



Third Quarter Financial Statements For the Period 31 December 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 Third Quarter Ended 31 Dec			%	Group Nine Months Ended 31 Dec			%
	2015 \$'000	2014 \$'000	Change		2015 \$'000	2014 \$'000	Change	
Revenue	10,484	12,258	(14.5)		26,452	37,285	(29.1)	
Cost of sales	(5,015)	(5,731)	(12.5)		(12,873)	(19,452)	(33.8)	
<b>Gross profit</b>	<b>5,469</b>	<b>6,527</b>	(16.2)		<b>13,579</b>	<b>17,833</b>	(23.9)	
Other operating income	125	91	37.4		141	636	(77.8)	
Distribution costs	(3,875)	(4,464)	(13.2)		(11,065)	(13,480)	(17.9)	
Administrative expenses	(1,497)	(2,116)	(29.3)		(4,726)	(5,525)	(14.5)	
<b>Profit/(loss) from operations</b>	<b>222</b>	<b>38</b>	N/M		<b>(2,071)</b>	<b>(536)</b>	N/M	
Interest income	17	9	88.9		24	15	60.0	
Finance expense	(62)	(59)	5.1		(194)	(181)	7.2	
Share of results of the associated company	838	(201)	(517.0)		17	(1,322)	(101.2)	
<b>Profit/(loss) before income tax</b>	<b>1,015</b>	<b>(213)</b>	N/M		<b>(2,224)</b>	<b>(2,024)</b>	9.9	
Income tax	(160)	(426)	(62.4)		(36)	(420)	(91.4)	
<b>Profit/(loss) after income tax</b>	<b>855</b>	<b>(639)</b>	N/M		<b>(2,260)</b>	<b>(2,444)</b>	(7.5)	
<b>Profit/(loss) attributable to:</b>								
Owners of the Company	842	(640)	N/M		(2,286)	(2,480)	(7.8)	
Non-controlling interests	13	1	N/M		26	36	(27.2)	
	<b>855</b>	<b>(639)</b>	(233.8)		<b>(2,260)</b>	<b>(2,444)</b>	(7.5)	
<b>Other comprehensive income</b>								
<b>Items that will not be reclassified to profit or loss</b>								
Share of gain on property revaluation of associated company	1,706	-	N/M		390	-	N/M	
Transfer from legal reserve	-	6	N/M		-	12	N/M	
<b>Items that may be reclassified subsequently to profit or loss</b>								
Foreign currency translation	(36)	(41)	N/M		(1,352)	3	N/M	
Other comprehensive income for the period, net of tax	1,670	(35)	N/M		(962)	15	N/M	
			N/M				N/M	
<b>Total comprehensive income for the period</b>	<b>2,525</b>	<b>(674)</b>			<b>(3,222)</b>	<b>(2,429)</b>		
<b>Total comprehensive income attributable to:</b>								
Owners of the Company	2,515	(694)			(3,235)	(2,478)	N/M	
Non-controlling interests	10	20	N/M		13	49	(73.1)	
	<b>2,525</b>	<b>(674)</b>	N/M		<b>(3,222)</b>	<b>(2,429)</b>	N/M	

NM - Not meaningful

1(a)(ii) Note:-

Notes	Group			Group		
	Third Quarter		% Change	Nine Months		% Change
	Ended 31 December 2015	2014		Ended 31 December 2015	2014	
	\$'000	\$'000		\$'000	\$'000	
Loss from operations is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	431	516	(16.5)	1,248	1,566	(20.3)
Loss on disposal of property, plant and equipment	-	-	N/M	54	34	57.4
Write-off of property, plant and equipment	-	4	N/M	13	12	11.7
Net foreign exchange loss /(gain)	62	46	35.4	317	(12)	N/M
Write-back of allowance for doubtful debts	-	-	N/M	-	3	N/M
Write-back of allowance for inventory obsolescence	(20)	(251)	(92.2)	(1)	(674)	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>	
	31.12.15 \$'000	31.03.15 \$'000	31.12.15 \$'000	31.03.15 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	12,701	13,374	-	-
Trade and other receivable	8,689	7,709	3,775	4,229
Prepayment	363	334	9	23
Other financial assets	1,326	1,881	10	208
Other non-financial assets	131	171	-	1
Cash and bank balances	5,256	5,005	83	182
	<b>28,466</b>	<b>28,474</b>	<b>3,877</b>	<b>4,643</b>
<b>Non-current assets</b>				
Investment in associated company	18,866	19,069	13,252	13,252
Investment in subsidiaries	-	-	1,663	1,663
Property, plant and equipment	3,310	3,897	110	263
Deferred tax assets	182	197	-	-
	<b>22,358</b>	<b>23,163</b>	<b>15,025</b>	<b>15,178</b>
<b>Total assets</b>	<b>50,824</b>	<b>51,637</b>	<b>18,902</b>	<b>19,821</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	5,767	5,966	924	1,205
Amount due to directors	472	-	472	-
Bills payable	4,249	1,438	-	-
Borrowings	3,424	3,633	-	282
Income tax liabilities	47	80	-	-
	<b>13,959</b>	<b>11,117</b>	<b>1,396</b>	<b>1,487</b>
<b>Non-current liabilities</b>				
Borrowings	2,055	2,488	-	67
	<b>2,055</b>	<b>2,488</b>	<b>-</b>	<b>67</b>
<b>Total liabilities</b>	<b>16,014</b>	<b>13,605</b>	<b>1,396</b>	<b>1,554</b>
<b>Net assets</b>	<b>34,810</b>	<b>38,032</b>	<b>17,506</b>	<b>18,267</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	3,192	2,802	-	-
Other reserve	(71)	(71)	-	-
Legal reserve	1,253	1,280	-	-
Translation reserve	(5,602)	(4,290)	-	-
Accumulated profits/(losses)	4,001	6,287	(13,845)	(13,084)
	<b>34,124</b>	<b>37,359</b>	<b>17,506</b>	<b>18,267</b>
<b>Total shareholders' equity</b>	<b>34,124</b>	<b>37,359</b>	<b>17,506</b>	<b>18,267</b>
<b>Non-controlling interests</b>	<b>686</b>	<b>673</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>34,810</b>	<b>38,032</b>	<b>17,506</b>	<b>18,267</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 31.12.15</b>		<b>As at 31.03.15</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,424	4,249	3,633	1,438

**Amount repayable after one year**

<b>As at 31.12.15</b>		<b>As at 31.03.15</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
2,055	-	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 0.29 times as at 31 December 2015 (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.**

	Group Third Quarter Ended 31 Dec		Group Nine months Ended 31 Dec	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>				
Profit/(losses) before tax	1,015	(213)	(2,224)	(2,024)
Adjustments for:				
Share of results of the associated company	(838)	201	(17)	1,322
Depreciation of property, plant and equipment	431	516	1,248	1,566
Unrealised foreign exchange loss/(gain)	(253)	145	318	119
Interest income	(17)	(9)	(24)	(15)
Finance expense	62	59	194	181
Loss on disposal of property, plant and equipment	-	-	54	34
Write-off of property, plant and equipment	6	4	13	12
<b>Operating cash flow before working capital changes</b>	<b>406</b>	<b>703</b>	<b>(438)</b>	<b>1,195</b>
<b>Changes in working capital:</b>				
Decrease in inventories	1,994	1,127	673	4,904
(Increase) in trade and other receivables	(1,159)	(372)	(382)	(3,679)
Decrease/(Increase) in other current assets and prepayments	227	(34)	(29)	(244)
Increase/(Decrease) in trade and other payables, and bills payable	(1,989)	480	275	(1,205)
<b>Net cash (used in)/from operations</b>	<b>(521)</b>	<b>1,904</b>	<b>99</b>	<b>971</b>
Income tax paid	(130)	(412)	(69)	(442)
Interest received	17	9	24	15
Interest paid	(62)	(59)	(194)	(181)
<b>Net cash (used in)/from operating activities</b>	<b>(696)</b>	<b>1,442</b>	<b>(140)</b>	<b>363</b>
<b>Cash flows from investing activities</b>				
Dividends received	-	-	-	164
Purchase of property, plant and equipment	(583)	(563)	(1,057)	(1,514)
<b>Net cash used in investing activities</b>	<b>(583)</b>	<b>(563)</b>	<b>(1,057)</b>	<b>(1,350)</b>
<b>Cash flows from financing activities</b>				
Net proceeds from borrowings	1,681	672	2,984	2,342
Repayment of finance lease liabilities	(23)	(100)	(434)	(213)
Dividends paid to a non-controlling shareholder of a subsidiary	-	(61)	(16)	(61)
Increase in restricted bank deposits	(490)	(213)	(582)	(253)
<b>Net cash from financing activities</b>	<b>1,168</b>	<b>298</b>	<b>1,952</b>	<b>1,815</b>
Net (decrease)/increase in cash and cash equivalents	(111)	1,177	755	828
Cash and cash equivalents at the beginning of the financial period	3,087	1,436	3,096	1,719
Effects of exchange rate changes on cash and cash equivalents	170	34	(705)	99
<b>Cash and cash equivalents at the end of the financial period</b>	<b>3,146</b>	<b>2,646</b>	<b>3,146</b>	<b>2,646</b>
Cash and bank balances	5,256	4,690	5,256	4,690
Less: Bank overdrafts	-	(758)	-	(758)
Less : restricted bank deposits	(2,109)	(1,286)	(2,109)	(1,286)
<b>Cash and cash equivalents as per above</b>	<b>3,147</b>	<b>2,646</b>	<b>3,147</b>	<b>2,646</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\$2,109,000 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
<b>GROUP</b>									
<b>Balance at 1 April 2015</b>	31,351	1,280	(4,290)	2,802	(71)	6,287	37,359	673	38,032
<u>Other comprehensive income</u>									
Loss for the period	-	-	-	-	-	(2,286)	(2,286)	26	(2,260)
Foreign currency translation	-	(27)	(1,312)	-	-	-	(1,339)	(13)	(1,352)
Transfer from legal reserve	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associated company	-	-	-	390	-	-	390	-	390
Total comprehensive income	-	(27)	(1,312)	390	-	(2,286)	(3,235)	13	(3,222)
<b>Balance as at 31 December 2015</b>	<b>31,351</b>	<b>1,253</b>	<b>(5,602)</b>	<b>3,192</b>	<b>(71)</b>	<b>4,001</b>	<b>34,124</b>	<b>686</b>	<b>34,810</b>
<b>Balance at 1 April 2014</b>	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)
Share of gain on property revaluation of associated company	-	-	-	-	-	-	-	-	-
Transfer from legal reserve	-	12	-	-	-	-	12	-	12
Foreign currency translation	-	-	(11)	-	-	-	(11)	14	3
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 owners	-	-	-	-	-	-	-	(61)	(61)
<b>Balance as at 31 December 2014</b>	<b>31,351</b>	<b>1,219</b>	<b>(4,437)</b>	<b>2,802</b>	<b>(71)</b>	<b>5,948</b>	<b>36,812</b>	<b>686</b>	<b>37,498</b>
<b>COMPANY</b>									
	Share capital	Accumulated loss	Total equity						
<b>Balance at 1 April 2015</b>	31,351	(13,084)	18,267						
Loss for the year	-	(761)	(761)						
Total comprehensive income	-	(761)	(761)						
<b>Balance as at 31 December 2015</b>	<b>31,351</b>	<b>(13,845)</b>	<b>17,506</b>						
<b>Balance at 1 April 2014</b>	31,351	(14,905)	16,446						
Loss for the year	-	658	658						
Total comprehensive income	-	658	658						
<b>Balance as at 31 December 2014</b>	<b>31,351</b>	<b>(14,247)</b>	<b>17,104</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.**

**Number of shares**

As at 31 December 2015 252,629,483

As at 31 March 2015 252,629,483

There were no treasury shares as at 30 September 2015 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 Third Quarter ended 31 Dec		Group 9 months ended 31 Dec	
	2015 cents	2014 cents	2015 cents	2014 cents
(i) Based on the weighted average number of ordinary shares in issue	0.33	(0.25)	(0.90)	(0.98)
(ii) On a fully diluted basis	0.33	(0.25)	(0.90)	(0.98)

**Note:**

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

December 2015 - 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-Dec 2015 cents	31-Mar 2015 cents	31-Dec 2015 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	13.49	14.79	6.93	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 for the period ended 31 December 2015 (3QFY2016) registered \$26.4 million, a decline of 29% versus the corresponding period. The decline in sales is mainly due to closure of non-performing outlets and discontinued brands.

The gross profit margin increased from 48% to 51%. The gross margin increased mainly due to less markdowns given.

Other operating income decreased by \$0.5 million. In the last corresponding period, the company received dividend from the associated company and rental income amounting to \$0.2 million and \$0.1 million respectively. There was no such income for this financial period.

Distribution costs decreased by 18% or \$2.4 million. The decrease in distribution costs is mainly due to closure of non-performing outlets.

The Group's share of results of the associated company has improved from a loss of \$1.3 million to a profit of \$17K.

Net loss attributable to owners of the Company was \$2.3 million in 3QFY2016 as compared to \$2.5 million in 31 December 2014 ("3QFY2015").

#### **Balance Sheet Review**

The Group's inventories reduced as compared to 31 March 2015. The reduction in inventories was mainly due to better control over the purchases of inventory during the financial period.

The Company's trade and other receivable reduced by \$0.5 million as compared to 31 Mar 2015. The Group's trade and other receivable increased mainly due to the increased sales of its subsidiary in Taiwan.

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

The Group's other non-financial assets decreased mainly due to lower advance payments to suppliers.

The Group's and the Company's property, plant and equipment decreased mainly due to depreciation charged during the financial period.

The Group's bills payable increased by \$2.8 million mainly due to increased utilization of bills payable facilities by its subsidiary in Taiwan.



The Company's borrowings decreased as there was no utilisation of overdraft facilities during the financial period. The Group's borrowings have decreased by \$0.6 million mainly due to repayment during the financial period.

### **Cashflow Review**

Net cash from operating activities decreased by \$0.5 million mainly due to slower debts collection.

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

**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 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 in the region that we operate remain challenging. The Group will continue to focus on its core business, 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.

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 2015 and 31 December 2014.

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	
	31.12.15 \$'000	31.12.14 \$'000	31.12.15 \$'000	31.12.14 \$'000
VGO Corporation Limited				
- Purchase	-	-	-	25
- Sales	-	-	26	4,006
W.O.S World of Sports (M) Sdn Bhd				
- Sale	-	-	-	1,713
- Purchase	-	-	-	-

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua  
Company Secretary  
05 February 2016



**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 30 Sep 2015 to be false or misleading in any material respect.

**On Behalf of the Board of Directors**

**Goh Ching Wah**  
Director

**Wong King Kheng**  
Director

05 February 2016

15. **Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.