116)	(442)	137	(235)	(2,656)
Segment assets	12,848	3,306	16,716	(1,927)	30,942
Investment in associated company	19,608				19,608
Consolidated total assets					50,550
Segment liabilities	3,146	457	3,952	-	7,555
Borrowings and bills payable	2,247	-	6,747	-	8,994
Taxation	16	-	48	-	64
Consolidated total liabilities					16,613
Other information:					
Additions to property, plant and equipment	356	122	1,613	-	2,091
Depreciation of property, plant and equipment	643	94	1,036	-	1,772

Year ended 31 March 2015	Singapore & Malaysia $'000	Hong Kong $'000	Taiwan $'000	Adjustment & eliminations $'000	Total Group $'000
Revenue from external customers	22,023	4,007	21,697	-	47,728
Segment (loss)/profit	1,327	(221)	1,854	(2,637)	323
Finance income	7	-	8	(7)	8
Finance expense	(162)	-	(147)	-	(309)
Share of results of the associated company	-	-	-	(1,384)	(1,384)
(Loss)/profit before income tax	1,172	(221)	1,716	(4,030)	(1,362)
Income tax (paid)/refund	(637)	-	(117)	-	(754)
(Loss)/gain for the period	535	(221)	1,599	(4,030)	(2,116)
Segment assets	16,663	3,755	15,165	(3,015)	32,568
Investment in associated company	19,069	-	-	-	19,069
Consolidated total assets					51,637
Segment liabilities	3,389	472	4,660	(2,556)	5,966
Borrowings and bills payable	3,098	42	4,419	-	7,559
Taxation	24	-	56	-	80
Consolidated total liabilities					13,605
Other information:					
Additions to property, plant and equipment	441	4	1,328	-	1,773
Depreciation of property, plant and equipment	987	81	1,138	-	2,206

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Paragraph 11.

16. A breakdown of sales as follows: -

	Group		
	31.03.16	31.03.2015	Increase / (decrease)
	$'000	$'000	%
Sales reported for first half year	15,968	25,027	(36.2)
Net loss attributable to the Group for the first half year	(3,129)	(1,805)	73.4
Sales reported for second half year	20,198	22,701	11.0
Net profit/(loss) attributable to the Group for second half year	511	(312)	(263.9)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Group Year Ended	
	31.03.2016	31.03.2015
	$'000	$'000
Ordinary	-	-
Special	-	-
Preference	-	-
Total	-	-

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Relatives of any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lee Ah Lai	65	Brother-in-law of Goh Ching Wah, Goh Ching Lai and Goh Ching Huat.	Director of the following subsidiaries since 18 August 2005: - Alstyle Marketing Sdn Bhd - Alstyle International (M) Sdn Bhd - Alstyle Fashion Sdn Bhd - U.S.U.S. Marketing Sdn Bhd - O.F. Marketing Sdn Bhd - Ossia Marketing Sdn Bhd Director of: - Decorion Sdn Bhd since 17 May 2006 - O.F. Active Sdn Bhd since 11 June 2007 - Ossia World of Golf (M) Sdn Bhd since 10 July 2009	Not applicable
Alan Hsu Chih Tung	47	Brother-in-law of Goh Ching Lai	Managing Director of Great Alps Industry Co., Ltd. Duties include business development and overall management of the company's operations. The position was first held in 2001.	Not applicable

BY ORDER OF BOARD

Lotus Isabella Lim Mei Hua
Company Secretary
30 May 2016