



OSSIA INTERNATIONAL LIMITED

(Company Registration No: 199004330K)

Full Year Financial Statements For the Year Ended 31 Mar 2015

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 12 Months Ended 31 Mar		%
	2015 \$'000	2014 \$'000	
Revenue	47,728	55,458	(13.9)
Cost of sales	(24,104)	(27,410)	(12.1)
Gross profit	23,624	28,048	(15.8)
Other operating income	1,142	3,329	(65.7)
Distribution costs	(17,438)	(24,168)	(27.8)
Administrative expenses	(7,006)	(15,213)	(53.9)
Loss from operations	322	(8,004)	N/M
Interest income	8	7	N/M
Finance expense	(309)	(257)	20.2
Changes in fair value of quoted investments	-	(103)	N/M
Share of results of the associated company	(1,384)	(792)	74.7
Loss before income tax	(1,363)	(9,149)	N/M
Income tax	(754)	14	N/M
Loss after income tax	(2,117)	(9,135)	N/M
Other comprehensive income			
Foreign currency translation	174	(538)	N/M
Share of gain on property revaluation of associated company	-	2,727	N/M
Transfer from legal reserve	-	(9)	N/M
Other comprehensive income for the year	174	2,180	N/M
Total comprehensive income for the year	(1,943)	(6,955)	N/M
Loss attributable to:			
Owners of the Company	(2,136)	(9,118)	N/M
Non-controlling interests	19	(17)	N/M
	(2,117)	(9,135)	N/M
Total comprehensive income attributable to:			
Owners of the Company	(1,933)	(6,944)	N/M
Non-controlling interests	(10)	(11)	N/M
	(1,943)	(6,955)	N/M

NM - Not meaningful

1(a)(ii) Note:-

	Group 12 Months Ended 31 Mar		%
Notes	2015 \$'000	2014 \$'000	Change
Loss from operations is arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	2,206	2,846	(22.5)
(Gain)/Loss on disposal of property, plant and equipment	(34)	-	N/M
Write-off of property, plant and equipment	72	1,721	N/M
Net foreign exchange loss /(gain)	58	151	N/M
Allowance for doubtful debts	9	43	N/M
Allowance for inventory obsolescence	160	-	N/M
Write-back of allowance for doubtful debts	(38)	-	N/M
Write-back of allowance for inventory obsolescence	(793)	-	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.

	<u>The Group</u>		<u>The Company</u>	
	31.03.15 \$'000	31.03.14 \$'000	31.03.15 \$'000	31.03.14 \$'000
ASSETS				
Current assets				
Inventories	13,374	17,778	-	4,016
Trade and other receivable	7,709	4,885	4,229	1,481
Prepayment	334	414	23	39
Other current financial assets	1,692	2,612	19	627
Other current non-financial assets	183	295	14	5
Cash and bank balances	5,005	4,150	182	128
	<u>28,297</u>	<u>30,134</u>	<u>4,467</u>	<u>6,296</u>
Non-current assets				
Investment in associated company	19,069	21,044	13,252	13,252
Investment in subsidiaries	-	-	1,663	1,726
Property, plant and equipment	4,045	4,503	412	651
Deferred tax assets	197	350	-	-
	<u>23,311</u>	<u>25,897</u>	<u>15,327</u>	<u>15,629</u>
Total assets	<u>51,608</u>	<u>56,031</u>	<u>19,794</u>	<u>21,925</u>
LIABILITIES				
Current liabilities				
Trade and other payables	5,938	8,391	1,179	3,232
Bills payable	42	766	-	727
Borrowings	5,029	3,978	282	1,274
Income tax liabilities	80	36	-	-
Other Liabilities	-	134	-	134
	<u>11,089</u>	<u>13,305</u>	<u>1,461</u>	<u>5,367</u>
Non-current liabilities				
Borrowings	2,488	2,737	67	112
	<u>2,488</u>	<u>2,737</u>	<u>67</u>	<u>112</u>
Total liabilities	<u>13,577</u>	<u>16,042</u>	<u>1,528</u>	<u>5,479</u>
Net assets	<u>38,031</u>	<u>39,989</u>	<u>18,266</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	1,280	1,207	-	-
Translation reserve	(4,290)	(4,426)	-	-
Accumulated profits/(losses)	6,286	8,428	(13,085)	(14,905)
	<u>37,358</u>	<u>39,291</u>	<u>18,266</u>	<u>16,446</u>
Total shareholders' equity	<u>37,358</u>	<u>39,291</u>	<u>18,266</u>	<u>16,446</u>
Non-controlling interests	673	698	-	-
	<u>38,031</u>	<u>39,989</u>	<u>18,266</u>	<u>16,446</u>
Total equity	<u>38,031</u>	<u>39,989</u>	<u>18,266</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 31.03.15		As at 31.03.14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,648	424	2,581	2,164

Amount repayable after one year

As at 31.03.15		As at 31.03.14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
2,488	-	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 0.20 times as at 31 March 2015 (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 12 months Ended 31 Mar	
	2015 \$'000	2014 \$'000
Cash flows from operating activities		
Losses before tax	(1,364)	(9,149)
Adjustments for:		
Share of results of the associated company	1,384	792
Depreciation of property, plant and equipment	2,206	2,846
Dividend from quoted investments	-	(47)
Unrealised foreign exchange gain	286	2
Interest income	(8)	(7)
Finance expense	309	257
Gain on disposal of quoted investments	-	(24)
Loss/(Gain) on disposal of property, plant and equipment	(33)	66
Changes in fair value of quoted investment	-	103
Writeback of impairment loss on property, plant and equipment	(47)	-
Impairment loss on property, plant and equipment	-	683
Write-off of property, plant and equipment	72	1,721
Operating cash flow before working capital changes	2,805	(2,757)
Changes in working capital:		
Decrease in inventories	4,406	2,882
(Increase) in trade and other receivables	(1,793)	1,541
(Decrease)/increase in other current assets and prepayments	82	268
(Decrease)/increase in trade and other payables, and bills payable	(2,589)	(3,425)
Net cash from/(used in) operations	2,911	(1,491)
Income tax paid	(710)	(137)
Interest received	8	7
Interest paid	(309)	(257)
Net cash from/(used in) operating activities	1,900	(1,878)
Cash flows from investing activities		
Dividends received	398	445
Proceeds from disposal of quoted investments	-	2,212
Purchase of property, plant and equipment	(1,773)	(2,650)
Net cash (used in)/from investing activities	(1,375)	7
Cash flows from financing activities		
Proceeds from borrowings	2,183	5,247
Repayment of finance lease liabilities	(256)	(76)
Repayment of borrowings	(109)	(140)
Net (repayment)/proceeds from bills payables	(724)	(2,640)
Dividends paid to a non-controlling shareholder of a subsidiary	(16)	(15)
Decrease/(Increase) in restricted bank deposits	(494)	(429)
Net cash from financing activities	584	1,947
Net decrease in cash and cash equivalents	1,109	76
Cash and cash equivalents at the beginning of the financial year	1,719	1,774
Effects of exchange rate changes on cash and cash equivalents	268	(131)
Cash and cash equivalents at the end of the financial period	3,096	1,719
Cash and bank balances	5,005	4,150
Less: Bank overdrafts	(382)	(1,398)
Less : restricted bank deposits	(1,527)	(1,033)
Cash and cash equivalents as per above	3,096	1,719

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\$1,527,000 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 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 year	-	-	-	-	-	(2,136)	(2,136)	19	(2,117)
Foreign currency translation	-	67	136	-	-	-	203	(29)	174
Transfer from legal reserve	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	67	136	-	-	(2,136)	(1,933)	(10)	(1,943)
<u>Contributions by and distributions to owners</u>									
Transfer from accumulated profits to legal reserve	-	6	-	-	-	(6)	-	-	-
Dividend paid to controlling shareholders	-	-	-	-	-	-	-	(15)	(15)
Total contributions by and distribution to owners	-	6	-	-	-	(6)	-	(15)	(15)
Balance as at 31 March 2015	31,351	1,280	(4,290)	2,802	(71)	6,286	37,358	673	38,031
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 year	-	-	-	-	-	(9,118)	(9,118)	(17)	(9,135)
Share of gain on property revaluation of associated company	-	-	-	2,727	-	-	2,727	6	2,733
Transfer from legal reserve	-	(9)	-	-	-	-	(9)	-	(9)
Foreign currency translation	-	-	(544)	-	-	-	(544)	-	(544)
Total comprehensive income	-	(9)	(544)	2,727	-	(9,118)	(6,944)	(11)	(6,955)
<u>Contributions by and distributions to owners</u>									
Transfer from accumulated profits to legal reserve	-	10	-	-	-	(10)	-	-	-
Dividend paid to controlling shareholders	-	-	-	-	-	-	-	(15)	(15)
Total contributions by and distribution to owners	-	10	-	-	-	(10)	-	(15)	(15)
Balance as at 31 March 2014	31,351	1,207	(4,426)	2,802	(71)	8,428	39,291	698	39,989
COMPANY									
	Share capital	Accumulated loss	Total equity						
Balance at 1 April 2014	31,351	(14,905)	16,446						
Profit for the year	-	1,820	1,820						
Total comprehensive income	-	1,820	1,820						
Balance as at 31 March 2015	31,351	(13,085)	18,266						
Balance at 1 April 2013	31,351	(7,193)	24,158						
Loss for the year	-	(1,633)	(1,633)						
Total comprehensive income	-	(1,633)	(1,633)						
Balance as at 31 March 2014	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 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.

	<u>Number of shares</u>
As at 31 March 2015	252,629,483
As at 31 March 2014	252,629,483

There were no treasury shares as at 31 March 2015 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 Year ended 31 Mar	
	2015 cents	2014 cents
(i) Based on the weighted average number of ordinary shares in issue	(0.85)	(3.61)
(ii) On a fully diluted basis	(0.85)	(3.61)

Note:

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 31 March 2015 and 31 March 2014 as follows:

March 2015 - 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-Mar 2015 cents	31-Mar 2014 cents	31-Mar 2015 cents	31-Mar 2014 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	14.79	15.55	7.23	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 was \$47.6 million for the year ended 31 March 2015 (FY2015), a decline of 14.2% from \$55.5 million in the last corresponding year. The decline in sales is mainly due to closure of non-performing outlets.

The gross profit margin reduced from 50.6% to 49.6%. The gross margin was lower as compared to the corresponding year due to higher promotional discounts and markdowns given on the past season merchandise and brands which have since been discontinued during the financial year.

Other operating income decreased by 65.7% or \$2.2 million 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 27.8% or \$6.7 million. The decrease in distribution costs is mainly due to closure of non-performing outlets.

Administrative expenses decreased by 53.9% or \$8.2 million, 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 \$0.8 million to a loss of \$1.4 million due to poorer results of the associated company.

Net loss attributable to owners of the Company was \$2.0 million in FY2015 as compared to \$9.1 million in 31 March 2014 ("FY2014").

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 4% 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 year.

The Group's and the Company's bill payables decreased due to repayment during 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 increased by \$0.9 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 \$1.5 million to a net cash flow from operating activities of \$2.8 million largely due to lower loss for the financial year 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 year.

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

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 February 2015.

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	
	31.03.15 \$'000	31.03.14 \$'000	31.03.15 \$'000	31.03.14 \$'000
VGO Corporation Limited				
- Purchase	-	-	25	198
- Sales	-	-	4,006	2,001
W.O.S World of Sports (M) Sdn Bhd				
- Sale	-	-	1,703	291
- 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 2015	Singapore & Malaysia \$'000	Hong Kong \$'000	Taiwan & Australia \$'000	Adjustment & eliminations \$'000	Total Group \$'000
Revenue from external customers	22,023	4,007	21,697	-	47,728
Segment (loss)/profit	2,709	(221)	1,855	(4,023)	320
Finance income	8	-	8	(7)	9
Finance expense	(162)	-	(147)	-	(309)
Changes in fair value of quoted investments	-	-	-	-	-
Share of results of the associated company	(1,384)	-	-	-	(1,384)
(Loss)/profit before income tax	1,171	(221)	1,716	(4,030)	(1,363)
Income tax (paid)/refund	(637)	-	(117)	-	(754)
(Loss)/gain for the period	534	(221)	1,599	(4,030)	(2,117)
Segment assets	16,663	3,755	15,165	(3,044)	32,539
Investment in associated company	19,069	-	-	-	19,069
Quoted investments	-	-	-	-	-
Consolidated total assets					51,608
Segment liabilities	3,389	472	4,660	(2,582)	5,940
Borrowings and bills payable	3,098	42	4,419	-	7,558
Taxation	24	-	55	-	79
Consolidated total liabilities					13,577
Other information:					
Additions to property, plant and equipment	441	4	1,328	-	1,773
Depreciation of property, plant and equipment	986	81	1,138	-	2,205
Allowance for doubtful debts	9	-	-	-	9
Year ended 31 March 2014	Singapore & Malaysia \$'000	Hong Kong & China \$'000	Taiwan & Australia \$'000	Adjustment & eliminations \$'000	Total Group \$'000
Revenue from external customers	29,928	4,154	21,376	-	55,458
Segment (loss)/profit	(7,640)	(317)	203	(250)	(8,004)
Finance income	21	-	7	(21)	7
Finance expense	(227)	-	(48)	18	(257)
Changes in fair value of quoted investments	(103)	-	-	-	(103)
Share of results of the associated company	(792)	-	-	-	(792)
(Loss)/profit before income tax	(8,741)	(317)	162	(253)	(9,149)
Income tax (paid)/refund	77	(1)	(62)	-	14
(Loss)/profit for the period	(8,664)	(318)	100	(253)	(9,135)
Segment assets	21,472	4,195	12,938	(3,618)	34,987
Investment in associated company	21,044	-	-	-	21,044
Quoted investments	-	-	-	-	-
Consolidated total assets					56,031
Segment liabilities	6,116	589	4,060	(2,240)	8,525
Borrowings and bills payable	5,062	-	2,419	-	7,481
Taxation	-	-	36	-	36
Consolidated total liabilities					16,042
Other information:					
Additions to property, plant and equipment	1,797	4	939	-	2,740
Depreciation of property, plant and equipment	1,783	88	975	-	2,846
Impairment loss for property, plant and	693	-	-	-	693
Allowance for doubtful debts	26	11	5	-	42

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		Increase / (decrease)
	31.03.2015	31.03.2014	
	\$'000	\$'000	%
Sales reported for first half year	25,027	26,939	(7.1)
Net loss attributable to the Group for the first half year	(1,805)	(5,118)	N/M
Sales reported for second half year	22,701	28,519	(20.4)
Net loss attributable to the Group for second half year	(312)	(4,017)	(92.2)

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

	Group	
	31.03.2015	31.03.2014
	\$'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: <ul style="list-style-type: none"> - 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: <ul style="list-style-type: none"> - 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
 29 May 2015