



First Quarter Financial Statements For the Period Ended 30 June 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.**

	<b>Group</b>		%
	<b>3 months ended 30 June</b>		
	<b>2014</b>	<b>2013</b>	
	<b>\$'000</b>	<b>\$'000</b>	Change
Revenue	11,561	13,860	(16.6)
Cost of sales	(6,107)	(6,852)	(10.9)
<b>Gross profit</b>	<b>5,454</b>	<b>7,008</b>	(22.2)
Other operating income	222	654	(66.1)
Distribution costs	(4,749)	(6,714)	(29.3)
Administrative expenses	(1,661)	(3,021)	(45.0)
<b>Loss from operations</b>	<b>(734)</b>	<b>(2,073)</b>	N/M
Interest income	4	5	(20.0)
Finance expense	(63)	(74)	(14.9)
Changes in fair value of quoted investments	-	(189)	N/M
Share of results of the associated company	(85)	151	N/M
<b>Loss before income tax</b>	<b>(878)</b>	<b>(2,180)</b>	N/M
Income tax	(46)	(18)	N/M
<b>Loss after income tax</b>	<b>(924)</b>	<b>(2,198)</b>	N/M
<b>Other comprehensive income</b>			
Foreign currency translation	44	(50)	N/M
Revaluation reserve	-	859	N/M
Legal reserve	7	8	N/M
Other comprehensive income for the period	51	817	N/M
<b>Total comprehensive income for the period</b>	<b>(873)</b>	<b>(1,381)</b>	N/M
<b>Loss attributable to:</b>			
Owners of the Company	(957)	(2,226)	N/M
Non-controlling interests	33	28	N/M
	<b>(924)</b>	<b>(2,198)</b>	N/M
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(900)	(1,381)	N/M
Non-controlling interests	27	-	N/M
	<b>(873)</b>	<b>(1,381)</b>	N/M

NM - Not meaningful

1(a)(ii) Note:-

	Notes	Group		% Change
		3 months ended 2014 \$'000	30 June 2013 \$'000	
Loss from operations is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment		551	809	(31.9)
Net foreign exchange loss /(gain)		(71)	(43)	N/M
Write-back of allowance for inventory obsolescence		(408)	-	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>30.06.14</b>	<b>31.03.14</b>	<b>30.06.14</b>	<b>31.03.14</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>		<b>(Restated)</b>		<b>(Restated)</b>
<b>Current assets</b>				
Inventories	16,358	17,778	2,550	4,016
Trade and other receivable	5,694	4,885	2,132	1,480
Prepayment	392	406	12	39
Other current financial assets	1,746	2,242	242	249
Other current non-financial assets	665	673	378	383
Cash and bank balances	4,539	4,150	221	128
	<b>29,394</b>	<b>30,134</b>	<b>5,535</b>	<b>6,296</b>
<b>Non-current assets</b>				
Investment in associated company	20,835	21,044	13,252	13,252
Investment in subsidiaries	-	-	1,726	1,726
Property, plant and equipment	4,356	4,503	564	652
Deferred tax assets	352	350	-	-
	<b>25,543</b>	<b>25,897</b>	<b>15,542</b>	<b>15,630</b>
<b>Total assets</b>	<b>54,937</b>	<b>56,031</b>	<b>21,077</b>	<b>21,926</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	7,886	8,390	2,815	3,233
Bills payable	813	766	573	727
Borrowings	4,263	3,978	1,532	1,274
Income tax liabilities	-	36	-	-
Other Liabilities	105	134	105	134
	<b>13,067</b>	<b>13,304</b>	<b>5,025</b>	<b>5,368</b>
<b>Non-current liabilities</b>				
Borrowings	2,754	2,737	112	112
	<b>2,754</b>	<b>2,737</b>	<b>112</b>	<b>112</b>
<b>Total liabilities</b>	<b>15,821</b>	<b>16,041</b>	<b>5,137</b>	<b>5,479</b>
<b>Net assets</b>	<b>39,116</b>	<b>39,990</b>	<b>15,940</b>	<b>16,446</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	31,351	31,351	31,351	31,351
Revaluation reserve	2,802	2,802	-	-
Other reserve	(71)	(71)	-	-
Legal reserve	1,213	1,207	-	-
Translation reserve	(4,376)	(4,426)	-	-
Accumulated profits/(losses)	7,471	8,428	(15,411)	(14,905)
	<b>38,390</b>	<b>39,291</b>	<b>15,940</b>	<b>16,446</b>
<b>Total shareholders' equity</b>	<b>38,390</b>	<b>39,291</b>	<b>15,940</b>	<b>16,446</b>
<b>Non-controlling interests</b>	<b>726</b>	<b>698</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>39,116</b>	<b>39,990</b>	<b>15,940</b>	<b>16,446</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 30.06.14</b>		<b>As at 31.03.14</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
2,652	2,434	2,581	2,164

**Amount repayable after one year**

<b>As at 30.06.14</b>		<b>As at 31.03.14</b>	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
2,753	-	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 30 June 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 3 Months Ended 30 June	
	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>		
Loss before tax	(878)	(2,180)
Adjustments for:		
Share of results of the associated company	85	(151)
Depreciation of property, plant and equipment	551	809
Dividend from quoted investments	-	(22)
Unrealised foreign exchange gain	(43)	(155)
Interest income	(4)	(5)
Finance expense	63	74
Changes in fair value of quoted investmen	-	189
Write-off of property, plant and equipment	1	-
<b>Operating cash flow before working capital changes</b>	<b>(225)</b>	<b>(1,441)</b>
<b>Changes in working capital:</b>		
Decrease in inventories	1,420	216
Increase in trade and other receivables	(313)	(248)
Decrease/(increase) in other current assets and prepayments	23	(107)
Increase/(decrease) in trade and other payables, and bills payable	(486)	(293)
<b>Net cash from/(used in) operations</b>	<b>419</b>	<b>(1,873)</b>
Income tax paid	(82)	(84)
Interest received	4	5
Interest paid	(63)	(74)
<b>Net cash from/(used in) operating activities</b>	<b>278</b>	<b>(2,026)</b>
<b>Cash flows from investing activities</b>		
Dividends received	164	254
Purchase of property, plant and equipment	(434)	(364)
<b>Net cash used in investing activities</b>	<b>(270)</b>	<b>(110)</b>
<b>Cash flows from financing activities</b>		
Proceeds/(Repayment of) from borrowings	128	3,905
Repayment of from lease liabilities	(39)	(22)
Increase in restricted bank deposits	64	337
<b>Net cash from financing activities</b>	<b>153</b>	<b>4,220</b>
Net increase in cash and cash equivalents	161	2,084
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	78	2
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1,958</b>	<b>3,860</b>
Cash and bank balances	4,539	6,023
Less: Bank overdrafts	(1,612)	(1,895)
Less : restricted bank deposits	(969)	(268)
<b>Cash and cash equivalents as per above</b>	<b>1,958</b>	<b>3,860</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\$969,000 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 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	-	-	-	-	-	(957)	(957)	33	(924)
Foreign currency translation	-	-	50	-	-	-	50	(6)	44
Transfer from legal reserve	-	7	-	-	-	-	7	-	7
Share of other comprehensive income of	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	7	50	-	-	(957)	(900)	27	(873)
<b>Balance as at 30 June 2014</b>	<b>31,351</b>	<b>1,214</b>	<b>(4,376)</b>	<b>2,802</b>	<b>(71)</b>	<b>7,471</b>	<b>38,391</b>	<b>725</b>	<b>39,116</b>
<b>Balance at 1 April 2013</b>	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 owners	-	-	-	-	-	-	-	(15)	(15)
<b>Balance as at 30 June 2013</b>	<b>31,351</b>	<b>1,214</b>	<b>(3,956)</b>	<b>933</b>	<b>(71)</b>	<b>15,330</b>	<b>44,801</b>	<b>761</b>	<b>45,562</b>
<b>COMPANY</b>									
	Share capital	Accumulated loss	Total equity						
<b>Balance at 1 April 2014</b>	31,351	(14,905)	16,446						
Loss for the period	-	(506)	(506)						
Total comprehensive income	-	(506)	(506)						
<b>Balance as at 30 June 2014</b>	<b>31,351</b>	<b>(15,411)</b>	<b>15,940</b>						
<b>Balance at 1 April 2013</b>	31,351	(7,193)	24,158						
Loss for the period	-	(1,633)	(1,633)						
Total comprehensive income	-	(1,633)	(1,633)						
<b>Balance as at 30 June 2013</b>	<b>31,351</b>	<b>(8,826)</b>	<b>22,525</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 30 June 2014	252,629,483
As at 31 March 2014	252,629,483

There were no treasury shares as at 30 June 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.**

<b>Loss per share attributable to owners of the Company:-</b>	<b>Group</b>	
	<b>3 months ended 30 June 2014</b>	<b>2013</b>
	<b>cents</b>	<b>cents</b>
(i) Based on the weighted average number of ordinary shares in issue	(0.38)	(0.88)
(ii) On a fully diluted basis	(0.38)	(0.88)

**Note:**

Earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue during the period ended 30 June 2014 and 31 March 2014 as follows:

June 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	
	30-Jun 2014 cents	31-Mar 2014 cents	30-Jun 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	15.20	15.55	6.31	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 30 June 2014 (Q1FY2015) registered \$11.6 million, a decline of 16.6% versus the corresponding period. The decline in sales is mainly due to closure of non performing outlets.

The gross profit margin reduced from 50.5% to 47.2%. 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 66% or \$0.4 million as compared to the corresponding period, mainly contributed by decreased rental and dividend income received from an associated company.

Distribution costs decreased by 29.3% to \$4.7 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 45% to \$1.7 million as compared to the corresponding period, principally due to a write back of allowance for stock obsolescence and decrease in expenses relating to the office building.

The Group's share of results of the associated company has reduced from a profit of \$0.1 million to a loss of \$0.1 million due to poorer results of the associated company.

Net loss attributable to owners of the Company was \$0.9 million in Q1FY2015 as compared to \$2.2 million in Q1FY2014.

#### **Balance Sheet Review**

The Group's and the Company's inventories reduced as compared to 31 March 2013. The reduction in inventories was mainly due to higher seasonal sales during the Great Singapore Sales and better control over the purchases of inventory.

The Company's trade and other receivables increased by \$0.8 million as compared to 31 March 2013 mainly due to slower collections.

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

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

The Group's borrowings have increased by \$0.3 million mainly due to higher utilization of bank overdraft



facilities.

### **Cashflow Review**

Net cash from operating activities before changes in working capital increased by \$1.2 million was largely due to lower loss for the period.

Net cash from financing activities decrease because the Group received more financing from the Banks 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 30 May 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, 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 30 June 2104 and 30 June 2013:

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 trsactions conducted under shareholders' mandate pursuant to Rule 920)	
	30.06.14 \$'000	30.06.13 \$'000
VGO Corporation Limited		
- Purchase	-	-
- Sales	-	255

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua  
Company Secretary  
11 August 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 three months ended 30 June 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

11 August 2014