



Second Quarter Financial Statements For the Period Ended 30 September 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 Second Quarter Ended 30 Sep			Group Half Year Ended Ended 30 Sep			% Change
	2014 \$'000	2013 \$'000	% Change	2014 \$'000	2013 \$'000	% Change	
Revenue	13,466	13,079	3.0	25,027	26,939	(7.1)	
Cost of sales	(7,614)	(6,801)	12.0	(13,721)	(13,653)	0.5	
Gross profit	5,852	6,278	(6.8)	11,306	13,286	(14.9)	
Other operating income	323	878	(63.2)	545	1,532	(64.4)	
Distribution costs	(4,267)	(6,071)	(29.7)	(9,016)	(12,785)	(29.5)	
Administrative expenses	(1,748)	(3,351)	(47.8)	(3,409)	(6,372)	(46.5)	
Profit/(Loss) from operations	160	(2,266)		(574)	(4,339)	N/M	
Interest income	2	2	-	6	7	(14.3)	
Finance expense	(59)	(117)	(49.6)	(122)	(191)	(36.1)	
Changes in fair value of quoted investments	-	86	N/M	-	(103)	N/M	
Share of results of the associated company	(1,036)	(742)	N/M	(1,121)	(591)	N/M	
Loss before income tax	(933)	(3,037)		(1,811)	(5,217)	N/M	
Income tax	52	117	(55.4)	6	99	N/M	
Loss after income tax	(881)	(2,920)		(1,805)	(5,118)	N/M	
Other comprehensive income							
Foreign currency translation	-	(12)	N/M	44	(62)	N/M	
Revaluation reserve	-	1,793	N/M	-	2,652	N/M	
Legal reserve	(1)	16	N/M	6	24	N/M	
Share of other comprehensive income of the associated company	-	(295)	N/M	-	(295)	N/M	
Other comprehensive income for the period	(1)	1,502	N/M	50	2,319	N/M	
Total comprehensive income for the period	(882)	(1,418)	N/M	(1,755)	(2,799)	N/M	
Loss attributable to:							
Owners of the Company	(883)	(2,881)	N/M	(1,840)	(5,107)	N/M	
Non-controlling interests	2	(39)	N/M	35	(11)	N/M	
	(881)	(2,920)	N/M	(1,805)	(5,118)	N/M	
Total comprehensive income attributable to:							
Owners of the Company	(883)	(1,456)	N/M	(1,784)	(2,837)	N/M	
Non-controlling interests	2	38	N/M	29	38	N/M	
	(882)	(1,418)	N/M	(1,755)	(2,799)	N/M	

NM - Not meaningful

1(a)(ii) Note:-

Notes	Group Second Quarter Ended 30 September			Group Half Year Ended 30 September		
	2014	2013	%	2014	2013	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
Loss from operations is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	499	590	(15.4)	1,050	1,399	(24.9)
Net foreign exchange loss /(gain)	13	47	(72.3)	(58)	4	N/M
Write-back of allowance for inventory obsolescence	(15)	-	N/M	(423)	-	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>	
	30.09.14 \$'000	31.03.14 \$'000 (Restated)	30.09.14 \$'000	31.03.14 \$'000 (Restated)
ASSETS				
Current assets				
Inventories	14,002	17,778	335	4,016
Trade and other receivable	9,001	4,885	3,925	1,480
Prepayment	626	406	31	39
Other current financial assets	1,758	2,242	125	249
Other current non-financial assets	339	673	-	383
Cash and bank balances	3,951	4,150	46	128
	<u>29,677</u>	<u>30,134</u>	<u>4,462</u>	<u>6,296</u>
Non-current assets				
Investment in associated company	19,799	21,044	13,252	13,252
Investment in subsidiaries	-	-	969	1,726
Property, plant and equipment	4,328	4,503	479	652
Deferred tax assets	352	350	-	-
	<u>24,479</u>	<u>25,897</u>	<u>14,700</u>	<u>15,630</u>
Total assets	<u>54,156</u>	<u>56,031</u>	<u>19,162</u>	<u>21,926</u>
LIABILITIES				
Current liabilities				
Trade and other payables	7,474	8,390	2,308	3,233
Bills payable	45	766	45	727
Borrowings	5,635	3,978	1,225	1,274
Income tax liabilities	-	36	-	-
Other Liabilities	87	134	87	134
	<u>13,241</u>	<u>13,304</u>	<u>3,665</u>	<u>5,368</u>
Non-current liabilities				
Borrowings	2,681	2,737	112	112
	<u>2,681</u>	<u>2,737</u>	<u>112</u>	<u>112</u>
Total liabilities	<u>15,922</u>	<u>16,041</u>	<u>3,777</u>	<u>5,479</u>
Net assets	<u>38,234</u>	<u>39,990</u>	<u>15,385</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	1,213	1,207	-	-
Translation reserve	(4,376)	(4,426)	-	-
Accumulated profits/(losses)	6,588	8,428	(15,966)	(14,905)
	<u>37,507</u>	<u>39,291</u>	<u>15,385</u>	<u>16,446</u>
Total shareholders' equity	<u>37,507</u>	<u>39,291</u>	<u>15,385</u>	<u>16,446</u>
Non-controlling interests	<u>727</u>	<u>698</u>	<u>-</u>	<u>-</u>
Total equity	<u>38,234</u>	<u>39,990</u>	<u>15,385</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 30.09.14		As at 31.03.14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,195	1,486	2,581	2,164

Amount repayable after one year

As at 30.09.14		As at 31.03.14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
2,680	-	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 0.22 times as at 30 September 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 Second Quarter Ended 30 Sep		Group Half Year Ended 30 Sep	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities				
Losses before tax	(933)	(3,037)	(1,811)	(5,217)
Adjustments for:				
Share of results of the associated company	1,036	666	1,121	515
Depreciation of property, plant and equipment	500	590	1,050	1,399
Dividend from quoted investments	-	-	-	(22)
Unrealised foreign exchange gain	17	150	(26)	(5)
Interest income	(2)	(2)	(6)	(7)
Finance expense	59	117	122	191
Gain on disposal of property, plant and equipment	34	17	34	17
Changes in fair value of quoted investmen	-	(85)	-	104
Write-off of property, plant and equipment	7	-	8	
Operating cash flow before working capital changes	718	(1,583)	492	(3,024)
Changes in working capital:				
Decrease/(increase) in inventories	2,357	(1,141)	3,777	(925)
(Increase)/decrease in trade and other receivables	(2,994)	1,323	(3,307)	1,075
Increase/(decrease) in other current assets and prepayments	(233)	31	(210)	(76)
(Decrease)/increase in trade and other payables, and bills payable	(1,198)	(1,769)	(1,684)	(2,062)
Net cash used in operations	(1,350)	(3,139)	(932)	(5,012)
Income tax paid	52	115	(30)	31
Interest received	2	2	6	7
Interest paid	(59)	(117)	(122)	(191)
Net cash used in operating activities	(1,355)	(3,139)	(1,078)	(5,165)
Cash flows from investing activities				
Dividends received	-	-	164	254
Purchase of property, plant and equipment	(517)	(867)	(951)	(1,231)
Net cash used in investing activities	(517)	(867)	(787)	(977)
Cash flows from financing activities				
Proceeds from borrowings	1,542	1,533	1,670	5,437
Repayment of from lease liabilities	(74)	(7)	(113)	(29)
Increase in restricted bank deposits	(104)	(29)	(40)	308
Net cash from financing activities	1,364	1,497	1,517	5,716
Net decrease in cash and cash equivalents	(508)	(2,509)	(348)	(426)
Cash and cash equivalents at the beginning of the financial year	1,958	3,860	1,719	1,774
Effects of exchange rate changes on cash and cash equivalents	(14)	(96)	65	(93)
Cash and cash equivalents at the end of the financial period	1,436	1,255	1,436	1,255
Cash and bank balances	3,951	4,074	3,951	4,074
Less: Bank overdrafts	(1,442)	(2,522)	(1,442)	(2,522)
Less : restricted bank deposits	(1,073)	(297)	(1,073)	(297)
Cash and cash equivalents as per above	1,436	1,255	1,436	1,255

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\$1,073,000 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 period	-	-	-	-	-	(1,840)	(1,840)	35	(1,805)
Foreign currency translation	-	-	50	-	-	-	50	(6)	44
Transfer from legal reserve	-	6	-	-	-	-	6	-	6
Share of other comprehensive income of	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	6	50	-	-	(1,840)	(1,784)	29	(1,755)
Balance as at 30 Sep 2014	31,351	1,213	(4,376)	2,802	(71)	6,588	37,507	727	38,234
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 owners	-	-	-	-	-	-	-	(15)	(15)
Balance as at 30 Sep 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						
Loss for the period	-	(1,061)	(1,061)						
Total comprehensive income	-	(1,061)	(1,061)						
Balance as at 30 Sep 2014	31,351	(15,966)	15,385						
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 30 Sep 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 30 September 2014	252,629,483
As at 31 March 2014	252,629,483

There were no treasury shares as at 30 September 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 Second Quarter ended 30 Sep		Group 6 months ended 30 Sep	
	2014 cents	2013 cents	2014 cents	2013 cents
(i) Based on the weighted average number of ordinary shares in issue	(0.35)	(1.14)	(0.73)	(2.02)
(ii) On a fully diluted basis	(0.35)	(1.14)	(0.73)	(2.02)

Note:

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

September 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-Sep 2014 cents	31-Mar 2014 cents	30-Sep 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	14.85	15.55	6.09	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 September 2014 (1HFY2015) registered \$25.0 million, a decline of 7.1% versus the corresponding period. The decline in sales is mainly due to closure of non-performing outlets.

The gross profit margin reduced from 49.3% to 45.2%. 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 64.4% or \$0.9 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 at the start of financial year.

Distribution costs decreased by 29.5% to \$9.0 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 46.5% to \$3.4 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 \$1.1 million due to poorer results of the associated company.

Net loss attributable to owners of the Company was \$1.8 million in 1HFY2015 as compared to \$5.2 million in 1HFY2014.

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. Follow this, the Group's and the Company's trade and other receivables increased as compared to 31 March 2014 mainly due to the increase in amount due from related parties.

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 43.8% due to impairment of loss of s 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 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 reduced from \$5.1 million to \$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 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 August 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 operation 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	
	30.09.14 \$'000	30.09.13 \$'000	30.09.14 \$'000	30.09.13 \$'000
VGO Corporation Limited				
- Purchase	-	-	-	138
- Sales	-	-	3,885	885
W.O.S World of Sports (M) Sdn Bhd				
- Sale	-	-	1,745	49
- Purchase	-	-	-	-

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary
13 November 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 September 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

13 November 2014