ADAPTING & THRIVING

OSSIA
INTERNATIONAL LIMITED

ANNUAL REPORT 2023

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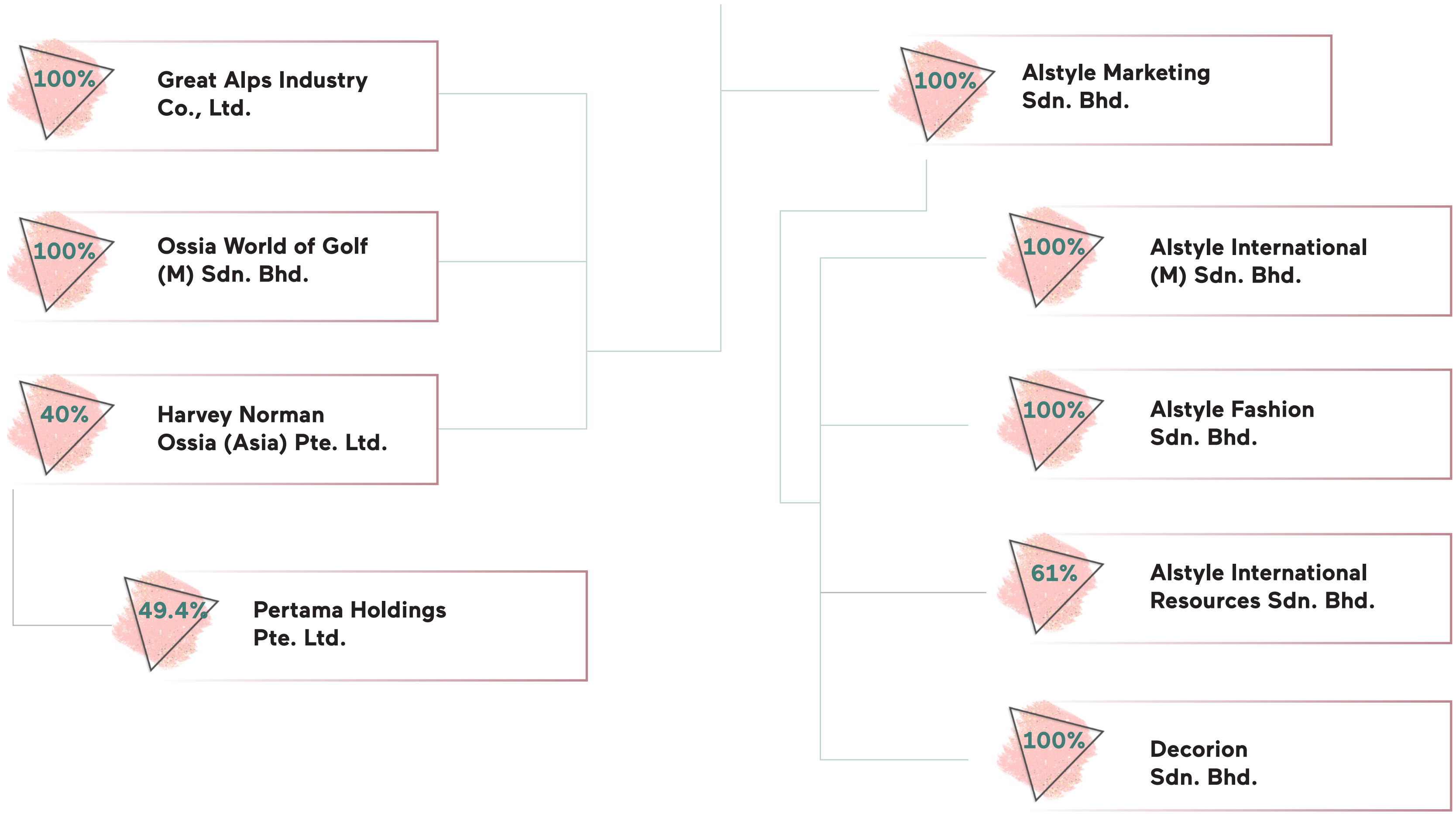
OSSIA
INTERNATIONAL LIMITED



CORPORATE PROFILE

OVERVIEW

Established since 1982, Ossia is a leading regional distributor and retailer of lifestyle, outdoors, luggage and accessories products. Ossia was listed on the main board of Singapore Exchange Securities Trading Limited (SGX-ST) on 20 November 1996.

The Group subsidiary in Taiwan has exclusive distribution rights for Kangol, True Religion, Tumi, Columbia and Sorel.

The Group subsidiary in Malaysia has ceased operations since Jan 2019 and is currently dormant.

The Group holds an effective 19.8% stake in Pertama Holdings Pte. Ltd., a leading retailer of consumer electronics and home furnishings trading under Harvey Norman retail stores in Singapore and Malaysia.

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Group for the financial year ended 31 March 2023. ("FY2023").

Below are some highlights of the performance of the Group for the financial year ended 31 March 2023.

Financial Review

The Group's revenue for the year ended 31 March 2023 registered $30.2 million compared to $23.67 million in the corresponding previous financial year, an increase of 27.6%. The increase in sales is mainly due to travel restrictions being lifted, an influx of tourists and travellers has resulted in increased foot traffic and consumer spending in retail establishments. This uptick in retail activity has led to improved sales performance and enhanced profitability for the group's retail operations.

There was no major fluctuation in gross profit margin for the financial year ended 31 March 2023.

No major fluctuation in the other operating income.

Distribution costs increased from $8.18 million to $8.87 million. The increase in distribution costs is in line with the increase in revenue. Higher sales commissions and shopping mall management fees, which was a result of higher sales during the financial year.

Administrative expenses increased from $3.73 million to $4.73 million. As a result of improved financial performance and the positive impact of business travel on revenue generation, the group experienced higher profits. To recognize and reward employees for their contributions to the company's success, the company accrued higher bonus expenses.

The Group's share of results of the associated company has increased from $5.54 million to $7.88 million due to increase in the in sales performance of the associated company during the financial year.

Balance Sheet Review

No major fluctuation in the inventories.

The Group's current trade and other receivables decreased slightly from $4.61 million to $4.51 million mainly due to collection from trade receivable and related parties during the year.

The Group's non-current trade and other receivables decreased mainly due to collection from related parties during the year.

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

The Group's right-of-use assets and lease liabilities increased mainly due to new lease entered into during the year for the retail shop for the Taiwan's subsidiary and office for Singapore company.

The Group's current trade and other increased from $3.62 million to $4.06 million as businesses reopen and economic activity resumes. The group's payable increased in preparation for the upcoming spring/summer collection and to meet the anticipated higher demand.

The Group's bank borrowing has been reduced to zero as the group recovers from the effects of the COVID-19 pandemic, it has successfully managed its financial position and generated enough cash flow to meet its operational and financial needs. This positive development has led to a reduction in the utilization of bank facilities.

GROUP EXECUTIVE CHAIRMAN'S STATEMENT

Cash flow Review

Net cash from operating activities decreased due to income tax payments and a change in payment method to suppliers, resulting in lesser utilization of bank facilities.

Net cash from investing activities increased mainly due to dividend received from associate company during the financial year.

Net cash used in financing activities decreased mainly the group's bank facilities were reduced due to the presence of sufficient cash within the group.

Moving Forward

The Group has undertaken a careful review of its operations in order to align operating costs and strategies with market expectations in the new normal. The Group will continue to ride on any recovery in the industries as global transits to the endemic stage of the current COVID-19 pandemic.

Acknowledgement

I would like to express my heartfelt thanks to our shareholders, customers, bankers and business associates for their invaluable support, and my warm appreciation to our Directors, management team and all employees for their commitment and dedication throughout the year.

Goh Ching Wah, George
Group Executive Chairman

MR GOH CHING WAH

Group Executive Chairman

Mr George Goh (Age: 64) is the Group Executive Chairman of the company. George and his brothers (Messrs Goh Ching Huat, Steven and Goh Ching Lai, Joe) are experienced entrepreneurs who co-founded the Group. George is also the Executive Deputy Chairman of Pertama Holdings Pte Ltd trading under the name of "Harvey Norman", which retails electrical, computer, furniture and household products. George, together with his two brothers, were the winners of the 1994 Rotary-ASME Entrepreneur Award. George and his two brothers have more than 35 years of experience in distribution and retailing of lifestyle/sporting/outdoors products in footwear, apparel, sporting /outdoors goods, bags and accessories under the Group. George is responsible for the overall Group direction, strategic planning and business development. George is also a member of the Nominating Committee for the Group.

MR GOH CHING HUAT

Chief Executive Officer / Executive Director

Mr Steven Goh (Age: 58) was appointed as Director on 1 September 1990 and re-designated as Executive Director on 1 July 2006. Steven and his brothers (Messrs Goh Ching Wah, George and Goh Ching Lai, Joe) were the winners of the 1994 Rotary-ASME Entrepreneur Award. Steven and his two brothers have more than 35 years of experience in distribution and retailing of lifestyle/sporting/outdoors products in footwear, apparel, bags and accessories under the Group. Steven is responsible for the overall management of the Group and businesses.

MR GOH CHING LAI

Non-Executive Director w.e.f 1 July 2021

Mr Joe Goh (Age: 64) was appointed as Director on 1 September 1990, re-designated as Non-Executive Director on 1 May 2009 and redesignated as Executive Director on 17 June 2016. On 1 July 2021, Mr Joe Goh was re-designated as Non-Executive Director.

The Goh brothers were the winners of the 1994 Rotary-ASME Entrepreneur Award. Their business interests range from marketing, distribution, retailing, technology and property development investments in the Asia Pacific region. Joe is a Non-Executive Director of Pertama Holdings Private Limited, trading under the name of "Harvey Norman", which retails electrical, computer, furniture and household products. Joe and his two brothers have more than 35 years of experience in distribution and retailing of lifestyle/ sporting/ outdoors products in footwear, apparel, bags and accessories under the Group. Joe is a member of the Nominating Committee for the Group.

NON-EXECUTIVE DIRECTORS

MR WONG KING KHENG

Independent / Non-Executive Director

Mr James Wong (Age: 70) was appointed on 28 October 1996 as an Independent/Non-Executive Director. James is presently the Managing Partner of KK Wong and Associates, a public accounting firm in Singapore which he founded in 2000. In addition, James is also the Managing Director of Soh & Wong Management Consultants Pte Ltd which provides consulting services for regional tax planning, merger and acquisition, strategic business plans and advises on initial public offering services including restructuring, feasibility studies, recruitment, profit forecasts and financial restructuring. James was the founder and Managing Partner of Soh, Wong & Partners, a public accounting firm from 1989 to 2000. Prior to that, James was an audit manager in an international accounting firm which gave him extensive exposure in the fields of auditing, tax planning, management consulting and public listing consulting. James is a member of the Institute of Singapore Chartered Accountants (ISCA), Australian CPA and Malaysian Institute Of Accountant. Besides being the Chairman of the Audit Committee, member of the Remuneration Committee and the Nominating Committee for the Group, James also holds directorships in Tiong Woon Corporation Holding Limited, Hatten Land Limited and JCY International Limited.

MR ANTHONY CLIFFORD BROWN

Independent / Non-Executive Director

Mr Anthony Brown (Age: 83) was appointed on 25 May 2002 as an Independent/Non-Executive Director. Anthony was formerly the Vice President and General Manager of Prince Sports Group of United States of America for the Asia Pacific region. In this capacity, Anthony was responsible for sales and marketing of Prince sports products throughout Asia Pacific. Previously he was the Managing Director of LEGO Australia Pty Ltd, and held senior management position in The Coca-Cola Company in Australia, Japan and Indonesia. Anthony was the winner of a UK State Scholarship and holds an honours degree in Economics from The L.S.E. (London University). Anthony is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

MS MAE HENG SU-LING

Independent / Non-Executive Director

Ms Mae Heng (Age: 52) was appointed on 27 April 2010 as an Independent/Non-Executive Director. Mae is a member of the Audit and Nominating Committees and Chairman of the Remuneration Committee for the Group. Ms Heng spent over 16 years with Ernst and Young Singapore. She is an Independent / Non-Executive Director of HRnetGroup Limited, Chuan Hup Holdings Limited, Grand Venture Technology Limited, Rex International Holding Limited and Novo Tellus Alpha Acquisition, each of which is listed on the SGX-ST, and Rex International Holding Limited., which is listed on Bursa Malaysia. She also holds directorships in her family-owned investment holding companies. Ms Heng received her Bachelor of Accountancy from Nanyang Technological University in 1992 and is a Fellow Chartered Accountant of Singapore, and an ASEAN Chartered Professional Accountant.

MR HSU CHIN TUNG

Managing Director

Mr Alan Hsu is the Managing Director of Great Alps Industry Co., Ltd. Alan is responsible for the product development, brand management, marketing and distribution of footwear, apparel, bags, accessories in Taiwan.

Alan joined as a Brand Manager in 1996 and was promoted to Managing Director in 2001. Prior to joining, Alan was the Product Developer of E.S. Original. Alan graduated from Ta-Ming Junior College of Commerce in 1990 with a Diploma in Business Administration.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR GOH CHING WAH, GEORGE
Group Executive Chairman

MR GOH CHING HUAT, STEVEN
Chief Executive Officer/
Executive Director

MR GOH CHING LAI, JOE
Non-Executive Director

MR WONG KING KHENG
Independent/
Non-Executive Director

MR ANTHONY CLIFFORD BROWN
Independent/
Non-Executive Director

MS HENG SU-LING, MAE
Independent/
Non-Executive Director

AUDIT COMMITTEE

MS HENG SU-LING, MAE *(Chairman)*
MR ANTHONY CLIFFORD BROWN
MR WONG KING KHENG

NOMINATING COMMITTEE

MR ANTHONY CLIFFORD BROWN *(Chairman)*
MR WONG KING KHENG
MS HENG SU-LING, MAE
MR GOH CHING WAH, GEORGE
MR GOH CHING LAI, JOE

REMUNERATION COMMITTEE
MR WONG KING KHENG *(Chairman)*
MS HENG SU-LING, MAE
MR ANTHONY CLIFFORD BROWN

COMPANY SECRETARIES

MS LOTUS ISABELLA LIM MEI HUA
MS LEE BEE FONG

REGISTERED OFFICE

OSSIA INTERNATIONAL LIMITED
CO. REGN NO.: 199004330K
51 CHANGI BUSINESS PARK CENTRAL 2
#08-13 THE SIGNATURE,
SINGAPORE 486066
TEL: (65) 6543 1133 FAX: (65) 6543 5800

SHARE REGISTRAR

TRICOR BARBINDER SHARE REGISTRATION SERVICES
(A DIVISION OF TRICOR SINGAPORE PTE LTD)
80 ROBINSON ROAD #12-02
SINGAPORE 068898

PRINCIPAL BANKER

THE DEVELOPMENT BANK OF SINGAPORE LTD

AUDITORS

MAZARS LLP
135 CECIL STREET
#10-01
SINGAPORE 069536

PARTNER-IN-CHARGE

MR WONG ZI EN
(APPOINTED SINCE FINANCIAL YEAR 2023)

SUSTAINABILITY REPORT

BOARD STATEMENT

Dear Stakeholders,

The Board of Directors ("Board") of Ossia International Limited (the "Company" and together with its subsidiaries, the "Group") is pleased to present its Sustainability Report ("Report") for the financial year ended on 31 March 2023 ("FY2023"). This Report reflects our unwavering commitment to generating positive impacts on the environment and society, creating lasting shared value for our business and stakeholders.

Being the leading regional distributor and retailer of lifestyle, outdoors, luggage and accessories products, the Group recognises that sustainable development is imperative for the Group's long-term success. Efforts to combat climate change have accelerated and intensified since the Paris Agreement. The Board deeply believes in the importance of respecting human rights across our operations and value chain and is responsible for integrating sustainability considerations such as Economic, Environmental, Social and Governance ("EESG") factors as part of our strategy formulation. Our vision is to make good progress on sustainability initiatives in our business operations, coupled efforts to reduce our organisational carbon and environmental footprint. Notably, we have adopted several disclosures of the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.

Our commitment to human rights is reinforced by our Board of Directors through our Code of Conduct. Our reporting concerns mechanism helps us ensure that we listen to and act on the grievances of those whose human rights might be impacted by our activities. The Board and Audit Committee ("AC") is responsible for the monitoring and overseeing of salient sustainability issues. To identify and prioritise the issues that are most relevant to our stakeholders and our business, we have analysed our stakeholders' expectations as well as the social, environmental and economic impacts along our value chain in a materiality analysis. To fulfill the targets, we aim to promote the Group's development in short-, medium- and long-term developments, and actively monitor our progress to achieve these ends. Looking ahead, we aim to progressively enhance our sustainability performance to strengthen the growth of our business in the long-term.

We would like to take this opportunity to express our utmost gratitude for the support provided by all our stakeholders along this journey, and we aim to continue working jointly with all stakeholders to create greater value and build a sustainable future in the years ahead.

Yours faithfully,

For and on behalf of the Board

MR. GOH CHING HUAT
Chief Executive Officer and Executive Director

CORPORATE PROFILE

Dear Stakeholders,

Established since 1982, Ossia is a leading regional distributor and retailer of lifestyle, outdoors, luggage and accessories products. Ossia was listed on the main board of Singapore Exchange Securities Trading Limited (SGX-ST) on 20 November 1996.

The Group's subsidiary in Taiwan has exclusive distribution rights for Kangol, True Religion, Tumi, Columbia and Sorel.

The Group holds an effective 19.8% stake in Pertama Holdings Pte. Ltd., a leading retailer of consumer electronics and home furnishings trading under Harvey Norman retail stores in Singapore and Malaysia.

ABOUT THIS REPORT

Scope of Report

This report focuses on Ossia International Limited's commitments to Economic, Environment, People and Governance integration for the financial year ended 31 March 2023. The data and information disclosed, coupled with contents within this report have been delivered in good faith and to the best of our knowledge. The coverage of the data collection includes the office in Singapore as well as the Taiwan subsidiary.

Reporting Framework

The Report has been prepared under Rule 711A and 711B of the Mainboard Rules of SGX, and Global Reporting Initiative ("GRI") Universal Standards 2021. The content in this Report is defined by the following four reporting principles established by the GRI Standards:

1. Stakeholders' Inclusiveness: This Report content is determined based on various stakeholders' engagements and internal discussions that the Group considers to be accountable.
2. Sustainability Context: This Report covers the Group's performance in various EESG aspects.
3. Materiality: Material topics in this Report are determined through stakeholders' engagements and internal discussions. All relevant factors are then weighted according to their respective importance to stakeholders, as well as their impact on Ossia International Limited's business.
4. Completeness: This Report covers the impact that the Group contributes to the material topics during the reporting period using all relevant data and information collected.

Additionally, as part of Ossia International Limited's preparation for the transition to a low-carbon economy, this Report was also prepared in accordance with recommendations from the TCFD framework.

Report Content and Quality

This Report develops our sustainability strategies, policies, and performances by providing an integrated overview and targets to support our corporate values, as well as addressing the key concerns and issues that Ossia International Limited's stakeholders have frequently raised. To maintain consistency and content quality, we have applied GRI's principles of accuracy, balance, clarity, comparability, reliability, and timeliness as well as TCFD's seven principles for effective disclosure, including disclosures should represent relevant information; be specific and complete; be clear, balanced and understandable; be consistent over time; be comparable among companies within a sector, industry or portfolio; be reliable, verifiable and objective; and be provided on a timely basis.

Independent Assurance

The EESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but has relied on internal verification to ensure the accuracy of data.

Feedback

We are fully committed to our stakeholders and welcome feedback from them with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Kindly address all feedback to contact@ossia.com.sg. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board, together with key management personnel, regularly reviews environmental trends and evaluates potential climate-related risks and opportunities to maintain strategic risk management oversight. Salient sustainability factors, including climate-related metrics and targets, are consolidated and submitted to the Board for review annually.

The Board and AC has the overall oversight over sustainability reporting and has considered sustainability issues in the Group's business and strategy, determined the material EESG factors and overseen the management and monitoring of the material EESG factors.

Our Group's Chief Executive Officer ("CEO") is supported by department heads from various functional division within the Group. The CEO receives regular updates on the progress of the Group's core sustainability initiatives, as well as review the Group's workplace and human rights practices. Specifically, the CEO supervises the adoption and implementation of climate strategies and policies, providing regular updates to the Board and AC on the performanc

Roles and Responsibilities of management

Designation	Roles	Responsibilities
Chief Executive Officer	• Oversees the Group's strategic formulation and vision • Approves the Group's sustainability strategies and action plans to address its climate-related risks and impacts • Supports to foster a culture of sustainability across the Group	• Provides strategic guidance and formulate Group's sustainability strategy • Identifies climate-related risks and opportunities • Reviews climate-related metrics and targets • Manages day-to-day operations pertaining to EESG performances of the Group • Evaluates EESG risks and monitor climate-related performances in the Group's business practices
Financial Controller	• Supports to foster a culture of sustainability across the Group	• Reviews the financial performances of climate-related risks and opportunities undertaken by the Group • Coordinates reporting and disclosures • Ensures legal compliances with relevant financial-related requirements • Promotes recycling practices and cultivate sustainability habits across the Group
Department Heads	• Perform various department functions on sustainability initiatives	• Optimise various strategies based on department functions to promote environmentally friendly initiatives • Raise climate resilience awareness when establishing and managing customer relationship • Work closely with the CEO and Financial Controller to assess and manage climate-related risks and opportunities

In FY2023, pursuant to Rule 720(7) of the SGX Mainboard Rules, the Group had complied with the requirement for directors to undergo mandatory training. All members of our Board have attended sustainability training courses offered by the Singapore Institute of Directors.

STAKEHOLDER ENGAGEMENT

We recognise the importance of holding a continuous and open dialogue with our stakeholders. A multitude of diverse voices and insights help us prioritise actions within our stainability initiatives. Throughout the year, we have regular dialogues with different stakeholders such as colleagues, customers, suppliers, as well as policymakers and investors. Both internal and external stakeholders are crucial to us, and we engage them through reviews, consultations, and participation to focus on salient sustainability issues.

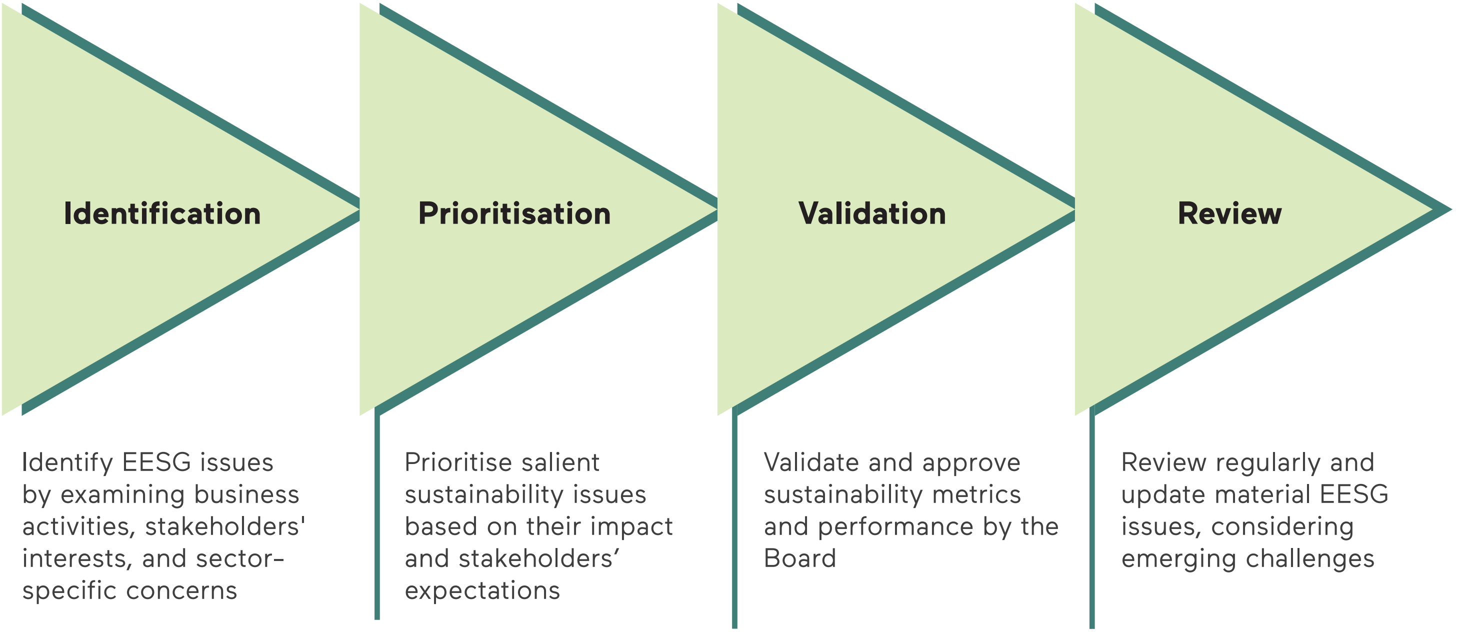
The following table summarises our stakeholder groups, current communication channels, as well as the stakeholders' key concerns to sustainability issues and our actions.

Stakeholders	Engagement and Communication Channels	Key Concerns and Expectations	Our Responses and Actions
Employees	• Regular dissemination of information • Open dialogues with employees	• Promote career development • Protection of their basic rights and interests • Sense of belonging and recognition	• Provide a good working environment • Regular training to employees • Provide avenues for career development • Protection of employee rights and interests
Customers	• Email queries • Customer visit to stores	• Providing quality products • Customer rights protection	• Providing quality products • Customer data protection • Promptly addressing customer complaints
Suppliers	• Email communication • Contracts and agreements	• Providing quality products	• Open communication • Ethical business practices
Shareholders and Investors	• Group Annual Reports • Annual General Meetings • Half yearly announcements • Regular announcements via SGXnet	• Increase earning capacity • Improve corporate governance structure	• Strive towards healthy growth • Establish shareholder communication mechanism • Issue Annual reports and other information on regular basis
Regulators and Government	• Direct engagement with authorities • Meetings, briefings, and reporting • Correspondences through emails and letters • Annual report and Sustainability Report	• Compliance to relevant laws and regulations • Environmental impacts of our operations • Ossia International Limited's economic contribution	• Compliance updates • Good corporate governance & ethics • Transparency and non-financial reporting • Anti-corruption and bribery • Sustainability reports

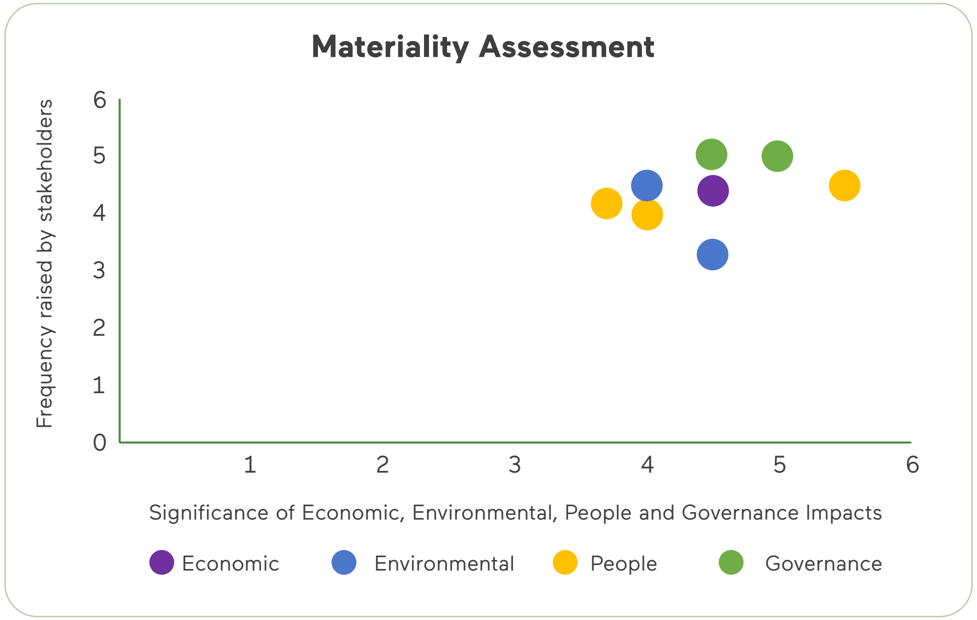
SUSTAINABILITY

MATERIALITY ASSESSMENT

At Ossia International Limited, we identify and prioritise the issues that stakeholders are most concerned and frequently raised by our them. Through various channels and feedback mechanism, we analyse our stakeholders' expectations along with the economic, environmental and people, including human rights issues, across our value chain. In the course of our materiality analysis, we have re-assessed the material topics based on our internal discussion and consultation, as well as in response to the external business climate which emerged in FY2023. Our Group adopts the following four- stage approach to define our material topics in FY2023:



In the FY2023, we have re-performed the materiality assessment and identified the following 8 key EESG material topics as shown below, and we report on the importance of them in consideration with the business landscape and stakeholder concerns.



Legend

Environmental	Social	Governance	Economic
1: Climate Change	3: Employment Practices	6: Business Conduct and Ethics	8: Economic Performance
2: Energy Consumption	4: Occupational Health and Safety	7: Anti-corruption Practices	
	5: Training and Development		

While seeing good improvements, there is a continued interest from our stakeholders to further understand our climate risk and opportunities, expand impact disclosure and improve data quality.

The notable changes in material topics in FY2023 with the respective rationale are as follows:

Material topics added in FY2023	Explanation
Climate Change	As the world rallies to meet the required goal of limiting global temperature rise to well below 1.5˚ Celsius as set out in the Paris Agreement, we are addressing climate change as one of our highest-priority EESG issues to reduce Greenhouse Gas ("GHG") emissions within our own operations and across our value chain.
Energy Consumption	We recognise that investing in energy conservation not only reduces our carbon footprint but will also result in cost savings.
Occupational Health and Safety	Occupational Health and Safety is crucial to ensuring the physical safety and mental health of our employees, as well as for the sustainable development of the Group.
Training and Development	Our human capital is the key driver of progress in our business, and catering the right training and upskilling opportunities is crucial in ensuring that our employees are capable of delivering the best services to our customers.

ENVIRONMENTAL

Climate change

Rising global temperatures can trigger extreme weather conditions and events such as floods, heatwaves, and rising sea levels in Singapore and around the globe. These events both directly and indirectly impact the physical safety of our offices, warehouses and outlets, as well as negatively affect the occupational health and well-being of our employees. We are working towards developing strategies to build climate resilience across our business divisions, and the first step is to understand potential risks and opportunities from climate change and their financial impact on our businesses.

TCFD CLIMATE RISK ANALYSIS

Governance

The Board has the overall responsibility for the Group's sustainability strategy, including climate-related risks and opportunities. Committees are established to evaluate and monitor climate-related risks and opportunities. Refer to our Sustainability Governance Structure on page 12 for further details.

Strategy

We seize opportunities and manage risks through our sustainability strategy, transforming Ossia International Limited into a climate-positive future and performance-driven business. Our overarching climate strategy is to identify, assess and mitigate climate-related physical risks and transition risks across our value chain, supporting our goals to operate within planetary boundaries and at the same time, leave a net positive impact on the environment when making business decisions.

We have performed a risk analysis which focuses predominately on two climate scenarios, including a 2°C or lower scenario and no mitigation scenario to assess the impacts of climate change on our business.

Scenario	Paris-aligned scenario (Below 2°C)	No mitigation scenario (4°C)
Rationale	• In this scenario, the world manages to reduce CO_2e emissions through several far-reaching measures, such as legislation, global carbon taxes, and major shifts in consumption patterns and lifestyles. • This scenario is selected to assess the transition impacts in an economy shifting to a low carbon world. It reflects actions required to limit global warming to under 2°C.	• In this scenario, the world fails to curb rising CO_2e emissions by 2100. Legislation and carbon taxes are expected to play a less significant role in this scenario, whereas impacts from extreme weather events are assumed to grow in magnitude. • This scenario is selected to assess the physical risks under a high-emission scenario, consistent with a future with limited policy changes to reduce emissions.
Underlying model	International Energy Agency's Sustainable Development Scenario	Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway 8.5, mostly long term
Training and Development	Transition features: • Carbon tax and pricing introduced • Fossil fuel subsidies phased out by 2050 in net-importers and by 2035 in net-exporters • Increased generation from renewable energy	Physical features: • Global emissions continue to rise because of high carbon intensity • Global mean sea level rise of 0.63m by 2100 • High frequency and intensity of heat waves and extreme precipitation events

Climate-Related Risks and Opportunities

Considering the above scenarios, we have identified the following climate-related risks (i.e. physical and transition risks) and business opportunities arisen, together with their impact on our business and mitigation measures should the above scenarios materialise.

<table>
<tr><th>Scenario</th><th>Paris-aligned scenario (Below 2°C)</th><th>No mitigation scenario (4°C)</th></tr>
<tr><td colspan="3">Physical Risks</td></tr>
<tr><td>Acute
Increased severity of extreme weather events such as frequent flooding/ typhoon</td><td>• Disruption to store operations or access to stores
• Increased insurance premiums
• Reduced revenue from lower sales output</td><td>• Effective project management with emergency and crisis response plan under extreme conditions to maintain operational reliability
• Source for a suitable location for data centre and keep a backup copy of key business information and data, reducing the risk of downtime</td></tr>
<tr><td rowspan="2">Chronic
Rising mean temperatures</td><td rowspan="2">• Increased cost due to increased use of energy for cooling.
• Increased thermal stress and health risk for our employees
• Lowered work productivity</td><td>• Capitalise on renewable or alternative energy sources to generate electricity</td></tr>
<tr><td>Physical features:
• Global emissions continue to rise because of high carbon intensity
• Global mean sea level rise of 0.63m by 2100
• High frequency and intensity of heat waves and extreme precipitation events</td></tr>
<tr><td colspan="3">Transition Risks</td></tr>
<tr><td>Policy and Legal</td><td>• Increased compliance costs and the operation costs
• Increased mandatory sustainability disclosures</td><td>• Use of sustainable materials and technologies that are compliant with laws and regulations
• Monitoring of compliance requirements</td></tr>
<tr><td>Market</td><td>• Shifts in consumer preference favoring environmental-friendly products
• Lowered profit margin</td><td>• Prioritise the reduction of emissions and pollutions in our value chain
• Leverage on opportunities for new consumer preferences to venture into new markets</td></tr>
<tr><td colspan="3">Business Opportunities</td></tr>
<tr><td>Resource Efficiency</td><td colspan="2">• Enhancing energy efficiency and water conservation in our operations and office premises can reduce costs</td></tr>
<tr><td>Energy Sources</td><td colspan="2">• Use of government grants and supporting incentives can offset capital expenditures required to adopt greener energy sources and technologies, resulting in cost savings
• Increased energy resilience</td></tr>
<tr><td>Products and Services</td><td colspan="2">• Enhanced competitiveness
• Better competitive position and branding to capture shifting consumer preferences for environment-friendly products and services, resulting in increased revenue</td></tr>
</table>

Metrics and Targets

The majority of GHG emissions within our operations arise from our use of purchased electricity. Therefore, we disclose Scope 2 indirect emissions with reference to the GHG Inventory Guidance, GRI Standards and TCFD recommendations. Consequently, our Group contributes to air pollution mainly through consumption of purchased electricity (Scope 2 Emissions).

The Group's environmental performance in FY2023 is as below:

Pollutants	CO_2
Operating Margin (OM) Grid Emission Factor (GEF)[1]	
Singapore	0.4057
Taiwan	0.509
Global Warming Potential (GWP)	1

Financial Year	FY2023
Electricity Consumed (MWh)	287
CO2 Emissions (tCO2e)	**143**
Number of Employees	227
GHG Intensity (tCO2e/employee)	**0.63**

At Ossia International Limited, we believe in creating a sustainable work environment and being conscientious in our conservative efforts through our daily endeavours and business operation.

Financial Year	FY2023
Singapore Office	28
Taiwan Office	68
Taiwan Warehouse	21
Taiwan Outlets	170
Total Electricity Consumed (MWh)	**287**
Number of Employees	227
Energy consumption intensity	**1.26**

We also continue our dedication in lowering our energy consumption by increasing awareness amongst employees. Particularly, our management has inculcated a spirit of environmental stewardship across our business practice by encouraging the following:

- Turning off lights, computers and any electrical appliance when not in use;
- Setting air-conditioning systems at an optimal temperature of 25˚C to save energy;
- Performing regular maintenance of equipment to optimise energy efficiency;
- Adopting energy-efficient fixtures and fittings, such as LED lights; and
- Use of motion sensors at office toilets.

Our Targets

Moving forward, to further demonstrate the Group's efforts of forging a sustainable business practice, we seek to take proactive climate actions to value add the environment which we operate in and establish the following targets:

[1]https://www.ema.gov.sg/singapore-energy-statistics/Ch02/index2
https://www.moeaboe.gov.tw/ECW/english/content/Content.aspx?menu_id=20721

Environmental	Social	Governance	Economic
Climate Change	• Continue to monitor our operations for potential climate-related risks and update accordingly. • Reduce CO_2e emission intensity from Scope 2 by 5%	• Reduce CO_2e emission intensities from Scope 1 and 2 by 20% • Include disclosures of quantitative impact of climate risks identified • Include disclosure of Scope 3 emissions	• Achieve net zero GHG emissions
Energy Consumption	• Reduce energy intensities by 5% • Adopt use of higher energy efficient features and fittings	• Reduce energy intensities by 10% • Adopt more usage of energy efficient features and fittings with two or more WELS ticks	• Reduce energy intensities by 15% • Achieve 50% of features and fitting that are energy efficient and environmentally friendly

SOCIAL

At Ossia International Limited, we believe in caring for not just our employees and customers but the wider community as well, to pursue sustainable growth. Demonstrating positive social impacts and responsibilities can increase our appeal to consumers and employees, show corporate accountability, and generate real, sustainable value to all stakeholders. The direction to boost our social impact is not just through creating a workforce that adopts fair and just employment practices and provides equal access to education, but also integrating a safe, risk-free culture within the Group alongside contributions to society.

Employment Practices

We are dedicated to manifesting a conducive, collaborative, and cohesive corporate culture, with zero discrimination, that empowers the growth, development, and progression of our employees to their best potential, regardless of their background.

To create an inclusive work environment with focus on mutual rights, fairness and equality, the Group has built an engaged, skillful, and diversified workforce. It can be further highlighted that no salient human rights issue has been raised, and our workforce composition assuredly aligns with the commitment to respect and advocate for our employees' human rights.

Employee Headcount by Gender

In FY2023, Ossia International Limited employs a total of 227 employees, an increase from 211 employees in FY2022, reflecting approximately an 8% rise. Our headcount comprises 57 males and 170 females, representing 25% and 75% of the workforce respectively. This demonstrates the Group's efforts towards promoting workplace equity, gender diversity and fair, equal opportunities, where no gender undergoes unfair treatment and discrimination.

Employee Headcount by Region

Our workforce is diversified across Singapore and Taiwan, with a majority in Taiwan of 98% in FY2023. This displays the Group's practice of employment equality and fairness that shows no discrimination against various regions or nationalities.

New Hires by Gender

In FY2023, the Group welcomed 56 new hires to our family. There are 8 males and 48 females, representing 14% and 86% respectively.

New Hires by Age Group

There is a distinct increase of new hires by 18, 35 and 3 in the age groups of less than 30 years, 30 to 50 years, and older than 50 years respectively from FY2022 to FY2023. These are attributed to the Group's strategy towards a suitable and diversified talent acquisition.

New Hires by Region
In FY2023, our new hires are mainly in Taiwan subsidiary numbering 55, whereas there is only 1 new hire in Singapore.

Employee Turnover by Gender
In FY2023, the Taiwan subsidiary experienced an employee turnover of 50, up from 36 in FY2022, representing a 28% increase. This translates to an annual employee turnover rate of 23% in FY2023, an improvement from 6% in FY2022. Out of 50 turnovers in FY2023, 8 are males and 42 are females.

Employee Turnover by Age Group
There is an increase in employee turnover experienced by Taiwan subsidiary in the age groups of less than 30 years of age, between 30 to 50 years of age as well as over 50 years of age. On the other hand, in FY2023, the Taiwan subsidiary experienced 42 employee turnovers for age group less than 30 years of age and between 30 to 50 years of age, a rise from 34 in FY2022.

Employee Turnover by Region
In FY2023, there is no employee turnover in Singapore office, and the employee turnover has increased from 36 in FY2022 to 50 in the reporting year, representing an increase of 6%.

Occupational Health and Safety
A safety-first culture is ingrained into our business model, spanning across all business divisions from senior management to executives. The management and employees undergo training and qualification courses to not only be educated on all hazards on business settings, but also equip them with relevant skills to supervise safety. The Group's Human Resources Department tracks and records any incident or injury, if any, and claims are filed accordingly with proper documentation. Ossia International Limited supports employees with medical and healthcare services through medical and hospitalisation leaves and benefits, on top of maternity, paternity, and childcare leave. Adopting well-rounded occupational health and safety structure not only ensures overall workplace health and safety but respects our employees' human rights and drive its social impact

In FY2023, the Group reports zero incidents in relation to any work-related injuries, fatalities, and ill-health for all employees.

Training and Development
The Group heartily embraces lifelong learning as it is the core in personal and professional growth, development, and enrichment. Our employees participate in both internal and external training courses and programmes to not only fulfil the relevant compliance-related trainings but also to keep abreast with evolving industry trends, stay competitive in the workforce through skill upgrading, further our human rights motion and finally, maintain our competitive advantage in the industrials sector.

In FY2023, training and development programmes are offered across the board, from executives to top, senior management. Courses on relevant industry and sales skills are offered to obtain the proper credentials to engage in customers and business activities smoothly. Directors, specifically those with no prior experience or newly appointed, can undergo training to be clear on their responsibilities and obligations with the Group as well as on governance risks, enterprise risk management, and relevant statutory and regulatory compliance matters.

In FY2023, there are 47 employees who attended the training with a total number of 352.5 hours. Among them, 15 are males and 32 are females, representing 32% and 68% respectively, Specifically, there are 3 employees from senior management level and 2 employees from middle management level. On average, there are 8 hours of employee training conducted. Moreover, all employees, regardless of gender or employee category, have undergone their annual performance and career development reviews, as conducted by the respective department heads, to assess and judge their work performance and career progression. At the same time, work-related feedback is sought from employees to improve their working environment.

Our Targets
In this reporting year, the Group has devoted strong and eager commitment towards driving positive social impacts and returns with no salient human rights issues and wishes to continue this unwavering passion towards corporate social responsibility and creating impactful social value.

Moving forward, to better align targets with our strategic objectives of providing fair employment practices and opportunities and cultivating a collaborative, safe workforce of the future, we have established the following targets.

<table>
<tr><th>Material Topics</th><th>Short-Term Target (1-2 years)</th><th>Medium-Term Target (2030)</th><th>Long-Term Target (2050)</th></tr>
<tr><td>Employment Practices</td><td>• Improve talent acquisition and employee retention
• Increase diversity of employees
• Maintain average monthly turnover rate below 3%
• Engage more staff welfare campaigns to maintain employee well-being</td><td colspan="2">• Maintain gender, regional and age diversity of workforce
• Maintain average monthly turnover rate below 3%
• Engage more staff welfare campaigns to maintain employee well-being</td></tr>
<tr><td>Occupational Health and Safety</td><td>• Maintain zero incidents of material non-compliance with applicable laws and regulations related to COVID-19.</td><td colspan="2">• Maintain zero incidents of material non-compliance with all applicable health and safety laws, as well as regulations concerning the health and safety of our operations
• Maintain zero incidents related to work-related injuries, fatalities, or ill-health</td></tr>
<tr><td>Training and Development</td><td>• Offer internal and external trainings that are essential and beneficial to the development and career progression of our employees at all levels
• Continue annual sustainability training for the Group and its employees.</td><td>• Continue providing internal and external training courses and programmes
• Increase the average training man-hours by 5%
• Continue annual sustainability training for the Group and its employees</td><td>• Continue providing internal and external training courses and programmes
• Increase the average training man-hours by 10%
• Continue annual sustainability training for the Group and its employees</td></tr>
</table>

GOVERNANCE

The Board and Management of the Group complies with the Singapore Code of Corporate Governance 2018 and is highly dedicated to achieving the highest standards in corporate governance. At Ossia International Limited, we firmly believe that a strong, constant drive for corporate excellence provides a framework for a transparent, ethical, and accountable ecosystem, thereby increasing the value of the Group and its value to stakeholders, while safeguarding shareholders' interests.

We value diversity in our Board and senior management to provide a balance of skills, knowledge, experience and diversity of perspectives appropriate to our business. The benefits of all aspects of board diversity in terms of skills, experience, gender, age, geographical exposures and other relevant factors are considered in the formulation of succession plan and board composition.

Please refer to pages 31 to 32 of our FY2023 Annual Report for disclosures on board diversity.

Business Conduct and Ethics

The Group strives to conduct business in an ethical, transparent manner. The importance of upholding the highest standards of business conduct and ethics in all facets of the Group's operations are emphasized to all employees. The Group conducts all business dealings with the utmost integrity, professionalism, and transparency, and displays unwavering commitment to respect human rights, through the efficient management of conflicts of interest and effective implementation of whistleblowing policies.

Whistleblowing Policy

The Group has established a whistleblowing policy for all employees and external parties to raise concerns about any real or perceived misconduct, financial or non-financial malpractice or irregularity within the Group. Under this policy, employees or any other person may report suspected matters of wrongdoing, breach of applicable laws, regulations, or policies, and/or failure of internal controls affecting the Group to the Audit Committee. The objective of this reporting is to direct and ensure independent investigations into genuine reported concerns with prompt and appropriate follow-up actions.

Please refer to Page 41 of the FY2023 Annual Report for more information on our whistleblowing policy.

Anti-corruption Practices

Ossia International Limited is dedicated to complying with all relevant local and Taiwan laws and regulations related to corruption of any nature, as well as upholding the highest moral and legal standards in the Group's business. The Group maintains a zero-tolerance stance against corruption of any form, including and not limited to bribery, extortion, fraud, and money laundering. Establishing the anti-corruption practices instills checks and balances, and displays the Group's commitment towards strengthening accountability, improving transparency, and increasing participation to advocate for human rights and equality.

In FY2023, there were no public cases and confirmed incidents of corruption of any nature brought against the Group or its employees, where for instance, either employees were dismissed or disciplined for corruption, or contracts with business partners were terminated or not renewed due to violations regarding corruption.

Our Targets

A robust corporate governance, alongside ethical business practices with the absence of corruption are vital for Ossia International Limited's reputation, performance, and fulfilment of sustainability goals, and ultimately, profitability. The Group wishes to maintain and uphold this consistent track record long-term and aims to not only conduct business with top standards but also continue its full compliance with all applicable laws, regulations, and policies.

Material Topics	Short-Term Target (1-2 years)	Medium-Term Target (2030)	Long-Term Target (2050)
Business Conduct and Ethics	• Maintain zero incidents of non-compliance and violations with the Singapore Code of Corporate Governance 2018 • Maintain zero incidents of non-compliance and violations with Code of Business Ethics and Conduct and non-discrimination • Maintain zero incidents of material non-compliance with all applicable law and regulations. • Ensure all significant allegations received are promptly addressed, if any • Ensure human rights concerns and directive are recognized at the Board level and adopted through the value chain through risks and impact identification, prevention, and mitigation		
Anti-corruption Practices	• Maintain zero public cases and confirmed incidents of corruption of any nature brought against the Company or its employees • Ensure values of human rights aligns with good governance in related to anti-corruption		

ECONOMIC

Ossia International Limited is targeted to achieve sustainable improvement in our economic performance by managing our business portfolio and operation, taking into consideration financial and environmental, social, and governance criteria in the evaluation process.

Our Target

For our economic performance in the future, we have the following targets based on the current reporting year FY2023.

Material Topics	Short-Term Target (1-2 years)	Medium-Term Target (2030)	Long-Term Target (2050)
Economic Performance	• Reach out to a wider customer base.	• Expand our presence into new markets and strengthen our service and performance.	

To understand more about our economic performance, please refer to pages 61 to 70 of the Annual Report for FY2023.

SUSTAINABILITY

GRI CONTENT INDEX

GRI Standard	Disclosure Number & Title	Section Reference
GRI 2: General Disclosures 2021	2-1 Organisational details	Annual Report: Corporate Profile
	2-2 Entities included in the organisation's sustainability reporting	Annual Report: Corporate Profile
	2-3 Reporting period, frequency and contact point	Sustainability Report: About this report
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Ossia International Limited has not sought external assurance for this reporting period, and may consider it in the future
	2-6 Activities, value chain and other business relationships	Annual Report: Corporate Governance Statement
	2-7 Employees	Sustainability Report: Social
	2-8 Workers who are not employees	Not applicable
	2-9 Governance structure and composition	Annual Report: Corporate Governance Statement Sustainability Report: Sustainability Governance Structure
	2-10 Nomination and selection of the highest governance body	Annual Report: Corporate Governance Statement
	2-11 Chair of the highest governance body	Annual Report: Corporate Governance Statement
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report: Corporate Governance Statement
	2-13 Delegation of responsibility for managing impacts	Annual Report: Corporate Governance Statement Sustainability Report: Sustainability Governance Structure
	2-14 Role of the highest governance body in sustainability reporting	Annual Report: Corporate Governance Statement
	2-15 Conflicts of interest	Annual Report: Corporate Governance Statement
	2-16 Communication of critical concerns	Annual Report: Corporate Governance Statement
	2-17 Collective knowledge of the highest governance body	Annual Report: Corporate Governance Statement
	2-18 Evaluation of the performance of the highest governance body	Annual Report: Corporate Governance Statement
	2-19 Remuneration policies	Annual Report: Corporate Governance Statement
	2-20 Process to determine remuneration	Annual Report: Corporate Governance Statement

GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	Annual Report: Corporate Governance Statement
	2-22 Statement on sustainable development strategy	Annual Report: Corporate Governance Statement Sustainability Report: Sustainability Governance Structure
	2-23 Policy commitments	Annual Report: Corporate Governance Statement Sustainability Report: Governance – Business Conduct and Ethics
	2-24 Embedding policy commitments	Annual Report: Corporate Governance Statement Sustainability Report: Governance – Business Conduct and Ethics
	2-25 Processes to remediate negative impacts	Annual Report: Corporate Governance Statement
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report: Corporate Governance Statement
	2-27 Compliance with laws and regulations	Annual Report: Corporate Governance Statement Sustainability Report: Governance – Business Conduct and Ethics
	2-28 Membership associations	Not applicable
	2-29 Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement
	2-30 Collective bargaining agreements	Not applicable, no collective bargaining agreements are in place
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report: Materiality Assessment
	3-2 List of material topics	
	3-3 Management of material topics	
Topic-specific disclosure		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sustainability Report: • Economic • TCFD Climate Risk Analysis
	201-2 Financial implications and other risks and opportunities due to climate change	
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Sustainability Report: • Social – Training and Development • Governance – Anti-corruption Practices
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	

GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report: • Climate Change • Energy Consumption
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report: Greenhouse Gas Emissions
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report: Employment Practices
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report: Occupational Health and Safety
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report: Training and Development
	404-2 Programmes for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report: • Social – Employment Practices • Governance – Business Conduct and Ethics

TCFD DISCLOSURES

Governance		
TCDF 1(a)	Describe the board's oversight of climate-related risks and opportunities.	Pages 12
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pages 16
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 16 to 17
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Pages 18 to 19
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	

CORPORATE GOVERNANCE

The Board of Directors (the "Board") of Ossia International Limited (the "Company") is committed to observing and maintaining high standards of corporate governance to enhance corporate performance and accountability, as well as safeguard the interest of all stakeholders as well as promote investors' confidence. Good corporate governance establishes and maintains an ethical environment and enhances the interests of all shareholders.

This corporate governance report ("Report") describes the corporate governance framework and practices of the company that were in place during the financial year ended 31 March 2023, with specific references made to each of the principles set out in the Code of Corporate Governance 2018 (the "Code") and accompanying Practice Guidance.

The Board recognises the need to maintain a balance of accountability in creating and preserving shareholder value and achieving its corporate vision for the Company and its subsidiaries (the "**Group**").

The Company has adopted, as far as possible, the principles and provisions of corporate governance in line with the recommendations of the Code of Corporate Governance 2018 (the "**Code**").

The Company has complied substantially with the principles and provisions as set out in the Code. Explanations have been provided in the relevant sections below where there have been any deviations from the Code. Where there are deviations from the Code, the Board has taken into consideration the current alternative practices in place and are of the view that these are sufficient to meet the underlying objectives of the Code.

BOARD MATTERS

Principle 1: Board Conduct of its Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Group.

The Company is headed by an effective Board to lead and control its operations and affairs for the success of the Company.

The primary function of the Board is to protect and enhance long-term value and returns for its shareholders. Apart from its statutory responsibilities, the Board sets the overall strategy of the Company and its subsidiaries (the "Group") as well as review various matters including major funding and investments proposal, material acquisitions and disposal of assets, key operational initiatives and financial controls, the release of the Group's quarterly and full year results and interested persons transaction of a material nature.

The Board conducts scheduled meetings on a half yearly basis to coincide with the announcement of the Group's half yearly results.

When circumstances require, ad-hoc meetings are arranged. A Board member contributes both at formal Board meetings as well as outside of these meetings. Therefore, to focus on a Director's attendances at formal Board meetings may not reflect the level of contributions made outside of those meetings and may lead to a narrow view of a Director's contributions.

In the course of the year under review, the number of Board meetings held and the attendance of each board member at the meetings during the financial year were as follows:

Name of director	Number of Board meetings held	Attendance
Goh Ching Wah (Chairman)	2	2
Goh Ching Huat	2	2
Goh Ching Lai	2	2
Wong King Kheng	2	2
Anthony Clifford Brown	2	1
Heng Su-Ling, Mae	2	2

The Company's Constitution provides for the Directors to participate in the meetings of the Board and Board Committees via electronic means or in such manner as the Board may determine to facilitate Board participation.

With effect from 7 February 2020, SGX Regco has adopted a risk-based approach to quarterly reporting. Based on the new approach, a company will have to report its financials on a quarterly basis if:

- It has received a disclaimer of opinion, adverse opinion or qualified opinion from its auditors on its latest financial statements;
- Its auditors have expressed a material uncertainty relating to going concern on its latest financial statements; or
- SGX RegCo has regulatory concerns with the company, for example if it has had material disclosure breaches or where it faces issues that have material financial impact.

As none of the above has occurred, and as the Company is eligible to adopt half-yearly reporting, the Board has decided to adopt Half-yearly reporting.

To assist in the execution of its responsibilities, the Board has established an Audit Committee, Nominating Committee and Remuneration Committee. These committees' function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also monitored.

An orientation programme, including site visit to the Company's operation outlets, is organised for new directors to familiarise them with the Company's business, operations, organisation structure and corporate policies. They are briefed on the Company's corporate governance practices, regulatory regime and their duties as directors.

Board members are encouraged to attend seminars and received training enable to each to perform effectively as Directors. All Directors are updated regularly concerning any changes in the Company's policies, risks management, key changes in the relevant regulatory requirements and accounting standards. The Company also provides ongoing education on Board processes, governance and best practices. Newly appointed Directors are briefed by the Management on the business activities of the Group and its strategic directions. They are also provided with relevant information on the Company's policies and procedures.

Access to information

In order to ensure that the Board is able to discharge its responsibilities, Management is required to provide adequate and timely information to the Board on the Board's affairs and issues that require the Board's decision, as well as ongoing reports relating to operational and financial performance of the Company.

Management's proposals to the Board for approval provide background and explanatory information such as facts, risk analysis, financial impact and recommendations. Any material variances between projections and the actual results of budgets disclosed are explained to the Board. Employees who can provide additional insights into matters to be discussed, are invited at the relevant time to attend the Board meetings to address queries raised.

The Board has separate and independent access to senior management at all times. If the Directors, whether as a group or individually, need independent professional advice, the Company will, upon directions by the Board, appoint a professional advisor selected by the group or individual to render the advice. The cost of such professional advice will be borne by the Company.

The Audit Committee meets the external auditor, Mazars LLP, at least once a year, without the presence of Management.

The Company Secretary, or her representatives, attends all Board meetings and is responsible for ensuring that the Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with requirements of the Companies Act 1967. Together with Management, the Company Secretary is responsible for compliance with all rules and regulations which are applicable to the Company. The appointment and removal of the Company Secretary is subject to the Board's approval.

Matters Requiring Board Approval

The Board has identified a number of areas for which the Board has direct responsibility for decision-making. Interested Persons Transactions and the Group's internal control procedures are also reviewed by the Board. Major investments and funding decisions are approved by the Board.

The Board will also meet to consider the following corporate matters:-

- Review and approve results announcements;
- Approval of the Annual Reports and year-end financial statements;
- Convening of Shareholders' Meetings;
- Approval of Corporate Strategies;
- Material Acquisitions and Disposal of assets;
- Approval of annual business plan and annual budget;
- Reports of the Board Committees;
- Conflict of Interest and IPT Register;
- Disclosure of Directors' interests pursuant to Sections 156/165 of the Companies Act 1967 of Singapore ("Companies Act");
- Review of Board Assurance Framework;
- Review and approve major investments, divestments, and funding decisions.

Disclosure of Interest

All Directors are required to objectively discharge their duties and responsibilities in the best interests and benefit of the Company. Directors and Chief Executive Officer who are in any way, directly or indirectly, interested in a transaction or proposed transaction, including those identified within the Code and provisions of the Companies Act 1967 (the "Act") will declare the nature of their interests and not participate in any discussion and decision on the matter.

Each Director is aware of the requirements in respect of his/her disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information.

Principle 2: Board Composition and Balance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board consists of six directors of whom two are executive, and four are non-executive directors, of which three are independent directors. The Company does not have any alternate directors.

The criteria for independence is based on the definition as stated in the Code. The Board considers an "independent" director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgment of the conduct of the Group's affairs.

Based on its composition, the Board is able to exercise objective judgment on corporate affairs. The composition of the Board is reviewed annually by the Nominating Committee to ensure that the Board has an appropriate mix of expertise, experience and independence needed to discharge its duties effectively.

Non-Executive Directors of the Company make up a majority of the Board. The Nominating Committee is of the view that there is a strong and independent element on the Board thereby eliminating the risk of a particular group dominating the decision-making process. The Board ensures that the process of decision making by the Board is independent and is based on collective decision without any concentration of power.

The Board comprises an appropriate mix of businessman and professional with core competencies and diversity of experience, all of whom as a group, provides the Board with the necessary experience and expertise to direct and lead the Group. The diversity of the Directors' experience allows for the useful exchange of ideas and views. The Board is satisfied that no individual member of the Board dominates the Board's decision making and that there is sufficient accountability and capacity for independent decision-making. Taking into account the scope and nature of operations of the Group, the Board considers its current size to be adequate for effective decision making.

The Executive and Independent Directors ensures that key issues and strategies are critically reviewed and constructively challenged. They also scrutinize and monitor the performance of management in meeting-agreed goals and objectives, as well as ensure that financial information is accurate and that financial controls and systems are in place.

The Executive and Independent Directors set aside time at each scheduled meeting to meet without the presence of management to discuss matters such as board processes, corporate governance initiatives, performance management and remunerations matters.

CORPORATE GOVERNANCE

Throughout the years, the Non-Executive Directors including the Independent Directors participate actively during Board meetings, constructively challenge and help develop proposals on strategy, review the performance of Management in achieving the agreed goals and objectives and monitor the reporting of performance. The Non-Executive Directors including the Independent Directors meet without the presence of the Management so as to facilitate more effective and independent checks on Management.

The Nominating Committee is of the view that the current Board is capable of providing the necessary expertise to meet the Board's objectives and that no individual or small group of individuals dominates the Board's decision-making process.

The Board is of the view that the current Board size of six Directors is appropriate, taking into account the nature and scope of the Company's operations. Nonetheless, where necessary, the Board will review its current size to ensure that it is appropriate and effective to facilitate decision making, taking into account the nature and scope of the Company's operations.

A Board Diversity Policy is in place and was approved by the Board. The Company believes in diversity and values the benefits that diversity can bring to its Board. Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that the Company has the opportunity to benefit from all available talent.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman and CEO are two separate individuals who are brothers and who are both executive directors of the Company.

The Group Executive Chairman ("GEC") is Mr Goh Ching Wah, who bears the primary responsibility for Board proceedings. Together with the assistance of Company Secretaries, he schedules Board meetings as and when required and exercise control over the quality, quantity and timeliness of information flow between the Board and the Management. He is also responsible for overall Group direction, strategic planning and business development.

Mr Goh Ching Huat, being Executive Director and Chief Executive Officer ("CEO") is the most senior executive in the Group. He is responsible for the day-to-day running of the Group and supervises the business operations with the Management. He is jointly responsible for overall management of the Group and businesses.

All major decisions made by GEC and CEO are reviewed by the Audit Committee. Their performance and appointment to the Board are being reviewed periodically by the Nominating Committee and their remuneration package is being reviewed periodically by the Remuneration Committee. Both the Nominating Committee and the Remuneration Committee comprise a majority of/wholly of independent directors of the Company. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority on a single individual.

The CEO is responsible for implementing the Group's strategies and policies as well as the daily management and operations of the Group.

Mr. Wong King Kheng, the lead independent Director of the Company, is also an independent channel of communication for Independent Directors and shareholders who have concerns and for which contact with the Executive Chairman or Chief Executive Officer has failed or is inappropriate.

The Board has no dissenting view on the Chairman's statement to the Shareholders for the financial year under review.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

The Nominating Committee was established on 25 May 2002. The NC is chaired by Mr Anthony Clifford Brown and its members are Mr Wong King Kheng, Ms Heng Su-Ling, Mae, Mr Goh Ching Lai and Mr Goh Ching Wah. With the exception of Mr Goh Ching Lai, who is a Non-Executive Non-Independent Director and Mr Goh Ching Wah, an Executive Director, the other three directors are Independent Directors.

The primary function of the NC is to determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board and also to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval.

When a vacancy arises under any circumstance, or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC, in consultation with the Board, determines the selection criteria and identifies candidates with the appropriate expertise and experience for the position. The NC then nominates the most suitable candidate who is only then appointed to the Board.

In addition, the NC also performs the following function:-

a. make recommendations to the Board on all board appointments and re-nomination of directors after taking into account the respective director's contributions in terms of experience, business perspective, management skills, individual expertise and pro-activeness in participation of meetings;

b. ensure that all directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;

c. determine annually whether a director is independent, guided by the independent guidelines contained in the Code;

d. decide whether a director is able to and has adequately carried out his duties as a director of the company in particular where the director concerned has multiple board representations; and

e. to decide how the Board's performance may be evaluated and propose objective performance criteria.

In determining the independence of directors annually, the NC reviewed and is of the view that Mr Anthony Clifford Brown, Mr Wong King Kheng and Ms Heng Su-Ling, Mae are independent and that, no individual or small group of individuals dominate the Board's decision-making process. The NC has also reviewed and is satisfied that Mr Anthony Cliff ord Brown, Mr Wong King Kheng and Ms Heng Su-Ling, Mae, who sit on multiple boards, have been able to devote adequate time and attention to the affairs of the Company to fulfil their duties as directors of the Company, in addition to their multiple board appointments. As a general guideline, to address time commitments that may be faced, a director who holds more than 6 Board appointments may consult the Chairman before accepting any new appointment as a director.

The number of NC meetings held and attendance at the meetings during the financial year ended 31 March 2023 were as follows:

Name	Appointment	No. of meetings held	Attendance
Anthony Clifford Brown (Chairman)	Independent	1	0
Wong King Kheng (Member)	Independent	1	1
Heng Su-Ling, Mae (Member)	Independent	1	1
Goh Ching Wah (Member)	Executive	1	1
Goh Ching Lai (Member)	Non-executive	1	1

Pursuant to the Article 89 of the Company's Constitution, one-third of the Board (other than a director holding office as Managing Director) are to retire from office by rotation and be subject to re-election at the Company's Annual General Meeting ("AGM"). In addition, Article 88 of the Company's Constitution provides that a newly appointed director must retire and submit himself for re-election at the next AGM following his appointment. Thereafter, he is subject to be re-elected at least once every 3 years.

Mr. Goh Ching Wah and Mr Anthony Clifford Brown are due to retire by rotation, at the forthcoming Annual General Meeting, pursuant to the requirements of Article 89 of the Company's Constitution. Mr. Goh Ching Wah has indicated that he will be seeking re-election at the forthcoming Annual General Meeting. Mr Anthony Clifford Brown has advised the Board that as he has exceeded 9 years in tenure as an Independent Director of the Company, he will not be seeking re-election as a Director of the Company at the forthcoming Annual General meeting.

The NC has reviewed and is satisfied with their contribution and performance as Directors and has recommended the re-appointment of Mr Goh Ching Wah, at the Company's forthcoming AGM. The Board has accepted the NC's recommendation and Mr Goh Ching Wah will be offering himself for re-election and re-appointment.

The shareholdings of the individual directors of the Company are set out on page 52 of this Annual Report. None of the directors hold shares in the subsidiaries of the Company.

Several of our Board members have multiple listed board representations and other principal commitments, as follows:

Director	***Listed board representations and principal commitments (other than in our Company)***
Mr. Goh Ching Wah	VGO International Pte. Ltd. – Executive Director ITG International Pte Ltd– Executive Director Vernal Venture Pte Ltd – Executive Director Astute Asia Capital Pte Ltd – Executive Director Border Mission Limited – Executive Director Harvey Norman Ossia (Asia) Pte Ltd – Executive Director Pertama Holdings Pte Ltd – Executive Director WLH Holdings Pte Ltd – Executive Director

Director	*Listed board representations and principal commitments (other than in our Company)*
Mr. Goh Ching Lai	VGO International Pte. Ltd. – Executive Director ITG International Pte Ltd– Executive Director
Mr. Goh Ching Huat	VGO International Pte. Ltd. – Executive Director ITG International Pte Ltd– Executive Director
Mr. Wong King Kheng	Tiong Woon Corporation Holdings Limited – Independent Director Hatten Land Limited - Independent Director JCY International Berhad – Non-Independent Executive Director KK Wong and Associates - Director Soh & Wong Consultants Pte Ltd - Director ITG International Pte Ltd - Director International Renewal Energy Pte Ltd - Director
Ms Heng Su-Ling Mae	Drew & Lee Investment (Private) Limited - Director Drew & Lee Holding (Private) Limited - Director Drew & Lee Land Pte Ltd - Director HRnetGroup Limited – Independent Director Chuan Hup Holdings Limited – Independent Director Grand Venture Technology Limited – Independent Director Novo Tellus Alpha Acquisition – Independent Director Rex International Holding Limited - Independent Director

The Board and Nominating Committee have assessed whether and are satisfied that the Directors have devoted sufficient time and attention to the Group. Factors considered by the Board and Nominating Committee include, amongst others, the nature of the Directors' other appointments, the extent of the Directors' involvement in companies with an adverse track record, history of irregularities or that has been investigated by regulators, and the impact thereof on the Company. The Board recognizes that different board representations and other principal commitments may allow Directors to gain expertise that enriches their contributions to the Company and deems it unnecessary to set a maximum number of listed board representations that any Director may hold as all the Directors are, on assessment of their contributions to the Board, able to devote sufficient time to the Company's affairs in light of their other commitments. However, as a general guideline to address time commitments that may be faced, a Director who holds more than five listed company board representations will consult the Chairman of the Nominating Committee before accepting any new appointments as a Director.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

The Nominating Committee will use its best efforts to ensure that Directors appointed to the Board and its Board Committees possess the necessary background, experience and knowledge to enable balanced and well-considered decisions to be made by the Board and the Board Committees.

In line with the principles of good corporate governance, the Nominating Committee had, without the engagement of an external facilitator, implemented an annual performance evaluation process to assess the overall effectiveness of the Board as a whole. The members of the respective Board Committees are requested to complete evaluation forms tailored for assessing the effectiveness of the Board Committees. To evaluate the effectiveness of the Board as a whole, the Nominating Committee considers the adequacy and size of the Board, the Board's access to information, Board processes and accountability, and communication with senior management. Individual evaluation is also carried out to assess whether the Executive Chairman and each Director continues to contribute effectively and demonstrates commitment to his/her role and duties. The criteria for evaluation are reviewed by the Nominating Committee each year and changes are made where circumstances require. The results of the evaluation are used constructively by the Nominating Committee to identify areas for improvement and to recommend to the Board the appropriate action to be taken. Following the review, the Board is of the view that the Board and its Board Committees operate effectively.

In assessing each individual Director's contribution and performance and in considering the re-election of any Director, the Nominating Committee considers, amongst other factors, the Director's attendance record at meetings of the Board and Board Committees, the intensity of participation in the proceedings at meetings and quality of contributions made.

Apart from the fiduciary duties (i.e. to act in good faith, with due diligence and care and in the best interest of the Company and its shareholders), the Board's key responsibilities are to set strategic directions and to ensure that the long-term objective of enhancing shareholders' value is achieved. The Board's performance is also measured by its ability to support the Management especially in times of crisis and to steer the Company towards profitable directions. In doing so, the Board will take into consideration financial and other indicators for evaluating the Board's performance.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of Individual Directors and Key Executive Officers. No Director is involved in deciding his/her own remuneration.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and Key Executive Officers are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.

The Remuneration Committee was formed on 25 May 2002. The RC is chaired by Mr Wong King Kheng and its members are Mr Anthony Clifford Brown and, Ms Heng Su-Ling, Mae all of whom are directors independent of management and free from any business or other relationships, which may materially interfere with the exercise of their independent judgement. The RC has access to expert advice in the field of executive compensation outside the Company where required.

The number of RC meetings held and attendance at the meetings during the financial year ended 31 March 2023 were as follows:

Name of director	Appointment	No. of meetings held	Attendance
Wong King Kheng (Chairman)	Independent	1	1
Anthony Clifford Brown (Member)	Independent	1	0
Heng Su-Ling, Mae (Member)	Independent	1	1

Currently, the Company does not have any executive share option scheme in place.

The RC's role is to review and approve recommendations on remuneration policies and packages for key executives and senior management. It reviews the remuneration packages with the aim of building capable and committed management teams through competitive compensation and focused management and progressive policies. The RC recommends to the Board's endorsement, a framework of remuneration which covers all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonus, share options and benefits in kind. No director is involved in deciding his own remuneration.

The remuneration of the Independent Directors is in the form of a fixed fee after taking into consideration factors such as effort, time spent and responsibilities of the Directors. The Remuneration Committee will ensure that Non-Executive Directors will not be overly compensated to the extent that their independence may be compromised. Independent Directors' fees are subject to the Shareholders' approval at the annual general meeting.

The Executive Directors' and key management personnel's performance, is taken into account in determining their remuneration, and is assessed annually against set performance criteria (including leadership competencies, core values, personal development and commitment). The Company's performance is measured based on a balanced set of financial and non-financial criteria including operational performance, financial performance and customer satisfaction. For the financial year 2022, the Remuneration Committee was of the view that performance conditions were met.

The Remuneration Committee ensures that the level and structure of remuneration are aligned with the risk policies and long-term interests of the Company.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.

The Executive Directors do not receive director's fee. The two Executive Directors have each entered into service agreements with the Company and their compensation consists of their salary, bonus and benefits.

The Board will on an annual basis, submit a proposal for Directors' Fees as a lump sum for shareholders' approval. The sum to be paid to each of the Independent directors and the Non-Executive Director of the Company shall be determined by his contribution to the Company, taking into account factors such as efforts and time spent as well as his responsibilities on the Board. Generally, directors who undertake additional duties as chairman and/or members of the Board Committees will receive higher fees because of their additional responsibilities.

The Board will be recommending proposed Directors' Fees amounting to S$137,500/-for the financial year ended 31 March 2023 (31 March 2022: S$137,500/-).

The following table sets out the quantum of Directors' Remuneration for the year ended 31 March 2023, together with a breakdown (in percentage terms) of each Director's remuneration earned through base/fixed salary, variable or performance related income/bonuses, share options granted, and Director fees/attendance fees proposed to be paid to each Director subject to the approval of shareholders at the AGM:

	Percentage (%)			Total (Round off to nearest thousand dollars) S$'000
	Remuneration earned through:			
	Base/ fixed salary	Variable or performance related income/ bonuses	Director Fees/ Attendance Fees	
Goh Ching Wah	31%	69%	–	639
Goh Ching Lai	–	–	100%	33
Goh Ching Huat	31%	69%	–	636
Wong King Kheng	–	–	100%	33
Anthony Clifford Brown	–	–	100%	33
Heng Su-Ling	–	–	100%	39

Note: Base/fixed salary includes the 13th month payment or the annual wage supplement, fixed bonus and allowances. Non-Executive and Independent Directors do not receive variable or performance related income/bonuses. No share options were granted in the financial year ended 31 March 2023, whether to Directors or other persons.

The Company has not disclosed exact details of the remuneration of its key management personnel as it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information. The annual aggregate remuneration paid to the top 5 management personnel of the Company (who are not directors or the Chief Executive Officer) for FY 2023 is S$1,590,000.

No termination, retirement and post-employment benefit were granted to any Director, the CEO or any top five key management personnel for the year ended 31 March 2023.

There is no employee of the Group who is an immediate family member of a director or substantial shareholder and whose remuneration exceeds S$50,000 for the financial year ended 31March 2023.

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can provide only reasonable but not absolute assurance against material misstatement or loss. The Group's internal controls and systems are designed to provide reasonable assurance to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets.

The Audit Committee through the assistance of external auditors, reviews and reports to the Board on the adequacy of the Company's system of controls including the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and management of business risks.

The Board has reviewed the adequacy of the Group's internal controls framework in relation to financial, operational, compliance and information technology controls as well as risk management systems of the Group. The Board, with the concurrence of the Audit Committee, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risk as well as the Group's risk management systems are effective and adequate as at 31 March 2023 to provide reasonable assurance of the integrity, effectiveness and efficiency of the Company in safeguarding its assets and Shareholders' investments. Such framework serves to provide reasonable assurance against material misstatement or loss.

The internal controls environment also ensures the Group's maintenance of proper accounting records, compliance with applicable regulations and best practices, and timely identification and containment of financial, operational and compliance risks. The Audit Committee is also satisfied that there were no material internal control deficiencies identified.

The system of internal controls provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and management of business risks.

The Board acknowledges that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the Audit Committee and the Board. The risk issues are highlighted on pages 114 to 123 under note 27 to the financial statements.

The external auditors Mazars LLP, in the course of conducting their annual audit procedures on the statutory financial statements, also reviewed the Group's significant internal financial controls to the extent of their scope of audit. Any material non-compliance and internal financial control weaknesses noted by the external auditors are reported to the Audit Committee together with the external auditors' recommendations. Management will then take appropriate actions to rectify the weaknesses highlighted.

The Audit Committee, in the course of their review of the reports presented by the internal auditors, Baker Tilly TFW Pte Ltd and external auditors, Mazars LLP, and also review the adequacy and effectiveness of the Group's system of internal controls, including the financial, operational, compliance and information technology controls, and risk management systems.

At the financial year-end of 31 March 2023, the Group Executive Chairman and Chief Executive Officer provided a letter of assurance on the integrity of the financial records/ statements to the Board.

The Chief Executive Officer and other key management personnel also provided assurances regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Such assurances included that:

(a) the financial records of the Group have been properly maintained and the financial statements for the financial year ended 31 March 2023 give a true and fair view of the Group's operations and finances;

(b) the Company's risk management systems and internal control systems were properly maintained;

(c) material information relating to the Company was disclosed on a timely basis for the purposes of preparing financial statements; and

(d) the Company's risk management systems and internal control systems (including financial, operational, compliance and information technology controls) were adequate and effective as at the end of the financial year.

Internal Audit

The Audit Committee's responsibility in overseeing that the Company's risk management system and internal controls are adequate is complemented by the Company's appointment of Baker Tilly TFW LLP as the internal auditor of the Company. The internal auditor had adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal auditor reports directly to the Chairman of the Audit Committee on audit matters. The internal auditor will plan its audit work in consultation with, but independent of, Management, and its annual internal audit plan will be submitted to the Audit Committee for approval at the beginning of each year. The internal auditor will report to the Audit Committee on its findings. The Audit Committee will meet the internal auditor on an annual basis, without the presence of Management. The internal auditor has full access to all the Company's documents, records, properties and personnel including access to the Audit Committee.

The Audit Committee will, at least annually, review the adequacy, effectiveness and independence of the internal audit function. During the financial year under review, internal audit reviews were conducted on the operations of three subsidiaries within the Group.

Based on a review on the internal audit function and activities performed, the Audit Committee is of the view that the internal auditor is independent, effective, qualified and adequately resourced.

Whistle-Blowing Policy

A Whistle-Blowing Policy is also in place to provide an avenue through which employees may report or communicate, in good faith and in confidence, any concerns relating to financial and other matters, so that independent investigation of such matters can be conducted and appropriate follow-up action taken. The Audit Committee Chairman is in charge of managing this specific area. The Whistle-Blowing Policy has been reviewed by the Audit Committee to ensure that it has been properly implemented.

The Board is accountable to the shareholders while the management is accountable to the Board. The Board is mindful of the obligation to provide timely and fair disclosure of material information, and avoids selective disclosure.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

The Audit Committee is chaired by Ms Heng Su-Ling Mae and its members are Mr Anthony Clifford Brown and Mr Wong King Kheng. All three members are independent of the Company, who bring with them invaluable managerial and professional expertise in the financial, legal and business management spheres.

The number of AC meetings held and attendance at the meetings during the financial period ended 31 March 2023 were as follows:

Name	Appointment	No. of meetings held	Attendance
Heng Su-Ling, Mae (Chairman)	Independent	2	2
Anthony Clifford Brown (Member)	Independent	2	1
Wong King Kheng (Member)	Independent	2	2

The AC reviewed the following, where relevant, with the executive directors, and the external auditors:

a. review with the external and internal auditors the audit plan, their evaluation of the system of internal controls, their audit report, their management letter and the management's response;

b. review the quarterly and annual financial statements and balance sheets and income statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

c. review the internal control and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by management to the auditors and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of management where necessary);

d. review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

e. review the independence of the external auditors and recommend to the Board the appointment or re-appointment of the external auditors, the audit fee, and matters relating to the resignation or dismissal of the auditors;

f. review interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST) to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its shareholders;

g. undertake such other reviews and projects, in particular matters pertaining to acquisitions and realisations, etc., as may be requested by the Board and will report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee; and

h. generally undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

Pursuant to Rule 1207 (6)(b) and (6)(c), the Audit Committee undertook the review of the independence and objectivity of the auditors as well as reviewing the non-audit services provided by the incumbent auditors, and the aggregate amount of audit fees paid to them. During the current financial year, there was non-audit related work carried out by the incumbent auditors, total 8% of the Audit fee for the year ended 31 March 2023. The Audit Committee is satisfied that neither their independence nor their objectivity is put at risk, and that they are still able to meet the audit requirements and statutory obligations of the Company. Accordingly, the Audit Committee has recommended the re-appointment of Mazars LLP as auditors of the Company at the forthcoming Annual General Meeting ("AGM') of the Company. In recommending the re-appointment of the auditors, the Audit Committee considered and reviewed a variety of factors including adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, and size and complexity of the Group, its businesses and operations.

Pursuant to Rule 1207 (6)(a), the fees payable to auditors is set out in Note 8 on page 89 of this Annual Report.

The AC has nominated Mazars LLP ("Mazars") for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

The Company is in compliance with Rules 712, 715 and 716 of the Listing Manual of the SGX-ST .

The AC has the power to conduct or authorise investigations into any matter within the AC's scope of responsibility. The AC is also authorised to obtain professional advice if it deems necessary to discharge its responsibilities. Such expenses are to be borne by the Company.

The AC has full access to and co-operation of the Company's management and has full discretion to invite any director or executive officer to attend meetings, and has been given reasonable resources to enable it to discharge its functions.

The Audit Committee also met with the External as well as the Internal Auditors during the year, without the presence of Management, and have received assurances from both the External and Internal Auditors, that they have been accorded full cooperation from all employees of the group and its subsidiaries and have been given full access to all documents as and when required.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meeting

The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives its Shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: Engagement with shareholders

The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.

The Company communicates pertinent information to its shareholders on a regular and timely basis through:

- the Company's annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group and other disclosures required by the Companies Act and the Singapore Financial Reporting Standards;
- half-yearly financial statements containing a summary of the financial information and affairs of the Group for the period. These are issued via SGXNET onto the SGX website;
- notices of and explanatory memoranda for AGMs and extraordinary general meetings; and
- disclosure to the SGX-ST and press releases on major development of the Group.

The Company currently does not have an investor relations policy as correspondences with shareholders are relatively low in volume. However, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via the SGXNET on an immediate basis, in line with the Group's disclosure obligations pursuant to the Listing Manual and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

The Company will assess the need to have a dedicated investor relations team as and when there is a substantial increase in correspondence with shareholders.

Shareholders are informed of all shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the Business Times and posted onto the SGXNET. Shareholders are encouraged to attend all shareholders' meeting to facilitate a high level of accountability by the Company and for shareholders to stay informed of the Company's strategy and goals. The general meeting procedures provide the shareholders with opportunities to raise questions relating to each resolution tabled for approval. Shareholders are given the opportunity to participate in, engage in and openly communicate to the Directors their views on matters relating to the Company. Shareholders are also informed of the rules, including voting procedures, governing shareholders' meeting. All shareholders are entitled to vote in accordance with the established voting rules and procedures for the shareholders' meetings. Each share entitles its holder to one vote. An external firm is appointed as scrutineer for the voting process to count and validate votes placed by shareholders, and is independent of the firm appointed to manage the electronic poll voting process. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages are announced via the SGXNET after the meeting.

A copy of the Notice of Annual General Meeting ("AGM") and Annual Report are despatched to every shareholder of the Company at least 21 clear days before the meeting. The Notice is also advertised in the newspapers and made available on the SGX website. During the AGM, shareholders are given opportunities to speak and seek clarifications concerning the Company and its operations.

The Chairmen of the Audit, Remuneration and Nominating Committees are in attendance at the Company's AGM to address the shareholders' questions relating to the work of these Committees. The Company's external auditors are also invited to attend the AGM and are available to assist the directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of their auditors' report.

In compliance with the requirements of the Listing Rules of the Singapore Exchange Securities Trading Limited, all resolutions are put to the vote by poll at the general meeting of the Company.

The proceedings of the annual general meeting and extraordinary general meeting (if any) are properly recorded, including all comments or queries raised by Shareholders relating to the agenda of the meeting and responses from the Board and Management. All minutes of general meetings are available to Shareholders upon their request.

Principle 13: Engagement with stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material Stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Board recognises the interests of the Company's internal and external stakeholders are essential as part of value creation for the Group. The Company and the Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth. The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. Four stakeholders' groups have been identified through an assessment of their significance to the business operations. They are namely, shareholders, employees, customers and suppliers. The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders.

Detailed approach to the stakeholder engagement and materiality assessment will be disclosed in the Group's sustainability report for FY2023, which will be published by the Company on SGXNet, to keep stakeholders informed on the Group's business and operations.

The Company has a robust Whistle-blowing policy in place to protect interests of its important stakeholders.

The Company maintains a corporate website at https://www.ossia.com.sg/ to communicate and engage with its stakeholders. The website provides annual reports, financial information, stock information, profiles of the Group, and contact details of the investor relations of the Group.

Dividend Policy

The Company's dividend policy endeavours to balance dividend return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure. The Company strives to provide shareholders on an annual basis with a consistent and sustainable ordinary dividend, with a variable special dividend based on cash position, working capital, expenditure plans, acquisition opportunities and market environment.

Any payouts are communicated to shareholders via announcement on SGX Net when the Company discloses its financial results.

The Company declares dividends at each financial year-end. Payouts, if any, are communicated to shareholders via announcement on the SGXNET when the Company discloses its financial results.

The Board of Directors has proposed a final dividend of 1.8 Singapore cent per ordinary share for the financial year ended 31 March 2023 (FY2022: 0.9 Singapore cent per ordinary share).

Corporate Social Responsibility

Apart from creating long term value for its Stakeholders and upholding high standards of governance, the Company recognises the importance of environmental sustainability and social responsibilities. In addition, the Company has identified its stakeholders, the details of which have been set out in the Company's Sustainability Report for the year ended 31 March 2023.

The Company has put in place proper procedures for ensuring economic contribution to society, legal compliance and corporate governance, water and energy conservation as well as diversity and equal opportunity for members of its workforce.

The Company will publish its standalone sustainability report for the financial year under review within the prescribed timeline and the same will be uploaded on the Company's website and SGXNET.

Dealing in Securities

The Group has adopted an internal code which prohibits the directors and executives of the Company from dealings in the Company's shares while in possession of unpublished price-sensitive information during the periods commencing two weeks prior to the announcement of the Group's first three quarters results, or one month prior to the announcement of the full year results, and ending on the date of announcement of the relevant results. All Directors and executives of the Company and its subsidiaries are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations.

Material Contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director, or controlling shareholder.

Interested Person Transactions

Interested person transactions entered into by the Group during the financial year ended 31 March 2023 as the format set out in Rule 907 of the Listing Manual as follows:

Details of the interested person transactions are disclosed in Note 25 to the financial statements under Significant Related Party Transactions.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

pursuant to the requirements of Article 89 of the Company's Constitution, Mr. Goh Ching Wah and Mr Anthony Clifford Brown are due to retire by rotation, at the forthcoming Annual General Meeting,. Mr. Goh Ching Wah has consented to seek re-election as a Director of the Company at the forthcoming Annual General Meeting. Mr Anthony Clifford Brown has advised the Board that, as he has exceeded 9 years in tenure as an Independent Director of the Company, he will not be seeking re-election as a Director of the Company at the forthcoming Annual General meeting. Mr. Goh Ching Wah, who is seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 27 July 2023 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR. GOH CHING WAH
Date of Appointment	1 September 1990
Date of last re-appointment	30 July 2021
Age	64
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Goh Ching Wah for reappointment as Group Executive Chairman of the Company. The Board has reviewed and concluded that Mr. Goh possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Group Executive Chairman, Mr.Goh Ching Wah is responsible for overall Group direction, strategic planning and business development. Mr Goh Ching Wah is a member of the Nominating Committee for the Group.
Professional qualifications	Honorary Doctorate of Letters (Honoris Causa) from BML Munjal University, India Diploma/Honours Degree in Music Trinity College London, Singapore
Working experience and occupation(s) during the past 10 years	More than 38 years of experience in distribution and lifestyle products under the Group and retailing sporting goods under World of Sports, Mizuno, Columbia and Salomon
Shareholding interest in the listed issuer and its subsidiaries	Direct interest in shares: 57,500,386 Deemed interest in shares: 132,750,131
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr. Goh Ching Wah is brother of Mr. Goh Ching Huat, CEO and also brother of Mr. Goh Ching Lai, Non - Executive Director of the Company.

	MR. GOH CHING WAH
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years): Present:	Yes. Past: Excelliant Pte Ltd ITG Development Pte Ltd Ossia Holdings Pte Ltd Promedia Directories Pte Ltd W.O.G. World of Golf Pte Ltd Present: Astute Asia Capital Pte Ltd Border Mission Limited Harvey Norman Ossia (Asia) Pte Ltd ITG International Pte Ltd Pertama Holdings Pte Ltd Vernal Ventures Pte Ltd VGO International Pte Ltd WLH Holdings Pte Ltd
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

	MR. GOH CHING WAH
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c) Whether there is any unsatisfied judgment against him?	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

	MR. GOH CHING WAH
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
J) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
iii any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No

	MR. GOH CHING WAH
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company?	Yes
If yes, please provide details of prior experience.	Group Executive Chairman, Internet Technology Group Limited Non-Executive Director, Citic Envirotech Limited (formerly known as United Envirotech Limited) Group Executive Chairman, VGO Corporation Limited
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N/A
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N/A

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Ossia International Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2023.

1. Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Goh Ching Wah
Goh Ching Huat
Goh Ching Lai
Wong King Kheng
Anthony Clifford Brown
Heng Su-Ling, Mae

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

	Direct interest		Deemed interest	
Name of directors	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Goh Ching Lai	75,395,477	75,395,477	114,855,040	114,855,040
Goh Ching Wah	57,500,386	57,500,386	132,750,131	132,750,131
Goh Ching Huat	57,354,654	57,354,654	132,895,863	132,895,863

By virtue of Section 7 of the Act, Goh Ching Lai, Goh Ching Wah and Goh Ching Huat, who are brothers, are also deemed to be interested in each other's shares in Ossia International Limited.

There was no change in the directors' interests in the share capital of the Company and of related corporations between the end of the financial year and 21 April 2023.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

5. Scrip dividend scheme

At an Extraordinary General Meeting of the Company held on 29 April 2004, the shareholders approved the Scrip Dividend Scheme (the "Scheme"). Under the Scheme, the directors are entitled to receive shares in lieu of cash in respect of the dividend declared. No shares were issued under the Scheme during the financial year.

6. Share options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

7. Audit committee

The members of the Audit Committee ("AC") at the date of this report are as follows:

Heng Su-Ling, Mae	(Chairman of the Audit Committee and independent director)
Wong King Kheng	(Independent director)
Anthony Clifford Brown	(Independent director)

The AC has convened two meetings during the year with key management and the internal and external auditors of the Company.

The AC carried out its functions in accordance with section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee:

(i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group;

(ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(v) reviewed and assessed the adequacy of the Group's risk management processes;

(vi) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) reviewed interested person transactions in accordance with SGX listing rules;

(viii) reviewed the nomination of external auditors and gave approval of their compensation; and

(ix) submitted of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

8. Auditors

The auditors, Mazars LLP, have expressed willingness to accept re-appointment.

On behalf of the directors

Goh Ching Wah
Director

Goh Ching Huat
Director

Singapore
30 June 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Ossia International Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 March 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 61 to 125.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of Audit

For the audit of the current financial year's financial statements, we identified 3 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

Out of the 3 significant components, 2 were audited by component auditors under our instructions and the remaining 1 was directly audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Report on the Audit of the Financial Statements (Continued)

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgments and estimates to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Expected credit losses ("ECL") on amounts due from related parties
Refer to Note 3.2 for key sources of estimation uncertainty, Note 12 (Trade and other receivables) and Note 27 (Financial instruments and financial risks) for disclosures relating to ECL on amounts due from related parties.</td></tr>
<tr><td>Key audit matter ("KAM")</td><td>Our audit response</td></tr>
<tr><td>The carrying amount of the Group's amounts due from related parties as at 31 March 2023 was approximately $728,000 (2022: $1,437,000), net of the loss allowances provided for amounts due from related parties approximately $99,000 (2022: $128,000).

For amounts due from related parties, the credit risk is assessed to have increased significantly since initial recognition, the Group recognises the loss allowance of such amounts due from related parties at an amount equal to lifetime ECL.

As the determination of the ECL requires significant judgement and estimation of management and in consideration of the significance of amounts due from related parties in the Group, we consider management's assessment and application of SFRS(I) 9 Financial Instruments ("SFRS(I) 9"), to the impairment of amounts due from related parties as a key audit matter.</td><td>Our audit procedures included, and were not limited to, the following:

● Obtained an understanding of the Group's consideration of SFRS(I) 9 in their application of the corresponding requirements and assessed the appropriateness thereof;

● Assessed the bases and assumptions used by the management to determine the discounting effect of the expected repayments from amounts due from related parties;

● Assessed and where found necessary, critically challenged judgements and estimates used by management in measuring the ECL of amounts due from related parties; and

● Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.</td></tr>
</table>

Report on the Audit of the Financial Statements (Continued)

Key audit matters (Continued)

Valuation of inventories *Refer to Note 3.2 for key sources of estimation uncertainty and Note 11 (Inventories) for disclosures relating to the inventories.*	
Key audit matter	**Our audit response**
As at 31 March 2023, the Group reported inventories with carrying amount of approximately $10,746,000 (2022: $10,509,000), net of allowance for inventory obsolescence approximately $589,000 (2022: $660,000). The Group carries a comprehensive range of fashion apparel and accessories as retail merchandise for sale at its retail stores, department stores and wholesale business in Taiwan. The Group records its inventories at the lower of cost and net realisable value ("NRV") The NRV of the Group's inventories is affected by their age, changing consumer demands and fashion trends, and prevailing retail market conditions. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and NRV. The Group's total inventory balance represents a significant portion of the Group's total assets and inventory write-downs require significant management judgement to estimate the inventories' NRV. Hence, we consider this as a key audit matter.	Our audit procedures included, and were not limited to, the following: ● Reviewed the Group's valuation of inventories, including determination of original purchase values, estimation of inventory obsolescence, and determination of cost of goods sold and assessed whether the policies had been adhered to; ● Inquired as to the existence of damaged, slow-moving, overstock, out-of-style, and obsolete inventories and of commitments for additional quantities of similar items. Made note of such items during inventory observations, price tests, and review of gross margins; ● Understood from management their procedures to identify slow moving items. Assessed the need for an additional allowance for obsolete inventory; ● Assessed the adequacy of the allowance for inventory obsolescence, by reviewing the reasonableness of the Company's policy on the allowance for inventory obsolescence; ● Performed testing to ascertain that inventories are stated at the lower of cost and net realisable value at year end; and ● Observed year-end physical stock-count to obtain assurance over the existence of the inventories.

Report on the Audit of the Financial Statements (Continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with the provision of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Wong Zi En.

Other Matter

The financial statements of the Group and the Company for the financial year ended 31 March 2022 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 30 June 2022.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
30 June 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note	Group 2023 $'000	Group 2022 $'000
Revenue	4	30,196	23,668
Cost of sales	8	(13,265)	(10,224)
Gross profit		16,931	13,444
Other income	5	329	460
Distribution costs		(8,871)	(8,175)
General and administrative expenses		(4,733)	(3,730)
Profit from operations		3,656	1,999
Interest income	6	121	70
Finance costs	7	(61)	(77)
Share of results of associated company - net of tax	14	7,883	5,536
Profit before income tax	8	11,599	7,528
Income tax expense	9	(1,526)	(924)
Profit for the year		10,073	6,604
Other comprehensive loss:			
Items that will not be reclassified to profit or loss			
Share of gain/(loss) on property revaluation of associated company		725	(443)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,094)	(39)
Share of foreign currency translation of associated company		(1,188)	(94)
		(2,282)	(133)
Other comprehensive loss for the year, net of tax		(1,557)	(576)
Total comprehensive income for the year		8,516	6,028

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note	Group 2023 $'000	Group 2022 $'000
Profit for the year attributable to:			
Owners of the Company		10,073	6,603
Non-controlling interests		–	1
		10,073	6,604
Total comprehensive income attributable to:			
Owners of the Company		8,516	6,029
Non-controlling interests		–	(1)
		8,516	6,028
Earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	10	3.99	2.61

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
ASSETS					
Current assets					
Inventories	11	10,746	10,509	–	–
Trade and other receivables	12	4,517	4,612	526	591
Prepayments		87	30	9	17
Cash and bank balances	13	12,732	9,322	8,946	6,275
		28,082	24,473	9,481	6,883
Non-current assets					
Investment in associated company	14	31,127	28,793	13,252	13,252
Investment in subsidiaries	15	–	–	1,399	1,399
Property, plant and equipment	16	334	629	13	20
Right-of-use assets	20	928	892	241	86
Trade and other receivables	12	290	963	25	520
Deferred tax assets	17	164	177	–	–
		32,843	31,454	14,930	15,277
Total assets		60,925	55,927	24,411	22,160

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	18	4,055	3,619	208	98
Amount due to directors	19	137	533	137	517
Lease liabilities	20	565	670	70	78
Bank borrowings	21	–	591	–	–
Income tax payable		856	754	–	–
		5,613	6,167	415	693
Non-current liabilities					
Trade and other payables	18	61	54	–	–
Lease liabilities	20	367	237	170	16
Bank borrowings	21	–	827	–	–
		428	1,118	170	16
Capital and reserves					
Share capital	22	31,351	31,351	31,351	31,351
Revaluation reserve	23	2,990	2,265	–	–
Legal reserve	23	1,651	1,651	–	–
Translation reserve	23	(2,513)	(231)	–	–
Accumulated profit/(losses)		21,407	13,608	(7,525)	(9,900)
Attributable to equity holders to the company		54,886	48,644	23,826	21,451
Non-controlling interests		(2)	(2)	–	–
Total equity		54,884	48,642	23,826	21,451
Total liabilities and equity		60,925	55,927	24,411	22,160

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

Group	Attributable to owners of the Company							
	Share capital	Revaluation reserve	Legal reserve	Translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2022	31,351	2,265	1,651	(231)	13,608	48,644	(2)	48,642
Profit for the year	–	–	–	–	10,073	10,073	–	10,073
Other comprehensive income/(loss)								
- Foreign currency translation	–	–	–	(1,094)	–	(1,094)	–	(1,094)
- Share of loss on property revaluation of associated company	–	725	–	–	–	725	–	725
- Share of foreign currency translation of associated company	–	–	–	(1,188)	–	(1,188)	–	(1,188)
Other comprehensive income/(loss) for the year, net of tax	–	725	–	(2,282)	–	(1,557)	–	(1,557)
Total comprehensive income for the year	–	725	–	(2,282)	10,073	8,516	–	8,516
Contributions by and distributions to owners								
Dividends paid to shareholders (Note 24)	–	–	–	–	(2,274)	(2,274)	–	(2,274)
Balance at 31 March 2023	31,351	2,990	1,651	(2,513)	21,407	54,886	(2)	54,884

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

Group	Attributable to owners of the Company							
	Share capital	Revaluation reserve	Legal reserve	Translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 April 2021	31,351	2,708	1,651	(100)	9,531	45,141	(1)	45,140
Profit for the year	–	–	–	–	6,603	6,603	1	6,604
Other comprehensive loss								
- Foreign currency translation	–	–	–	(37)	–	(37)	(2)	(39)
- Share of loss on property revaluation of associated company	–	(443)	–	–	–	(443)	–	(443)
- Share of foreign currency translation of associated company	–	–	–	(94)	–	(94)	–	(94)
Other comprehensive loss for the year, net of tax	–	(443)	–	(131)	–	(574)	(2)	(576)
Total comprehensive income for the year	–	(443)	–	(131)	6,603	6,029	(1)	6,028
Contributions by and distributions to owners								
Dividends paid to shareholders (Note 24)	–	–	–	–	(2,526)	(2,526)	–	(2,526)
Balance at 31 March 2022	31,351	2,265	1,651	(231)	13,608	48,644	(2)	48,642

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

Company	**Share capital**	**Accumulated Losses**	**Total equity**
	$'000	**$'000**	**$'000**
2023			
Balance at 1 April 2022	31,351	(9,900)	21,451
Profit for the year, representing total comprehensive income for the year	–	4,649	4,649
Dividends (Note 24)	–	(2,274)	(2,274)
Balance at 31 March 2023	31,351	(7,525)	23,826
2022			
Balance at 1 April 2021	31,351	(9,839)	21,512
Profit for the year, representing total comprehensive income for the year	–	2,465	2,465
Dividends (Note 24)	–	(2,526)	(2,526)
Balance at 31 March 2022	31,351	(9,900)	21,451

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2023

	Note	Group 2023 $'000	Group 2022 $'000
Operating activities			
Profit before income tax		11,599	7,528
Adjustments for:			
- Interest income	6	(121)	(70)
- Finance costs	7	61	77
- Depreciation of property, plant and equipment	8	561	506
- Depreciation expense of right-of-use assets	8	833	1,248
- Gain on disposal of property, plant and equipment	5	–	(3)
- Changes in allowances for amounts due from related parties	12	(29)	–
- Inventories written off	8	4	203
- (Reversal of allowance)/Allowance for inventory obsolescence, net	11	(71)	88
- Share of results of associated company	14	(7,883)	(5,536)
- Unrealised foreign exchange gain		(728)	(28)
Operating cash flows before movements in working capital		4,226	4,013
Changes in working capital:			
- Inventories		(170)	328
- Trade and other receivables		797	470
- Prepayments		(57)	15
- Trade and other payables		48	1,257
Cash generated from operations		4,844	6,083
- Income tax paid		(1,355)	(615)
- Interest income	6	121	70
Net cash generated from operating activities		3,610	5,538

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2023

	Note	Group 2023 $'000	Group 2022 $'000
Investing activities			
Dividend received from associated company	14	5,086	4,278
Purchase of property, plant and equipment	16	(305)	(739)
Proceeds from disposal of property, plant and equipment		–	3
Net cash generated from investing activities		4,781	3,542
Financing activities			
Proceeds from bank borrowings		3,529	7,186
Repayment of bank borrowings		(4,993)	(8,190)
Repayment of lease liabilities		(909)	(1,327)
Interest paid on lease liabilities		(15)	(26)
Proceeds from bills payables		2,148	1,785
Repayment of bills payables		(2,148)	(2,958)
Decrease in restricted bank deposits	13	36	78
Dividend paid to shareholders	24	(2,274)	(2,526)
Net cash used in financing activities		(4,626)	(5,978)
Net increase in cash and cash equivalents		3,765	3,102
Cash and cash equivalents at beginning of the financial year		8,849	5,746
Effect of exchange rate changes on cash and cash equivalents		(319)	1
Cash and cash equivalents at end of the financial year	13	12,295	8,849

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2023

Reconciliation of liabilities arising from financing activities are as follows:

	At beginning of financial year	Financing cash flows [1]	Non-cash movements			At end of financial year
			Acquisition of plant and equipment	Interest expense	Others	
	$'000	$'000	$'000	$'000	$'000	$'000
2023						
Bank borrowings	1,418	(1,464)	–	46	–	–
Lease liabilities	907	(924)	941	15	(7)	932
	2,325	(2,388)	941	61	(7)	932
2022						
Bank borrowings	2,362	(1,004)	–	51	9	1,418
Bills payable	1,173	(1,173)	–	–	–	–
Lease liabilities	1,253	(1,353)	1,128	26	(147)	907
	4,788	(3,530)	1,128	77	(138)	2,325

Note:

(1) Net of proceeds and repayment from bank borrowings, repayment and interest paid of lease liabilities, and proceeds and repayment from bills payables.

The accompanying notes form an integral part of and should be read in conjunction with these financial statement.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Ossia International Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 51 Changi Business Park Central 2 #08-13, The Signature, Singapore 486066.

The Company's principal activity is investment holding. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 March 2023 were authorised for issue by the Board of Directors on the date of directors' statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I)s ("SFRS(I) INTs") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("$"), and all values presented are rounded to the nearest thousand ("$'000"), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2022. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation

SFRS(I)s and SFRS(I) INTs issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I)s and SFRS(I) INTs that are relevant to the Group were issued but not yet effective:

SFRS(I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
SFRS(I) 16	Amendment to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements*	1 January 2024
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power, and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2. Summary of significant accounting policies (Continued)

2.3 Revenue recognition (Continued)

Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with discounts.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of discounts and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises refund liabilities for refunds due to expected returns from customers, if any. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

Interest income

Interest income is recognised using the effective interest method.

2.4 Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5 Retirement benefits costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and Taiwan Labour Pension Program, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2. **Summary of significant accounting policies (Continued)**

2.6 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

2. Summary of significant accounting policies (Continued)

2.7 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

2.8 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed off.

2.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

2. Summary of significant accounting policies (Continued)

2.9 Property, plant and equipment (Continued)

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computer equipment	3 to 5 years
Furniture, fixtures, fittings and renovations	2 to 10 years
Motor vehicles	3 to 5 years
Plant, machinery and office equipment	3 to 10 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 20.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2.10 Investment in associated company

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2. Summary of significant accounting policies (Continued)

2.10 Investment in associated company (Continued)

The results and assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investees become classified as held for sale. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associate at cost in its separate financial statements.

2.11 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. **Summary of significant accounting policies (Continued)**

2.12 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.3.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interests income.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 27.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

2. Summary of significant accounting policies (Continued)

2.12 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the statement of comprehensive income over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of borrowing using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and fixed deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2. Summary of significant accounting policies (Continued)

2.15 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 *Leases*. For these leases, the Group recognises the lease payment as an expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

The estimated useful lives of right-of-use assets are determined over the lease terms.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee’s incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

2. Summary of significant accounting policies (Continued)

2.15 Leases (Continued)

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. **Summary of significant accounting policies (Continued)**

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

Non-monetary government grant is recognised at nominal amount.

2.18 Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

2. Summary of significant accounting policies (Continued)

2.18 Contingencies (Continued)

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.19 Segment reporting

For management purposes, the Group is organised into operating segments based on their geographical locations which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 26, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

<u>Valuation of inventories</u>

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 March 2023 was approximately $10,746,000 (2022: $10,509,000), net of allowance for inventory obsolescence approximately $589,000 (2022: $660,000).

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Measurement of ECL of trade receivables and amounts due from related parties

The Group adopts a simplified approach for the recognition of the loss allowance for trade receivables, which are carried at amortised cost, at an amount equal to lifetime ECL and has also used the practical expedient permitted in SFRS(I) 9 in the form of a provision matrix.

The Group estimates loss allowance for amounts due from related parties by incorporating various factors such as their assessment of the related parties' credit worthiness based on the aging of the receivables, available credit enhancements, historical repayments, refinancing and credit loss patterns and the current and forward-looking factors specific to the related parties and the economic environments where they operate in.

The assessment of the correlation between historical repayments, refinancing and credit loss patterns, current and forward-looking factors and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical repayments, refinancing and credit loss experience and forecast of economic conditions may also not be representative of the related parties' actual default in the future. The information about the ECL on the Group's amounts due from related parties is disclosed in Note 27.

The carrying amount of the Group's trade receivables and amounts due from related parties as at 31 March 2023 was approximately $3,747,000 (2022: $3,640,000) and $728,000 (2022: $1,437,000) respectively. As of 31 March 2023, the gross amount of the Group's amounts due from related parties was approximately $827,000 (2022: $1,565,000) and the loss allowances provided for amount due from related parties was approximately $99,000 (2022: $128,000).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Group's and the Company's investments are impaired. Where applicable, the Group's and the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 Impairment of Assets by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 March 2023 was approximately $1,399,000 (2022: $1,399,000) (Note 15).

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 2 to 10 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's property, plant and equipment at 31 March 2023 were approximately $334,000 (2022: $629,000).

Provision for income taxes

The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable as at 31 March 2023 was approximately $856,000 (2022: $754,000).

4. Revenue

	2023 $'000	2022 $'000
Sales of goods	30,196	23,668

5. Other income

	Group	
	2023 $'000	2022 $'000
Rental income	73	73
Lease rebates from landlords	–	79
Gain on disposal of property, plant and equipment	–	3
Subsidies from principals	44	83
Miscellaneous income	212	222
	329	460

6. Interest income

	Group	
	2023 $'000	2022 $'000
Interest income from fixed deposits	48	–
Interest income from external parties	7	4
Interest income from associated company	66	66
	121	70

7. Finance costs

	Group	
	2023	**2022**
	$'000	**$'000**
Interest expenses on bank borrowings	46	51
Interest expense on lease liabilities	15	26
	61	77

8. Profit before income tax

In addition to the charges/(credits) disclosed elsewhere in the notes to the financial statements, the following charges/(credits) were included in the determination of profit before income tax:

	Group	
	2023	**2022**
	$'000	**$'000**
Auditor's remuneration		
- Auditors of the Company	60	62
- Other auditors	26	30
Cost of inventories recognised as an expense	13,265	10,224
Depreciation of property, plant and equipment (Note 16)	561	506
Depreciation of right-of-use assets (Note 20(a))	833	1,248
Short-term lease expense (Note 20(c))	34	33
Staff costs (including directors' remuneration):		
- Wages and salaries	6,178	5,100
- Contribution to defined contribution plans	288	1,017
- Other related costs	770	238
Reversal of loss allowance on amounts due from related parties	(29)	–
Inventories written off	4	203
Allowance for inventory obsolescence (Note 11)	–	88
Reversal of allowance for inventory obsolescence (Note 11)	(71)	–
Foreign exchange loss	185	9
Share of results of associated company - net of tax (Note 14)	(7,883)	(5,536)

9. Income tax

	Group 2023 $'000	Group 2022 $'000
Current tax expense:		
- Current financial year	1,194	763
Deferred income tax		
- Origination and reversal of temporary differences (Note 17)	13	(17)
Withholding tax	319	178
Income tax expense recognised in the profit or loss	1,526	924

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2022: 17%). Taxation for other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions (income tax rate for Taiwan and Malaysia are 20% and 24% respectively). There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from last year.

Reconciliation of effective tax rate is as follows:

	Group 2023 $'000	Group 2022 $'000
Profit before tax	11,599	7,528
Tax at the domestic rates applicable to profits in the countries where the Group operates	2,037	1,351
Adjustments:		
- Non-deductible expenses	543	287
- Surtax on undistributed retained earnings of the Taiwan subsidiary	50	72
- Benefits from previously unrecognised tax losses	(83)	(23)
- Share of results of associated company	(1,340)	(941)
- Withholding tax	319	178
	1,526	924

The above reconciliation is prepared by aggregating separate reconciliations for each jurisdiction. The dividend paid in respect of profits generated from the Taiwan subsidiary will be subjected to a withholding tax of 20%.

10. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 March:

	Group	
	2023	**2022**
	$'000	**$'000**
Profit attributable to owners of the Company	10,073	6,603
Weighted average number of ordinary shares in issue for basic and diluted earnings per share (in units)	252,629,000	252,629,000
Earnings per share (cents per share)	3.99	2.61

There were no dilutive potential ordinary shares as at 31 March 2023 and 2022.

11. Inventories

	Group 2023 $'000	Group 2022 $'000
Finished goods	11,335	11,169
Less: Allowance for inventory obsolescence	(589)	(660)
	10,746	10,509

	Group 2023 $'000	Group 2022 $'000
Movement in allowance accounts		
Balance at 1 April	660	572
Allowance for inventory obsolescence	–	88
Reversal of allowance for inventory obsolescence	(71)	–
Balance at 31 March	589	660
Statement of comprehensive income		
Cost of inventories recognised in cost of sales	(13,265)	(10,224)

12. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current				
Trade receivables				
- external parties	3,747	3,640	–	–
- related parties	–	196	–	–
Less: Loss allowance (Note 27)	–	(8)	–	–
	3,747	3,828	–	–
Other receivables				
- external parties	38	160	4	3
- related parties	827	583	425	481
Less: Loss allowance (Note 27)	(99)	(26)	(61)	(17)
Interest receivable from associated company	–	66	–	66
Due from subsidiaries	–	–	155	57
Deposits	4	1	3	1
	4,517	4,612	526	591
Non-current				
Trade receivables				
- related parties	–	247	–	–
Less: Loss allowance (Note 27)	–	(50)	–	–
	–	197	–	–
Other receivables				
- related party	–	539	–	539
Less: Loss allowance (Note 27)	–	(44)	–	(44)
Refundable deposit	290	271	25	25
	290	963	25	520

12. Trade and other receivables (Continued)

Trade receivables due from third parties are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade and other receivables due from related parties are unsecured, non-interest bearing and are expected to be settled in cash. The current portion is repayable in monthly instalments in 2024. Certain directors of the Company who are also directors of the related parties have agreed to provide continuing financial support to these related parties to enable them to meet their financial obligations as and when they fall due. Related parties relate to companies where certain of its directors are also directors of the Company.

The non-trade amounts due from subsidiaries and associate are unsecured, non-interest bearing and are repayable in cash upon demand..

The details of the impairment of trade and other receivables and credit exposures are disclosed in Note 27.

13. Cash and bank balances

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at banks and on hand	6,201	2,859	3,546	317
Fixed deposits	6,531	6,463	5,400	5,958
	12,732	9,322	8,946	6,275
Less:				
Fixed deposits - restricted	(437)	(473)	–	–
Cash and cash equivalents	12,295	8,849	8,946	6,275

Fixed deposits - restricted are placed with various banks to provide security for banking facilities granted to a subsidiary.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The fixed deposits with financial institutions mature on varying dates within 3 to 12 months (2022: 3 to 6 months) from the financial year end and can be withdrawn at any time upon demand at the discretion of the Group. The interest rates of the fixed deposits as at 31 March 2023 range from 0.10% to 2.60% (2022: 0.10% to 0.78%) per annum.

13. Cash and bank balances (Continued)

Cash and cash equivalents denominated in currencies other than the functional currencies of respective entities at 31 March 2023 and 31 March 2022 are as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
United States Dollars	22	1	–	–
Hong Kong Dollars	1	1	–	–
Japanese Yen	8	1	–	–
Korean Won	17	8	–	–

14. Investment in associated company

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Unquoted shares	13,252	13,252	13,252	13,252
Share of post-acquisition reserves	17,875	15,541	–	–
	31,127	28,793	13,252	13,252

The share of post-acquisition reserves is made up as follows:

	Group	
	2023	2022
	$'000	$'000
Revenue reserve	17,729	14,932
Translation reserve	(2,844)	(1,656)
Revaluation reserve	2,990	2,265
	17,875	15,541

14. Investment in associated company (Continued)

The summarised financial information of the associated company, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Assets and liabilities:		
Current assets	35	45
Non-current assets	77,793	71,949
Total assets	77,828	71,994
Current liabilities	11	11
Total liabilities	11	11
Net assets	77,817	71,983
Proportion of the Group's ownership	40%	40%
Carrying amount of the investment	31,127	28,793
Results:		
Profit for the year	19,706	13,840
Other comprehensive losses	(1,157)	(1,343)
Total comprehensive income for the year	18,549	12,497
Group's share of profit for the year	7,883	5,536

During the financial year ended 31 March 2023, dividends of approximately $5,086,000 (2022: $4,278,000) were received from the Group's associated company, Harvey Norman Ossia (Asia) Pte Ltd.

14. Investment in associated company (Continued)

The following information relates to the associated company:

Name	Principal activities (Country of incorporation and place of business)	Proportion of ownership interest		Cost of investment	
		2023	2022	2023	2022
		%	%	$'000	$'000
Held by the Company					
Harvey Norman Ossia (Asia) Pte. Ltd. (1)	Investment holding (Singapore)	40.0	40.0	13,252	13,252
Held by associated company					
Pertama Holdings Pte. Ltd. (1) (2)	Investment holding (Singapore)	19.8	19.8	–	–

(1) Audited by Ernst & Young LLP, Singapore.

(2) The 19.8% ownership interest represents the Group's effective interest in Pertama Holdings Pte. Ltd.

15. Investments in subsidiaries

	Company	
	2023	2022
	$'000	$'000
Unquoted shares, at cost	2,039	2,039
Less: Impairment loss	(640)	(640)
Carrying amount	1,399	1,399

15. Investments in subsidiaries (Continued)

The Company has the following subsidiaries as at 31 March 2023 and 31 March 2022:

Name	Principal activities (Country of incorporation and place of business)	Proportion of ownership interest		Cost of investment	
		2023 %	2022 %	2023 $'000	2022 $'000
Held by the Company					
Alstyle Marketing Sdn. Bhd. (3)	Investment holding (Malaysia)	100	100	282	282
Ossia World of Golf (M) Sdn. Bhd. (3)	Dormant (Malaysia)	100	100	1,080	1,080
Great Alps Industry Co., Ltd (1)	Distribution of bags, sporting goods, apparel and accessories (Taiwan)	100	100	677	677
				2,039	2,039
Held through Alstyle Marketing Sdn. Bhd.					
Alstyle International (M) Sdn. Bhd. (3)	Dormant (Malaysia)	100	100		
Alstyle Fashion Sdn. Bhd. (3)	Dormant (Malaysia)	100	100		
Alstyle International Resources Sdn. Bhd. (3)	Dormant (Malaysia)	61	61		
Decorion Sdn. Bhd. (2)	Investment holding (Malaysia)	100	100		

(1) Audited by member firm of Mazars in Taiwan.

(2) Audited by W.K. Lee & Co., CPA, Malaysia.

(3) Not required to be audited by the law of its country of incorporation.

Impairment losses in investment in subsidiaries

	Company	
	2023 $'000	2022 $'000
Alstyle Marketing Sdn. Bhd.	49	49
Ossia World of Golf (M) Sdn. Bhd.	591	591
	640	640

16. Property, plant and equipment

Group	Computer equipment $'000	Furniture, fixtures, fittings and renovations $'000	Motor vehicles $'000	Plant, machinery and office equipment $'000	Total $'000
Cost					
At 1 April 2021	31	7,803	22	443	8,299
Additions	30	689	20	–	739
Disposals	(23)	(1,138)	–	–	(1,161)
Exchange differences	–	18	–	–	18
At 31 March 2022	38	7,372	42	443	7,895
Additions	36	269	–	–	305
Disposals	(17)	(2)	–	–	(19)
Exchange differences	–	(486)	–	(4)	(490)
At 31 March 2023	57	7,153	42	439	7,691
Accumulated depreciation					
At 1 April 2021	20	7,429	21	430	7,900
Charge for the year	30	466	4	6	506
Disposals	(23)	(1,138)	–	–	(1,161)
Exchange differences	–	21	–	–	21
At 31 March 2022	27	6,778	25	436	7,266
Charge for the year	34	520	4	3	561
Disposals	(17)	(2)	–	–	(19)
Exchange differences	(2)	(446)	–	(3)	(451)
At 31 March 2023	42	6,850	29	436	7,357
Carrying amounts					
At 31 March 2023	15	303	13	3	334
At 31 March 2022	11	594	17	7	629

16. Property, plant and equipment (Continued)

Company	Computer equipment $'000	Motor vehicles $'000	Total $'000
Cost			
At 1 April 2021	8	22	30
Additions	–	20	20
At 31 March 2022	8	42	50
Additions	–	–	–
At 31 March 2023	8	42	50
Accumulated depreciation			
At 1 April 2021	3	21	24
Charge for the year	2	4	6
At 31 March 2022	5	25	30
Charge for the year	3	4	7
At 31 March 2023	8	29	37
Net carrying amount			
At 31 March 2023	–	13	13
At 31 March 2022	3	17	20

17. Deferred tax assets

Deferred tax as at 31 March relates to the following:

	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2023	2022	2023	2022
Group	**$'000**	**$'000**	**$'000**	**$'000**
Deferred tax assets				
Provisions and accruals	156	171	15	(22)
Exchange differences	8	6	(2)	5
Provisions and accruals	164	177	13	(17)
Deferred tax expense (Note 9)			13	(17)

<u>Unrecognised tax losses and capital allowances</u>

At the end of the reporting period, the Group has unabsorbed tax losses and capital allowances of approximately $30,030,000 (2022: $30,521,000) and $Nil (2022: $253,000), respectively, which are available for offset against future taxable profits of the companies, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

<u>Unrecognised temporary differences relating to investments in subsidiaries</u>

At the end of the reporting period, no deferred tax liability (2022: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to $13,379,000 (2022: $11,709,000).

18. Trade and other payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Trade payables				
- external parties	2,637	1,698	–	–
Other payables				
- subsidiary	–	–	93	–
Deposits received	–	9	–	9
Accrued operating expenses	1,418	1,912	115	89
	4,055	3,619	208	98
Non-current				
Other liabilities				
- Deposits received	46	35	–	–
- Accrued operating expenses	15	19	–	–
	61	54	–	–

Trade payables due to external parties are non-interest bearing and are normally settled on 30 to 60 days' terms.

Other payables due to subsidiary is non-trade related, non-interest bearing, unsecured and repayable on demand.

Trade and other payables denominated in currency other than the functional currencies of respective entities at 31 March 2023 and 31 March 2022 is as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollars	54	46	–	–

19. Amounts due to directors

Amounts due to directors relate to directors' remuneration, are non-interest bearing and repayable on demand.

20. Leases

The Group as lessee

The Group has lease contracts for retail outlets, warehouse, office premises, and motor vehicle used in its operations for 2 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets, which will revert to the lessor in the event of default by the Group.

Extension options

The Group has a lease contract that includes an extension option. The option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether the extension option is reasonably certain to be exercised. As at 31 March 2023, the lease contract with extension option has been included in lease liabilities because it is reasonably certain that the lease will be extended.

Recognition exemptions

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

20. Leases (Continued)

The Group as lessee (Continued)

(a) Right-of-use assets

Group	Retail outlets $'000	Warehouse $'000	Office premises $'000	Motor vehicle $'000	Total $'000
Cost					
At 1 April 2021	2,230	365	545	399	3,539
Additions	631	–	497	–	1,128
De-recognition	(1,770)	(101)	(329)	(342)	(2,542)
Exchange differences	25	5	(3)	9	36
At 31 March 2022	1,116	269	710	66	2,161
Additions	500	–	224	217	941
De-recognition	(206)	–	–	(103)	(309)
Exchange differences	(98)	(21)	(38)	(10)	(167)
At 31 March 2023	1,312	248	896	170	2,626
Accumulated depreciation					
At 1 April 2021	1,605	181	350	245	2,381
Charge for the year	786	92	234	136	1,248
De-recognition	(1,617)	(101)	(330)	(342)	(2,390)
Exchange differences	20	–	5	5	30
At 31 March 2022	794	172	259	44	1,269
Charge for the year	439	85	224	85	833
De-recognition	(206)	–	–	(93)	(299)
Exchange differences	(71)	(16)	(15)	(3)	(105)
At 31 March 2023	956	241	468	33	1,698
Carrying amount					
At 31 March 2023	356	7	428	137	928
At 31 March 2022	322	97	451	22	892

The total cash outflows for leases during the financial year ended 31 March 2023 is approximately $924,000 (2022: $1,353,000).

20. Leases (Continued)

The Group as lessee (Continued)

(a) Right-of-use assets

Company	**Office premise $'000**
Cost	
At 1 April 2021 and 31 March 2022	223
Additions	224
At 31 March 2023	447
Accumulated depreciation:	
At 1 April 2021	69
Depreciation charge for the year	68
At 31 March 2022	137
Depreciation charge for the year	69
At 31 March 2023	206
Carrying amount:	
At 31 March 2023	241
At 31 March 2022	86

20. Leases (Continued)

The Group as lessee (Continued)

(b) Lease liabilities

The table below sets out the carrying amount of lease liabilities and the movements during the year.

	Group		Company	
	2023 **$'000**	**2022** **$'000**	**2023** **$'000**	**2022** **$'000**
At 1 April	907	1,253	94	171
Additions	941	1,128	224	–
Payments	(924)	(1,353)	(79)	(79)
Accretion of interest	15	26	1	2
De-recognition	(11)	(152)	–	–
Exchange difference	4	5	–	–
At 31 March	932	907	240	94
Current	565	670	70	78
Non-current	367	237	170	16

The maturity analysis of lease liabilities is disclosed in Note 27.

(c) Amounts recognised in profit or loss

	Group	
	2023 **$'000**	**2022** **$'000**
Depreciation of right-of-use assets	833	1,248
Interest expense on lease liabilities	15	26
Lease expense not capitalised in lease liabilities (included in other expense):		
Short-term lease expense (Note 8)	34	33
	882	1,307

21. Bank borrowings

	Group	
	2023	2022
	$'000	$'000
Bank borrowings – unsecured		
Current	–	591
Non-current	–	827
	–	1,418

Bank borrowings have been fully repaid during the financial year.

The weighted average effective interest rates at the end of the reporting period are as follows:

	Group	
	2023	2022
	%	%
Bank borrowings	–	**0.69**

22. Share capital

	Group and Company			
	Number of ordinary shares			
	2023	2022	2023	2022
	'000	'000	$'000	$'000
Issued and fully paid ordinary shares				
At the beginning and end of the year	252,629	252,629	31,351	31,351

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

23. Reserves

(a) Revaluation reserve represents the Group's share of revaluation reserve of associated company.

(b) Legal reserve represents amount set aside in compliance with local laws in certain countries where the Group operates, and are not distributable unless approval is obtained from relevant authorities.

(c) Translation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from the Group's presentation currency and share of translation reserve from associated company.

24. Dividends

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Declared and paid during the financial year:		
Dividends on ordinary shares:		
Final exempt (one-tier) dividend for 2022: $0.9 cents (2021: $1.0 cents) per share	2,274	2,526
Proposed but not recognised as a liability as at 31 March		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final exempt (one-tier) dividend for 2023: $1.8 cents (2022: $0.9 cents) per share	4,547	2,274

25. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

25. Significant related party transactions (Continued)

(b) An entity is related to the Group and Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and Company's transactions and arrangements with related parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Compensation of key management personnel

	Group	
	2023	**2022**
	$'000	**$'000**
Short-term employee benefits	2,763	2,360
Central Provident Fund contributions	47	43
Other short-term benefits	54	61
	2,864	2,464
Comprise amounts paid to:		
- Directors of the Company	1,274	1,013
- Other key management personnel	1,590	1,314
	2,864	2,327

25. Significant related party transactions (Continued)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2023	**2022**
	$'000	**$'000**
Income/(expenses)		
Recharge of rental and office building expenses to related parties	73	73
Recharge of staff costs and other expenses from related parties	–	(32)

Commitment with related party

The Company entered into a 12-month agreement ending 14 April 2024 with VGO International Pte Ltd and ITG International Pte Ltd for the rental of the Company's office space. The Group expects the annual rental income of approximately $30,000 from VGO International Pte Ltd and ITG International Pte Ltd each.

26. Segment information

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group mainly imports and distributes apparel, sporting goods, footwear and accessories in Taiwan.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

26. Segment information (Continued)

Transfer prices between operating segments are on terms agreed mutually between the parties. Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Singapore and Malaysia	Taiwan	Adjustments and eliminations		Total Group
	$'000	$'000	$'000		$'000
2023					
Revenue:					
External customers	–	30,196	–		30,196
Results:					
Interest income	114	7	–		121
Dividend income	6,442	–	(6,442)	(a)	–
Finance costs	(1)	(60)	–		(61)
Depreciation of property, plant and equipment	(6)	(555)	–		(561)
Depreciation of right-of-use assets	(69)	(764)	–		(833)
Share of results of associated company	7,883	–	–		7,883
Other non-cash expenses	–	(67)	–	(b)	(67)
Income tax expense	(319)	(1,207)	–		(1,526)
Segment profit	12,419	4,096	(6,442)	(a)	10,073
Assets:					
Investment in associated company	31,127	–	–		31,127
Additions to property, plant and equipment	–	305	–		305
Segment assets	42,943	19,611	(1,629)	(c)	60,925
Segment liabilities	714	5,557	(230)	(d)	6,041
Cash flows from:					
Operating activities	5,025	(1,461)	–		3,564
Investing activities	–	4,781	–		4,781
Financing activities	(2,353)	(2,227)	–		(4,580)
Total cash flows	2,672	1,093	–		3,765

26. Segment information (Continued)

	Singapore and Malaysia $'000	Taiwan $'000	Adjustments and eliminations $'000		Total Group $'000
2022					
Revenue:					
External customers	–	23,668	–		23,668
Results:					
Interest income	66	4	–		70
Dividend income	3,950	–	(3,950)	(a)	–
Finance costs	(3)	(74)	–		(77)
Depreciation of property, plant and equipment	(6)	(500)	–		(506)
Depreciation of right-of-use assets	(68)	(1,180)	–		(1,248)
Share of results of associated Company	5,536	–	–		5,536
Other non-cash expenses	–	(291)	–	(b)	(291)
Income tax expense	(186)	(738)	–		(924)
Segment profit	7,967	2,587	(3,950)	(a)	6,604
Assets:					
Investment in associated company	28,793	–	–		28,793
Additions to property, plant and equipment	20	719	–		739
Segment assets	38,514	18,950	(1,537)	(c)	55,927
Segment liabilities	858	6,565	(138)	(d)	7,285
Cash flows from:					
Operating activities	480	5,007	–		5,487
Investing activities	5,210	(1,668)	–		3,542
Financing activities	(3,809)	(2,118)	–		(5,927)
Total cash flows	1,881	1,221	–		3,102

26. Segment information (Continued)

Geographical segments

Group	Non-current assets 2023 $'000	Non-current assets 2022 $'000
Singapore and Malaysia	31,407	29,616
Taiwan	1,436	1,838
	32,843	31,454

(a) The following item is deducted from segment profit to arrive at "profit for the year" presented in the consolidated statement of comprehensive income.

	2023 $'000	2022 $'000
Dividend income from subsidiaries and associated company	6,442	3,950
	6,442	3,950

(b) Other non-cash expenses consist of allowance for inventory obsolescence and inventories written off as presented in the respective notes to the financial statements.

(c) The following items are deducted from segment assets to arrive at total assets reported in the consolidated balance sheet.

	2023 $'000	2022 $'000
Investment in subsidiaries	1,399	1,399
Inter-segment receivables	230	138
	1,629	1,537

(d) The following item is deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet.

	2023 $'000	2022 $'000
Inter-segment payables	230	138
	230	138

27. Financial instruments and financial risks

The Group and the Company are exposed to financial risks arising from its operations and financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's risk management approach seeks to minimise the potential material adverse effects from these risk exposures. The management manages and monitors these exposures and ensures appropriate measures are implemented on a timely and effective manner. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current and previous financial years, the Group's policy that no trading in derivatives for speculated purposes shall be undertaken.

The Group's principal financial instruments comprise bank borrowings, cash and deposits. The main purpose of these financial instruments is to finance the Company's operations. The Group has various other financial assets and liabilities such as trade and other receivables, trade and other payables, lease liabilities and related party balances which arise directly from its operations.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances and trade and other receivables. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 60 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, available financial information and latest applicable credit reputation of the debtor.

27. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk [Note 1]	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 60 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 60 days past due) and forward looking quantitative and qualitative information.

27. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 2. Significant increase in credit risk (continued)

Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 60 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

27. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade receivables

The Group provides for lifetime expected credit losses for external trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region.

There is a reversal of loss allowance of $29,000 (2022: $Nil) during the financial year. Management is of the view that no additional loss allowance is required for the financial year ended 31 March 2023 and 31 March 2022.

Receivables that are past due but not impaired

The Group has the following trade receivables that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Trade receivables past due but not impaired:		
Less than 30 days	1,916	2,050
31 to 60 days	–	–
61 to 90 days	–	–
91 to 120 days	–	–
More than 120 days	–	–
	1,916	2,050

27. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Amounts due from related parties

As of 31 March 2023, the Group recorded gross amount due from related parties of approximately $827,000 (2022: $1,565,000). The Group assessed the impairment loss allowance of this amount on a lifetime ECL basis consequent to their assessment and conclusion that there is a significant increase in credit risk for this receivable. In its assessment of the credit risk of the related parties, the Group considered amongst other factors, the financial position of the related parties as of 31 March 2023 the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the related company operates in. During the financial year ended 31 March 2023, using lifetime ECL, the Group has made a loss allowance of approximately $99,000 (2022: $128,000) for the amount due from related parties.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade and other receivables on an ongoing basis. The credit risk concentration profile of the Group's trade and other receivables at the end of the reporting period is as follows:

	Group			
	2023		2022	
	$'000	% of total	$'000	% of total
By countries				
Singapore	409	9%	1,314	21%
Malaysia	365	8%	478	9%
Taiwan	4,033	83%	3,783	70%
	4,807	100%	5,575	100%

27. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables, amounts due from related parties and other receivables are as follows:

Group	**Trade receivables (external parties)**		**Trade and non-trade (Amounts due from related parties)**			**Other receivables, deposit and interest receivables**	
Internal credit risk grading	**Note (i)**	**Total**	**Category 3**	**Category 5**	**Total**	**Category 1**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Loss allowance							
Balance at 1 April 2021	–	–	144	–	144	–	–
Reclassification between categories	–	–	(16)	16	–		
Write off of loss allowance	–	–	–	(16)	(16)	–	–
Balance at 31 March 2022	–	–	128	–	128	–	–
Reversal of loss allowance	–	–	(29)	–	(29)	–	–
Balance at 31 March 2023	–	–	99	–	99	–	–
Gross carrying amount							
At 31 March 2022	3,640	3,640	1,565	–	1,565	498	498
At 31 March 2023	3,747	3,747	827	–	827	332	332
Net carrying amount							
At 31 March 2022	3,640	3,640	1,437	–	1,437	498	498
At 31 March 2023	3,747	3,747	728	–	728	332	332

Note

(i) For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

27. Financial instruments and financial risks (Continued)

Market risks

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates.

<u>Foreign currency risk</u>

The Group has transactional currency exposures arising from sales or purchases that are denominated in currencies other than the respective functional currencies of the Group entities, primarily SGD, Malaysian Ringgit (RM) and New Taiwan Dollars (NTD). The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD). However, this type of exposure is minimal since substantially all of the Group's sales are denominated in the functional currency of the operating unit making the sale and operating costs substantially denominated in the unit's functional currency. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances at the end of the reporting period are disclosed in Note 13.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia and Taiwan, which are not hedged.

No sensitivity analysis on the foreign currency risk has been presented as its impact is not significant to the profit or loss and equity of the Group.

The management considers the Group's exposure to foreign currency risks to be minimal.

<u>Interest rate risk</u>

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from bills payable and bank borrowings.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

At the reporting date, the Group and the Company do not have significant exposure to interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

27. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments.

Group	Less than 1 year $'000	Between 1 and 5 years $'000	Total $'000
2023			
Financial assets			
Cash and bank balances	12,732	–	12,732
Trade and other receivables	4,517	290	4,807
Total undiscounted financial assets	17,249	290	17,539
Financial liabilities			
Trade and other payables	4,055	61	4,116
Amounts due to directors	137	–	137
Lease liabilities	579	378	957
Total undiscounted financial liabilities	4,771	439	5,210
Total net undiscounted financial assets/(liabilities)	12,478	(149)	12,329
2022			
Financial assets			
Cash and bank balances	9,322	–	9,322
Trade and other receivables	4,612	963	5,575
Total undiscounted financial assets	13,934	963	14,897
Financial liabilities			
Trade and other payables	3,619	54	3,673
Amounts due to directors	533	–	533
Bank borrowings	595	838	1,433
Lease liabilities	680	239	919
Total undiscounted financial liabilities	5,427	1,131	6,558
Total net undiscounted financial assets/(liabilities)	8,507	(168)	8,339

27. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments (Continued):

Company	Less than 1 year $'000	Between 1 and 5 years $'000	Total $'000
2023			
Financial assets			
Cash and bank balances	8,946	–	8,946
Other receivables	526	25	551
Total undiscounted financial assets	9,472	25	9,497
Financial liabilities			
Trade and other payables	208	–	208
Amounts due to directors	137	–	137
Lease liabilities	75	179	254
Total undiscounted financial liabilities	420	179	599
Total net undiscounted financial assets	9,052	(154)	8,898
2022			
Financial assets			
Cash and bank balances	6,275	–	6,275
Other receivables	591	520	1,111
Total undiscounted financial assets	6,866	520	7,386
Financial liabilities			
Trade and other payables	98	–	98
Amounts due to directors	517	–	517
Lease liabilities	80	16	96
Total undiscounted financial liabilities	695	16	711
Total net undiscounted financial assets	6,171	504	6,675

27. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

Group	**Note**	**2023**	**2022**
		$'000	**$'000**
Financial assets at amortised cost			
Cash and bank balances	13	12,732	9,322
Trade and other receivables	12	4,807	5,575
		17,539	14,897
Financial liabilities at amortised cost			
Trade and other payables	18	4,116	3,673
Amounts due to directors	19	137	533
Lease liabilities	20	932	907
Bank borrowings	21	–	1,418
		5,185	6,531

Company	**Note**	**2023**	**2022**
		$'000	**$'000**
Financial assets at amortised cost			
Cash and bank balances	13	8,946	6,275
Other receivables	12	551	1,111
		9,497	7,386
Financial liabilities at amortised cost			
Trade and other payables	18	208	98
Amounts due to directors	19	137	517
Lease liabilities	20	240	94
		585	709

28. Fair value of assets and liabilities

The carrying amounts of cash and bank balances, trade and other receivables and payables are approximate their respective fair values due to the relative short-term maturity of these financial instruments.

There are no significant differences between the fair values and carrying amounts of non-current trade and other receivables and trade and other payables.

29. Capital management policies and objectives

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

An overseas subsidiary in Taiwan appropriates 10% of its net profit after tax according to the subsidiary's Articles of Incorporation as legal reserve. Such appropriations are proposed by the directors for approval by shareholders in the next financial year and given effect in the financial statements of that year. The legal reserve shall be appropriated each year until the accumulated reserve equals the paid-up capital of the subsidiary. This reserve can only be used to offset losses of the subsidiary. When the reserve has reached 50% of the share capital of the subsidiary, up to 50% of the legal reserve may be capitalised. The reserve is not available for dividend distribution. This internally imposed capital requirement has been complied with by the abovementioned subsidiary for the financial years ended 31 March 2023 and 31 March 2022.

29. Capital management policies and objectives (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's aim is to keep the gearing ratio below 30%. The Group includes within net debt, trade and other payables, bank borrowings, amounts due to directors, lease liabilities, less cash and bank balances. Capital includes equity attributable to the equity holders of the Company less the abovementioned legal reserve.

	Note	Group	
		2023	**2022**
		$'000	**$'000**
Trade and other payables	18	4,116	3,673
Bank borrowings	21	–	1,418
Amounts due to directors	19	137	533
Lease liabilities	20	932	907
Less: Cash and bank balances	13	(12,732)	(9,322)
Net cash		(7,547)	(2,791)
Equity attributable to equity holders of the Company		54,886	48,644
Less: Legal reserve	23	(1,651)	(1,651)
Total capital		53,235	46,993
Capital and net debt		45,688	44,202
Gearing ratio		N.M (*)	N.M (*)

(*) not meaningful

STATISTICS OF SHAREHOLDINGS

As at 20 June 2023

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	74	2.68	3,310	0.00
100 - 1,000	819	29.62	763,402	0.30
1,001 - 10,000	1,310	47.38	5,426,526	2.15
10,001 - 1,000,000	549	19.85	32,241,881	12.76
1,000,001 and above	13	0.47	214,194,364	84.79
Total	**2,765**	**100.00**	**252,629,483**	**100.00**

LIST OF 22 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	RAFFLES NOMINEES (PTE) LIMITED	97,649,954	38.65
2	CITIBANK NOMINEES SINGAPORE PTE LTD	77,181,893	30.55
3	GOH CHING WAH	17,354,656	6.87
4	PHILLIP SECURITIES PTE LTD	5,401,287	2.14
5	GOH LEE CHOO	3,203,700	1.27
6	LEH BEE HOE	3,042,200	1.20
7	UOB KAY HIAN PTE LTD	1,886,129	0.75
8	CHONG SIEN THYE ALBERT	1,716,369	0.68
9	CHIAM HOCK POH	1,500,600	0.59
10	GU JIAN LIN	1,487,900	0.59
11	DBS NOMINEES PTE LTD	1,381,776	0.55
12	CHEW AH KONG	1,350,000	0.53
13	LIM AND TAN SECURITIES PTE LTD	1,037,900	0.41
14	ABN AMRO CLEARING BANK N.V.	863,400	0.34
15	UNITED OVERSEAS BANK NOMINEES PTE LTD	819,782	0.32
16	LAI TET WOON	723,300	0.29
17	GUAT SENG HONG	641,000	0.25
18	OH CHEE ENG	600,200	0.24
19	ESTATE OF KHOO KWANG MENG, DECEASED	540,000	0.21
20	YAP MUI CHENG,ANGELA	500,000	0.20
21	HARRIC LOW KIM HENG	500,000	0.20
22	LIU YANJUAN	500,000	0.20
	Total:	**219,882,046**	**87.03**

No.	Name of director	Direct Interest	% of Shares	Deemed Interest	% of Shares
1	Goh Ching Lai	75,395,477*	29.84	114,855,040*	45.46
2	Goh Ching Wah	57,500,386*	22.76	132,750,131*	52.55
3	Goh Ching Huat	57,354,654*	22.70	132,895,863*	52.61

Based on the information available to the Company as at 20 June 2023, approximately 24.70% of the issued ordinary shares of the Company is held by the public therefore, Rule 723 of the Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

*By virtue of the Section 7 of the Companies Act, Cap 50, brothers - Goh Ching Lai, Joe, Goh Ching Wah, George and Goh Ching Huat, Steven are deemed to have interests in the each other's shares.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Second Annual General Meeting of the Company will be held at 51 Changi Business Park Central 2, #08-13, The Signature, Singapore 486066 on Thursday, 27 July 2023 at 9.30 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 March 2023 and the Directors' Report and the Auditors Report thereon. **(Resolution 1)**

2. To re-elect Mr Goh Ching Wah, retiring by rotation, pursuant to Article 89 of the Company's Constitution. **(Resolution 2)**

3. To note the retirement of Mr Anthony Clifford Brown.

4. To approve the payment of a Final tax-exempt one-tier dividend of 1.8 cent per ordinary share for the year ended 31 March 2023. **(Resolution 3)**

5. To re-appoint Messrs Mazars LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 4)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

6. Approval of Non-Executive Directors' fees

   To approve the payment of Directors' fees of S$137,500 to Non-Executive Directors for the financial year ended 31 March 2023 (2022: S$137,500). **(Resolution 5)**

7. Authority to allot and issue shares

   (a) "That, pursuant to Section 161 of the Companies Act 1967, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

      (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

      (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

      (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's issued share capital, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's issued share capital at the time this resolution is passed, after adjusting for;

a) new shares arising from the conversion or exercise of convertible securities, or

b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and

c) any subsequent consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." **(Resolution 6)**
(Please see Explanatory Note 1)

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

Singapore, 6 July 2023

Explanatory Notes:-

1. The ordinary resolution in item no. 7 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent of the issued share capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Important Notes:

1. A member of the Company (other than a member who is a relevant intermediary as defined in Note 2 below) shall not be entitled to appoint more than two proxies to attend and vote at the Annual General Meeting on his behalf. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy needs not be a member of the Company.

2. Pursuant to Section 181 of the Act, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:

   (a) a banking corporation licensed under the Banking Act or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act and holds shares in that capacity; or

   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act, in respect of shares purchased on behalf of CPF investors.

3. The instrument appointing a proxy or proxies shall, in the case of an individual, be signed by the appointor or his attorney, and in case of a corporation, shall be either under the common seal or signed by its attorney or an authorised officer on behalf of the corporation

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 July 2023.

4. The instrument appointing a proxy must be submitted to the Company in the following manner:

   a. if submitted electronically, be submitted via email to the Company's Share Registrar at sg.is.proxy@sg.tricorglobal.com, in each case, not less than 48 hours before the time appointed for holding the AGM; or

   b. if submitted by post, be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898

   in any case, by 9.30 a.m. on 25 July 2023, being not less than 48 hours before the appointed time for the meeting.

5. The Proxy Form and Annual Report 2023 have been made available on SGXNET and the Company's website at https://www.ossia.com.sg/annual-reports. Printed copies of these documents will be despatched to members.

PERSONAL DATA POLICY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

OSSIA INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199004330K)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT
1. Pursuant to Section 181(1C) of the Companies Act 1967 of Singapore (the "**Act**"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company ("CPF Investors"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Annual General Meeting.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 July 2023.

*I/We ______________________________ NRIC/Passport No. ______________________

of ____

being *a member/members of Ossia International Limited (the "Company"), hereby appoint

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Thirty-Second Annual General Meeting of the Company to be held at 51 Changi Business Park Central 2, #08-13, The Signature, Singapore 486066 on 27 July 2023 at 9.30 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against
1	To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 March 2023 and the Directors' Statement and Auditors' Report thereon.		
2	To re-elect Mr. Goh Ching Wah as Director pursuant to Article 89 of the Company's Constitution.		
3.	To approve a Final Tax exempt one tier dividend of 1.8 certs per share for the year ended 31 March 2023		
4	To re-appoint Messrs Mazars LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		
5	Approval of Non-Executive Directors' fees.		
6	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967.		

Dated this __________ day of ____________________ 2023

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal
** Delete accordingly*
IMPORTANT. Please read notes overleaf

Notes:-

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
2. A proxy need not be a member of the Company.
3. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
4. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act 1967.
6. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898, not later than 48 hours before the time set for the Annual General Meeting.
7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
9. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
10. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 July 2023.

AFFIX
STAMP

The Company Secretary
OSSIA INTERNATIONAL LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road, #11-02
Singapore 068898

51 Changi Business Park Central 2, #08-13 The Signature 486066 Tel: (65) 6543 1133 Fax: (65) 6543 5800