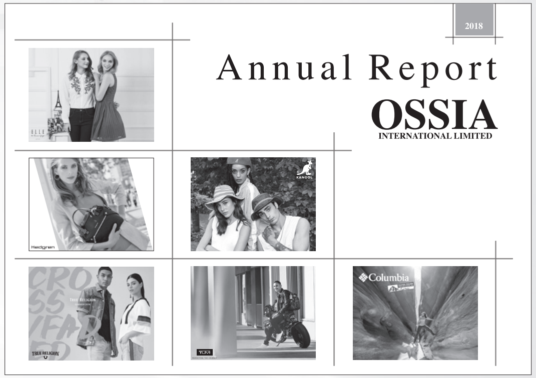
2018

Annual Report

OSSIA
INTERNATIONAL LIMITED


TRUE RELIGION
SUMMER 2018
TRUE RELIGION®



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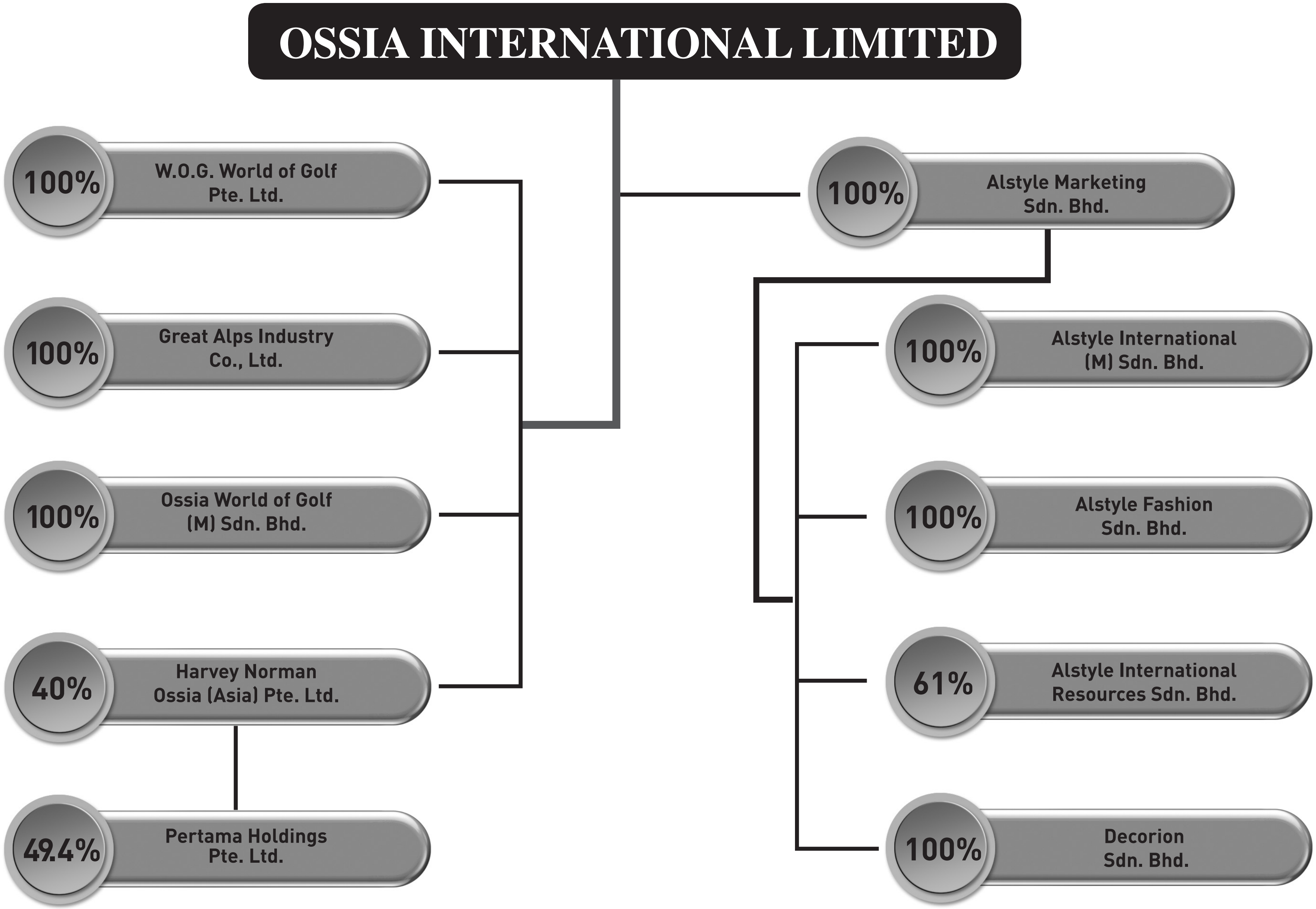
Group STRUCTURE



CORPORATE Profile

OVERVIEW

Established in 1982, Ossia has grown from a footwear manufacturer to a leading regional distributor and retailer of lifestyle products in fashion apparel, bags, footwear, sporting goods and golf in the Asia Pacific region. Listed on the main board of Singapore Exchange Securities Trading Limited (SGX-ST) on 20 November 1996, Ossia has gained strong presence in 2 key regional markets namely Malaysia and Taiwan.

The Group has subsidiaries in these 2 regional markets with distribution network across the Asia Pacific region.

The Group also 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.

The Group has exclusive distribution, licensee and franchise rights as follows:

Fashion apparels: Elle, True Religion.

Bags/ Accessories: Tumi, Hedgren, Elle Active, Kangol, Bold & Beautiful.

Sports : Columbia, Mountain Hardwear, Elle Active, Elle Sports, Montrail.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Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present our Annual Report of the Group for the financial year ended 31 March 2018. ("FY2018").

Below are some highlights on the performance of the Group for the financial year ended 31 March 2018.

Financial Review

The Group's revenue for the year ended 31 March 2018 was $29.5 million, a decline of 1.5% from $30.0 million registered in FY2017. The decrease in sales was mainly due to the closure of non-performing stores in Malaysia.

There was no major fluctuation in gross profit margin for the year ended 31 March 2018.

Other operating income increased by 23.2%, mainly due to subsidies from principals and miscellaneous income.

Distribution costs decreased by 11.0% or $1.4 million, mainly due to closure of non-performing stores in Malaysia.

General and administrative expenses decreased by 22.9% or $1.1 million, mainly due to savings in manpower and rental expenses as a result of closure of non-performing stores in Malaysia.

The Group's share of results of the associated company increased by 36.4%, from $2.2 million in FY2017 to $3.0 million in FY2018 due to better results of the associated company.

Profit from continuing operations attributable to owners of the company was $4.2 million for the year ended 31 March 2018 as compared to $0.9 million in FY2017.

Balance Sheet Review

The Group's inventories was $8.9 million in FY2018 as compared to $10.0 million in FY2017, a decrease of $1.1 million or 11.2%. This was due to increased efficiency in inventory management and the discontinuation of Elle and Springfield brands in Malaysia.

The Group's trade and other payables were $4.1 million in FY2018, a decrease of $0.7 million or 14.8% versus FY2017. This was mainly due to the settlement of related party payables during the financial year.

The Group's bills payable and borrowings were $5.9 million in FY2018, a decrease of $0.6 million or 9.9% versus FY2017. This was due to decrease in utilization of bank facilities by the subsidiaries during the financial year.

Group Executive Chairman's STATEMENT

Cash flow Review

Net cash flows from operating activities increased to $2.0 million in FY2018 as compared to $0.8 million in FY2017. This was due to reduction in operating expenses as a result of the closure of non-performing stores in Malaysia.

Net cash flows from investing activities was $0.2 million in FY2018 mainly due to dividends received from the associated company during the financial year.

Net cash flows used in financing activities was $0.7 million in FY2018 as compared to $1.8 million in FY2017. The decrease was mainly due to lower repayment of borrowings during the financial year.

Moving Forward

The Group envisages staying ahead in the challenging markets we operate in. With a commitment to enhance shareholders' value, we shall remain focused on our existing growth strategies and to improve overall operational efficiency to stay competitive in the markets.

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

Hedgren

Executive DIRECTORS

MR GOH CHING WAH

Group Executive Chairman

He (Age: 59) He is the Group Executive Chairman of the company. Mr George Goh and his brothers (Messrs Goh Ching Huat, Steven and Goh Ching Lai, Joe) are experienced entrepreneurs who co-founded the Group. He is also the 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 36 years of experience in distribution and retailing of lifestyle products in footwear, fashion apparel, sporting goods, golf, bags and accessories under the Group and also retailing sporting goods under World of Sports, Mizuno, Columbia and Salomon. Mr George Goh is responsible for the overall Group direction, strategic planning and business development. He is a member of the Nominating Committee for the Group.

MR GOH CHING HUAT

Chief Executive Officer/ Executive Director

He (Age: 53) was appointed as Director on 1 September 1990 and re-designated as Executive Director on 1 July 2006. Mr Steven Goh 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 36 years of experience in distribution and retailing of lifestyle products in footwear, fashion apparel, sporting goods, golf, bags and accessories under the Group and also retailing sporting goods under World of Sports, Mizuno, Columbia and Salomon.

Mr Steven Goh is responsible for the overall management of the Group and businesses.

MR GOH CHING LAI

Executive Director

He (Age: 59) was appointed as Director on 1 September 1990, re-designated as Non-Executive Director on 1 May 2009 and re-designated as Executive Director on 17 June 2016.

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. He 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. Mr Joe Goh and his two brothers have 36 years of experience in distribution and retailing of lifestyle products in footwear, fashion apparel, sporting goods, golf, bags and accessories. He is a member of the Nominating Committee for the Group.

NON-EXECUTIVE Directors

MR WONG KING KHENG
Independent/ Non-Executive Director

He (Age: 65) was appointed on 28 October 1996 as an Independent/ Non-Executive Director. Mr Wong is presently the Managing Partner of KK Wong and Associates, a public accounting firm in Singapore which he founded in 2000. In addition, he 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. He was the founder and Managing Partner of Soh, Wong & Partners, a public accounting firm from 1989 to 2000. Prior to that, he 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. He is a member of the Institute of Singapore Chartered Accountants (ISCAS), 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, Mr Wong also holds directorships in Tiong Woon Corporation Holding Limited, Hatten Land Limited, JCY International Limited and Internet Technology Group Limited.

MR ANTHONY CLIFFORD BROWN
Independent / Non-Executive Director

He (Age: 79) was appointed on 25 May 2002 as an Independent/ Non-Executive Director. Mr Brown 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, he 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. Mr Brown was the winner of a UK State Scholarship and holds an honours degree in Economics from The L.S.E. (London University). He 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

She (Age: 48) was appointed on 27 April 2010 as an Independent/ Non-Executive Director. Ms Mae is a member of the Audit Committee, Nominating Committee and Chairman of the Remuneration Committee for the Group. Ms Mae has over 18 years of experience in audit, corporate finance and business advisory environment with Ernst & Young Singapore. She graduated with a Bachelor of Accountancy from Nanyang Technological University, Singapore in 1992 and is a Chartered Accountant with the Institute of Singapore Chartered Accountants. She is an independent non-executive director of HRnet Group Limited, Chuan Hup Holdings Limited, Pacific Star Development Limited and Apex Healthcare Berhad. She also holds directorships in her family-owned investment holding companies.

Senior **MANAGEMENT**

MR HSU CHIN TUNG

Managing Director

He is the Managing Director of Great Alps Industry Co., Ltd. He is responsible for the product development, brand managment, marketing and distribution of footwear, apparel, bags and accessories in Taiwan. He joined as a Brand Manager in 1996 and was promoted to Managing Director in 2001. Prior to joining, he 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.

MS TAN BEE LIAN

General Manager

Ms Tan joined the company in 2011 as the General Manager. She is responsible for sales, operations, merchandising and marketing of apparels and accessories. She has 37 years of experience in retailing, merchandising, brand development, marketing and corporate relationship. Prior to joining, she was the Deputy General Manager of Metrojaya Group of Companies. She holds a Bachelor of Social Science from University of Waikato, New Zealand and a post graduate Diploma in Business Administration, Massey University, New Zealand.


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KANGOL

BOARD OF DIRECTORS

MR. GOH CHING HUAT, STEVEN
EXECUTIVE DIRECTOR

MR GOH CHING WAH, GEORGE
CHAIRMAN

MR GOH CHING LAI, JOE
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

MR WONG KING KHENG
CHAIRMAN
MR ANTHONY CLIFFORD BROWN
MS HENG SU-LING MAE

NOMINATING
COMMITTEE

MR ANTHONY CLIFFORD BROWN
CHAIRMAN
MR WONG KING KHENG
MS HENG SU-LING MAE
MR. GOH CHING WAH
MR GOH CHING LAI

REMUNERATION
COMMITTEE

MS HENG SU-LING MAE
CHAIRMAN
MR WONG KING KHENG
MR ANTHONY CLIFFORD BROWN

COMPANY SECRETARIES
MS LOTUS ISABELLA LIM MEI HUA
MS LEE BEE FONG

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SINGAPORE 486162
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FAX: (65) 6543 5800

SHARE REGISTRAR
TRICOR BARBINDER SHARE REGISTRATION SERVICES
(A DIVISION OF TRICOR SINGAPORE PTE.LTD.)
80 ROBINSON ROAD #11-02
SINGAPORE 068898

PRINCIPAL BANKERS

THE DEVELOPMENT BANK OF SINGAPORE LTD

MALAYAN BANKING BERHAD

AUDITORS

ERNST & YOUNG LLP
ONE RAFFLES QUAY
#18-01 NORTH TOWER
SINGAPORE 048583

PARTNER-IN-CHARGE

MR TERRY WEE HIANG BING
(APPOINTED SINCE
FINANCIAL YEAR 2014)

RED WHITE & BLUE CROPPED BOYFRIEND TEE, WHITE TWILL JACKET WITH BACK HIT, MILITANT GREEN CAMERON SLIM BOYFRIEND, CHROME CONSTELLATION

TRUE RELIGION®

The Board of Directors (the "Board") of Ossia International Limited (the "Company") is committed to maintaining a high standard of corporate governance. Good corporate governance establishes and maintains an ethical environment and enhances the interests of all shareholders. This report describes the Company's corporate governance processes and structures with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code").

Board Matters

Principle 1: The Board's Conduct of Affairs

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 quarterly basis to coincide with the announcement of the Group's quarterly results. Ad-hoc Board meetings are convened as and when they are deemed necessary in between scheduled meetings. When a physical Board meeting is not possible, timely communication with members of the Board can be achieved through electronic means.

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 Directors	Number of Board Meetings held	Attendance
Goh Ching Wah (Chairman)	4	2
Goh Ching Huat	4	4
Goh Ching Lai*	4	2
Wong King Kheng*	4	4
Anthony Clifford Brown*	4	4
Heng Su-Ling, Mae	4	4

*Some of the meetings attended via tele-conference.

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 receive training to enable them to perform effectively as Directors. All Directors are updated regularly on 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.

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:-

- Approval of Quarterly and Year End Result Announcements;
- Approval of the Annual Reports and Accounts;
- Convening of Shareholder's Meetings;
- Approval of Corporate Strategies; and
- Material Acquisitions and Disposal of Assets

Principle 2 : Board Composition and Guidance

The Board consists of six directors of whom three are executive and 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.

Mr Wong King Kheng and Mr Anthony Clifford Brown have both served as Independent Directors for more than 10 years. The Board has carried out a rigorous review of their independence status. The Board's view is that Mr Wong King Kheng and Mr Anthony Clifford Brown continue to demonstrate the ability to exercise strong independent judgement in their deliberations and to act in the best interests of the Company, and that their length of service has not affected their independence from management. Mr Wong King Kheng and Mr Anthony Clifford Brown continues to express views, debate issues and objectively and actively scrutinize and challenge management. After taking into account all these factors and having weighed the need for Board refreshment against tenure for relative benefit, the Nominating Committee and the Board have reviewed and determined that Mr Wong King Kheng and Mr Anthony Clifford Brown continue as Independent Directors, notwithstanding that their service have been for more than ten years. Mr Wong King Kheng has been appointed the Lead Independent Director for the Company.

The Board comprises an appropriate mix of businessmen and professionals 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 Non-Executive and Independent Directors ensure 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 Non-Executive and Independent Directors set aside time at each scheduled quarterly meeting to meet without the presence of management to discuss matters such as board processes, corporate governance initiatives, performance management and remunerations matters.

Principle 3 : Group Executive Chairman and Chief Executive Officer ("CEO")

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 exercises 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 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.

Nominating Committee ("NC")

Principle 4 : Board Membership

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 Wah and Mr Goh Ching Lai. With the exception of Mr Goh Ching Wah and Mr Goh Ching Lai, the other three directors are Independent Directors.

The primary function of the NC is to determine the criteria for identifying candidates and review 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 Clifford 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 2018 were as follows:

Name of Directors	Appointment	No. of Meetings held	Attendance
Anthony Clifford Brown (Chairman)	Independent	1	1
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)	Executive	1	0

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 will be retiring at the forthcoming AGM pursuant to the requirements of Article 89 of the Company's Constitution and have indicated that they wish to seek re-election as directors of the Company.

The NC has recommended the re-appointment of two retiring directors, namely Mr Goh Ching Wah and Mr Anthony Clifford Brown at the Company's forthcoming AGM. The Board has accepted the NC's recommendation and the two retiring directors will be offering themselves for re-election and re-appointment respectively.

The shareholdings of the individual directors of the Company are set out on page 26 of this Annual Report. None of the directors hold shares in the subsidiaries of the Company.

Principle 5 : Board Performance

In evaluating the Board's performance, the NC implements a self-assessment process that requires each director to submit the assessment based on the performance of the Board as a whole during the year under review. This self-assessment process takes into account, inter alia, the board composition, maintenance of independence, board information, board process, board accountability, communication with top management and standard of conduct.

Principle 6 : Access to Information

To enable the Board to fulfil its responsibilities, all directors are provided with management reports containing complete, adequate and timely information prior to Board meetings and on an on-going basis. Detailed Board papers are prepared and provided in advance of the meetings, which set out the relevant financial information that review the Group's performance in the most recent quarter and other information that includes background or explanatory information relating to the matters to be considered at the Board meetings. The directors make inquiries and request for additional information, if needed, during the presentation.

The Board also has separate and independent access to the Company Secretaries and to other senior management executives of the Company at all times. The Board is informed of all material events and transactions as and when they occur. Should directors, as a group or individually, require independent professional advice, the management will, upon direction by the Board, appoint a professional advisor selected by the group or the individual, and approved by the Chairman, to render the advice at the company's expense.

The Company Secretary or her representatives attends all board meetings and works with the management staff to ensure that established procedures and all relevant statutes and regulations which are applicable to the Company are complied with.

The Audit Committee meets with the External Auditors, Ernst & Young LLP at least once a year without the presence of management.

Remuneration Committee ("RC")

Principle 7 : Procedures for Developing Remuneration Policies

The Remuneration Committee was formed on 25 May 2002. The RC is chaired by Ms Heng Su-Ling, Mae and its members are Mr Anthony Clifford Brown and Mr Wong King Kheng, 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 2018 were as follows:

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

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

Principle 8 : Level and Mix of Remuneration

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 or her own remuneration.

Principle 9 : Disclosure on Remuneration

The Executive Directors do not receive director's fee. The three 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 shall be determined by his or her contribution to the Company, taking into account factors such as efforts and time spent as well as his or her 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$104,500 for the financial year ended 31 March 2018 (31 March 2017: S$104,500). For competitive reasons, the Company is not disclosing each individual director's remuneration. Instead, the band of remuneration is disclosed in the below appended table.

The following table sets out the names of Directors whose remuneration bands fell (i) within and below S$250,000; and (ii) between S$250,000 and S$499,999 for the financial year ended 31 March 2018, together with a breakdown (in percentage terms) of each directors' remuneration earned through base/fixed salary, variable or performance related income/bonuses, and director fees/attendance fees proposed to be paid to each Director subject to the approval of shareholders at the AGM:

Directors Remuneration	Directors' Fees	Salary	Bonus	Allowances & Benefits	Total
	%	%	%	%	%
Executive Directors					
Below S$250,000					
Goh Ching Lai, Joe	-	79	9	12	100
S$250,000 to S$499,999					
Goh Ching Huat, Steven	-	87	7	6	100
Goh Ching Wah, George	-	88	7	5	100
Non-Executive Directors					
Below S$250,000					
Anthony Clifford Brown	100	-	-	-	100
Wong King Kheng	100	-	-	-	100
Heng Su-Ling, Mae	100	-	-	-	100

Of the remunerations of the top five management personnel who are not directors or the Chief Executive Officer of the Company for the financial year ended 31 March 2018, the remunerations of 5 executives fell within the remuneration band of $250,000 and below.

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 the financial year ended 31 March 2018 is $410,608.

No termination, retirement and post-employment benefit were granted to any Director, the CEO or any top five key management personnel for the financial year ended 31 March 2018.

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 31 March 2018.

Audit Committee ("AC")

Principle 10 : Accountability

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 11 : Risk Management and Internal Controls

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.

Pursuant to Rule 1207 (10), the Board is satisfied that the Company's framework of internal controls is adequate 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.

Based on the external audit findings, the Board with the concurrence of the Audit Committee is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology controls, and risk management systems of the Company are effective and adequate in meeting the needs of the Group and provide assurance in safeguarding the Group's assets.

Principle 12 : Audit Committee

The Audit Committee is chaired by Mr Wong King Kheng and its members are Mr Anthony Clifford Brown and Ms Heng Su-Ling, Mae. 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 year ended 31 March 2018 were as follows:

Name of Directors	Appointment	No. of Meetings held	Attendance
Wong King Kheng (Chairman)	Independent	4	4
Anthony Clifford Brown (Member)*	Independent	4	4
Heng Su-Ling, Mae (Member)	Independent	4	4

*Some of the meetings attended via tele-conference.

During the year, the key activities of the AC included the following, where relevant, with the executive directors, and the external auditors:

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

b. reviewing 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. reviewing the internal control and procedures and ensuring co-ordination between the external auditors and the management, reviewing the assistance given by management to the auditors and discussing 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. reviewing and discussing 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. reviewing the independence of the external auditors and recommending 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. reviewing 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. undertaking 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. undertaking 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. 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 the auditors 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 63 of this Annual Report.

The AC has nominated Ernst & Young LLP ("EY") 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.

Principle 13 : Internal Audit

During the financial year ended 31 March 2018, no internal auditor was engaged. However, the Company's external auditors considered internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal controls. Any material non-compliance and recommendation for improvement were reported to the AC.

The AC, on behalf of the Board, also reviewed the effectiveness of the Group's system of internal controls in the light of key business and financial risks affecting the operations. Based on the reports submitted by the external auditor and the various controls put in place by the management, the AC is satisfied that there are adequate internal controls to meet the needs of the Group in its current business environment.

Shareholders Rights and Responsibilities

Principle 14 : Shareholders Rights

Principle 15 : Communication with Shareholders

Principle 16 : Conduct of Shareholder Meetings

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;
- quarterly 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 Board takes note that there should be separate resolution at general meetings on each substantially separate issue and supports the Code's principle to avoid "bundling" of resolutions as far as possible. The Board will provide reasons and material implications where resolutions are interlinked.

A copy of the Notice of Annual General Meeting ("AGM") and Annual Report are despatched to every shareholder of the Company at least 14 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.

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.

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 2018 as the format set out in Rule 907 (excluding transactions less than S$100,000/-) of the Listing Manual is Nil.

Details of the interested person transactions are disclosed in Note 27 to the financial statements under Significant Related Party Transactions.


Hedgren

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 balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2018.

Opinion of the directors

In the opinion of the directors,

(a) The consolidated financial statements of the Group and balance sheets 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 2018 and of the financial performance, change in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

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

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

Arrangements to enable directors to acquire shares and debentures

Except as described in scrip dividend scheme paragraph below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter. 50 (the Act), an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated 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	73,012,577	73,012,577	114,855,040	114,855,040
Goh Ching Wah	57,500,386	57,500,386	130,367,231	130,367,231
Goh Ching Huat	57,354,654	57,354,654	130,512,963	130,512,963

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 2018.

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.

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.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or in any subsidiary.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any subsidiary.

There were no unissued shares of the Company or any subsidiary under share at the end of the financial year.

Audit Committee

The audit committee (AC) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of external auditors of the Group and the Company, and the assistance given by the Group and the Company's management to the external auditors
- Reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2018 before their submission to the Board of Directors, as well as the external auditors' report on the balance sheet of the Company and the consolidated financial statements of the Group
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the external auditor
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- Reviewed the nature and extent of non-audit services provided by the external auditor
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate
- Reviewed the interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

Other functions performed by the Audit Committee are described in the Report on Corporate Governance included in the Annual Report. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditors provide non-audit services.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Goh Ching Wah
Director

Goh Ching Huat
Director

Singapore
29 June 2018

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ossia International Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2018, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the 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 Auditor's 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 ("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 for our opinion.

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 period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessments of the risk of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of inventories

As of 31 March 2018, the Group's inventories amounted to $8.9 million. An amount of $0.7 million has been set aside for inventory write-downs. The Group carries a range of fashion apparel and sports apparel and accessories for sale at its retail stores in Malaysia and Taiwan.

The Group records its inventories at the lower of cost and net realisable value. 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. As the Group's total inventory balance represents a significant portion of the Group's total assets and inventory write-downs require significant management judgement and use of estimates, we have determined this is a key audit matter.

We involved the auditors of the subsidiaries to perform audit procedures to test the valuation of inventories. The auditors of the subsidiaries performed test of details on the sales margins achieved for a sample of inventory items to assess that inventories are stated at the lower of cost and net realisable values. They also reviewed management's basis for inventory allowances and checked that allowance amounts are in line with the Group's policy for inventory write-down assessment. Management's basis for the estimate of allowance for inventories is based on the age of these inventories, prevailing market conditions in the industry and historical allowance experience which requires management to exercise judgement. We reviewed the auditors of the subsidiaries' working papers to evaluate the nature and extent of the procedures performed and assessed the evidence obtained as a basis for forming an audit opinion on the consolidated financial statements as a whole.

We also reviewed the adequacy of the Group's disclosures related to inventories in Note 11 of the Group's financial statements.

Allowance for doubtful receivables

As of 31 March 2018, the Group's trade and other receivables amounted to $8.8 million. An allowance for doubtful trade receivables of $19,000 has been set aside taking into consideration certain long outstanding receivables that may be impaired. The Group's trade receivables are mainly attributed to the wholesale business belonging to the Group's overseas subsidiaries in Malaysia and Taiwan. The Group's other receivables are mainly attributed to payments made on behalf of related companies.

Specific factors management considers include the age of the balance, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of debtors. Management uses this information to determine whether an allowance for impairment is required either for a specific transaction or for a customer's total outstanding balance. As the determination as to whether a trade receivable is collectible involves significant management judgement, we have determined this to be a key audit matter.

We assessed the Group's processes and controls relating to the monitoring of trade and other receivables and considered ageing to identify collection risks. Our procedures included, amongst others, requesting on a sample basis, trade and other receivable confirmations and evidence of receipts from these debtors subsequent to year end. We also considered the creditworthiness of debtors and reviewed the trade and other debtors' payment histories and correspondences between the Group and the debtors where applicable.

Allowance for doubtful receivables (cont'd)

We involved the auditors of the subsidiaries to evaluate management's assumptions and estimates used to determine the allowance amount through analysis of ageing of the receivables and assessment of material overdue receivables, taking into account the facts and circumstances specific to the countries in which the subsidiaries reside in. We reviewed the working papers of the auditors of the subsidiaries and evaluated the evidence obtained as a basis for forming an audit opinion on the consolidated financial statements as a whole.

We also reviewed the adequacy of the Group's disclosures related to trade and other receivables and the related risks such as credit risk and liquidity risk in Notes 28(c) and 28(d) to the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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 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, 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 financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a 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.

Auditor's 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.

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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the financial statements (cont'd)

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 period and are therefore the key audit matters. We describe these matters in our auditor's 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 and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Terry Wee Hiang Bing.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

29 June 2018

Consolidated Statements Of **COMPREHENSIVE INCOME**

	Note	2018 $'000	2017 $'000
<u>Continuing operations</u>			
Revenue	4	29,517	29,968
Cost of sales	11	(13,867)	(14,037)
Gross profit		15,650	15,931
Other income	5	818	664
Distribution costs		(10,935)	(12,293)
General and administrative expenses		(3,731)	(4,842)
Other operating expenses		–	(47)
Profit/(loss) from operations		1,802	(587)
Interest income	6	14	25
Finance costs	7	(239)	(284)
Share of results of associated company - net of tax	15	2,980	2,184
Profit before income tax	8	4,557	1,338
Income tax expense	9	(363)	(386)
Profit from continuing operations, net of tax		4,194	952
Discontinued operation			
Loss from discontinued operation, net of tax	16(a)	–	(1,423)
Profit/(loss) for the year		4,194	(471)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF Comprehensive Income

	Note	2018 $'000	2017 $'000
Profit/(loss) for the year attributable to:			
Owners of the Company			
- Continuing operations, net of tax		4,155	906
- Discontinued operation, net of tax		–	(1,217)
		4,155	(311)
Non-controlling interests			
- Continuing operations, net of tax		39	46
- Discontinued operation, net of tax		–	(206)
		39	(160)
Earnings per share from continuing operations attributable to owners of the Company (cents per share)			
Basic and diluted	10	1.64	0.36
Earnings/(loss) per share attributable to owners of the Company (cents per share)			
Basic and diluted	10	1.64	(0.12)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statements Of COMPREHENSIVE INCOME

	2018 $'000	2017 $'000
Profit/(loss) for the year	4,194	(471)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Share of gain on property revaluation of associated company	37	39
Items that may be reclassified subsequently to profit or loss		
Translation reserve taken to profit or loss on disposal of subsidiaries	–	230
Foreign currency translation	84	45
Share of foreign currency translation of associated company	515	(493)
	599	(218)
Other comprehensive income for the year, net of tax	636	(179)
Total comprehensive income for the year	4,830	(650)
Total comprehensive income attributable to:		
Owners of the Company	4,781	(474)
Non-controlling interests	49	(176)
	4,830	(650)
Total comprehensive income attributable to Owners of the Company:		
Total comprehensive income from continuing operations, net of tax	4,781	927
Total comprehensive income from discontinued operation, net of tax	–	(1,401)
	4,781	(474)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Current assets					
Inventories	11	8,887	10,008	–	–
Trade receivables	12	5,890	5,220	1,338	1,357
Prepayments		183	216	42	15
Other receivables	13	1,286	3,821	1,125	3,399
Cash and bank balances	14	4,687	3,119	1,373	5
Assets classified as held for sale	17	1,087	–	–	–
		22,020	22,384	3,878	4,776
Non-current assets					
Investment in associated company	15	23,307	20,727	13,252	13,252
Investment in subsidiaries	16	–	–	1,448	1,448
Property, plant and equipment	18	2,080	2,568	16	26
Trade receivables	12	244	–	–	–
Other receivables	13	1,407	–	1,407	–
Deferred tax assets	19	162	119	–	–
		27,200	23,414	16,123	14,726
Total assets		49,220	45,798	20,001	19,502
Current liabilities					
Trade and other payables	20	4,131	4,851	410	785
Amounts due to directors		126	295	126	295
Bills payable	21	2,343	1,753	–	–
Bank borrowings	22	1,624	2,905	–	–
Income tax payable		344	165	–	62
Liability directly associated with assets classified as held for sale	17	52	–	–	–
		8,620	9,969	536	1,142

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance SHEETS

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Non-current liabilities					
Bank borrowings	22	1,905	1,860	–	–
Deferred tax liabilities	19	–	32	–	32
		1,905	1,892	–	32
Total liabilities		10,525	11,861	536	1,174
Net current assets		13,400	12,415	3,342	3,634
Net assets		38,695	33,937	19,465	18,328
Equity attributable to owners of the Company					
Share capital	23	31,351	31,351	31,351	31,351
Revaluation reserve		3,164	3,127	–	–
Legal reserve		1,373	1,343	–	–
Translation reserve		(4,443)	(5,032)	–	–
Accumulated profits/(losses)		7,120	2,995	(11,886)	(13,023)
		38,565	33,784	19,465	18,328
Non-controlling interests		130	153	–	–
Total equity		38,695	33,937	19,465	18,328

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

2018 Group	Share capital $'000	Legal reserve $'000	Translation reserve $'000	Revaluation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company							
Balance at 1 April 2017	31,351	1,343	(5,032)	3,127	2,995	33,784	153	33,937
Profit for the year	–	–	–	–	4,155	4,155	39	4,194
Other comprehensive income								
Foreign currency translation	–	–	74	–	–	74	10	84
Share of gain on property revaluation of associated company	–	–	–	37	–	37	–	37
Share of foreign currency translation of associated company	–	–	515	–	–	515	–	515
Total comprehensive income for the financial year	–	–	589	37	4,155	4,781	49	4,830
Contributions by and distributions to owners								
Transfer from accumulated profits to legal reserve	–	30	–	–	(30)	–	–	–
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	(72)	(72)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	–	30	–	–	(30)	–	(72)	(72)
Balance at 31 March 2018	31,351	1,373	(4,443)	3,164	7,120	38,565	130	38,695

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of changes in **EQUITY**

2017 Group	Share capital $'000	Legal reserve $'000	Translation reserve $'000	Revaluation reserve $'000	Accumulated profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company							
Balance at 1 April 2016	31,351	1,328	(4,830)	3,088	3,321	34,258	596	34,854
Loss for the year	–	–	–	–	(311)	(311)	(160)	(471)
Other comprehensive income								
Foreign currency translation	–	–	61	–	–	61	(16)	45
Translation reserve taken to profit or loss on disposal of a subsidiary	–	–	230	–	–	230	–	230
Share of gain on property revaluation of associated company	–	–	–	39	–	39	–	39
Share of foreign currency translation of associated company	–	–	(493)	–	–	(493)	–	(493)
Total comprehensive income for the financial year	–	–	(202)	39	(311)	(474)	(176)	(650)
Contributions by and distributions to owners								
Transfer from accumulated profits to legal reserve	–	15	–	–	(15)	–	–	–
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	(74)	(74)
Total contributions by and distributions to owners	–	15	–	–	(15)	–	(74)	(74)
Change in ownership interest in subsidiary								
Disposal of subsidiary	–	–	–	–	–	–	(193)	(193)
Total changes in ownership interest in subsidiary	–	–	–	–	–	–	(193)	(193)
Total transactions with owners in their capacity as owners	–	15	–	–	(15)	–	(267)	(267)
Balance at 31 March 2017	31,351	1,343	(5,032)	3,127	2,995	33,784	153	33,937

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company	Share capital $'000	Accumulated losses $'000	Total equity $'000
2018			
Balance at 1 April 2017	31,351	(13,023)	18,328
Profit for the year	–	1,137	1,137
Total comprehensive income	–	1,137	1,137
Balance at 31 March 2018	31,351	(11,886)	19,465
2017			
Balance at 1 April 2016	31,351	(13,947)	17,404
Profit for the year	–	924	924
Total comprehensive income	–	924	924
Balance at 31 March 2017	31,351	(13,023)	18,328

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated cash flow **STATEMENTS**

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Profit before income tax from continuing operation		4,557	1,338
Loss before income tax from discontinued operation		–	(1,423)
		4,557	(85)
Adjustments for:			
Share of results of associated company		(2,980)	(2,184)
Depreciation of property, plant and equipment	18	1,233	1,732
Finance costs	7	239	284
Write-back of allowance for inventory write-downs	11	(37)	(82)
Allowance for doubtful trade receivables	8	3	–
Loss on disposal of subsidiary	16(a)	–	108
Gain on disposal of property, plant and equipment	5, 8	(52)	(40)
Interest income	6	(14)	(25)
Unrealised foreign exchange loss/(gain)		69	(36)
Property, plant and equipment written-off	18	19	38
Operating cash flow before working capital changes		3,037	(290)
Changes in working capital			
Decrease in inventories		348	2,069
(Increase)/decrease in trade and other receivables		(116)	746
Decrease/(increase) in prepayments		40	(8)
Decrease in trade and other payables		(803)	(1,145)
Net cash from operations		2,506	1,372
Income tax paid		(253)	(264)
Interest received	6	14	25
Interest paid	7	(239)	(284)
Net cash flows from operating activities		2,028	849

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	2018 $'000	2017 $'000
Cash flows from investing activities			
Dividend received		950	612
Purchase of property, plant and equipment	18	(764)	(792)
Proceeds from disposal of property, plant and equipment		61	68
Net cash outflow from disposal of subsidiary	16(a)	–	(200)
Net cash flows from/(used in) investing activities		247	(312)
Cash flows from financing activities			
Repayment of bank borrowings		(1,351)	(2,338)
Net increase/(decrease) in bills payable		627	(529)
Decrease in restricted bank deposits	14	76	1,177
Dividend paid to a non-controlling shareholder of a subsidiary		(72)	(74)
Net cash flows used in financing activities		(720)	(1,764)
Net increase/(decrease) in cash and cash equivalents		1,555	(1,227)
Cash and cash equivalents at beginning of year		2,282	3,482
Effect of exchange rate changes on cash and cash equivalents		79	27
Cash and cash equivalents at end of year	14	3,916	2,282

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.


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x Gert Boyle
Columbia


KANGOL

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 10 Changi South Lane #07-01, Singapore 486162.

The Company's principal activity is investment holding. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

2. Summary of significant accounting policies

2.1 ***Basis of preparation***

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

Convergence with International Financial Reporting Standards

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the new financial reporting framework on 1 January 2018.

The Group has performed an assessment of the impact of adopting the new financial reporting framework. Other than the adoption of the new standards that are effective on 1 January 2018, the Group expects that the adoption of the new framework will have no material impact on the financial statements in the year of initial application. The Group expects that the impact of adopting the new standards that are effective on 1 January 2018 will be similar to that as disclosed in Note 2.3.

2.2 ***Changes in accounting policies***

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 April 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 ***Standard issued but not yet effective***

The Group has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined **
Amendment to FRS 28 Investments in Associates and Joint Ventures	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
INT FRS 122: Foreign Currency Transactions and Advance Consideration	1 January 2018
INT FRS 123: Uncertainty over Income Tax Treatments	1 January 2019
FRS 116 Leases	1 January 2019

** *The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council ("ASC") in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28*

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary impact assessment of adopting FRS 115 based on currently available information, and plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach. The Group expects that the adoption of FRS 115 will have no material impact on the financial statements. This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2019.

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective (cont'd)***

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109 in 2019.

Impairment

FRS 109 requires the Group to record expected credit losses on all of its trade receivables either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on trade receivables. Upon application of the expected credit loss model, the Group expects that due to the unsecured nature of its loans and receivables, the loss allowance would increase.

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on the balance sheet to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expects that the adoption of FRS 116 will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

The Group plans to adopt the new standard on the required effective date by applying FRS 116 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 January 2019.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to FRS 116 and assessing the possible impact of adoption.

2. Summary of significant accounting policies (cont'd)

2.4 ***Basis of consolidation***

Business combinations from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
– De-recognises the carrying amount of any non-controlling interest;
– De-recognises the cumulative translation differences recorded in equity;
– Recognises the fair value of the consideration received;
– Recognises the fair value of any investment retained;
– Recognises any surplus or deficit in profit or loss;
– Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Business combinations prior to 1 January 2010

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

– Acquisition of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.

– Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the owners of the Company.

– Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying values of such investments as at 1 January 2010 have not been restated.

2. Summary of significant accounting policies (cont'd)

2.5 ***Transactions with non-controlling interests***

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

2.6 ***Foreign currency***

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated under foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.20. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	-	Over the remaining lease period of 64 years
Building	-	50 years
Computer equipment	-	3-5 years
Motor vehicles	-	3-5 years
Furniture, fixtures, fittings and renovations	-	2-10 years
Plant, machinery and office equipment	-	3-10 years

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 residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.9 ***Subsidiaries***

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 ***Associates***

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investment in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's 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 investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. Summary of significant accounting policies (cont'd)

2.11 ***Financial instruments***

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent measurement

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at banks and fixed deposits which are subject to an insignificant risk of changes in value.

2.14 ***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. Summary of significant accounting policies (cont'd)

2.15 *Provisions*

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 *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. Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss under "Other income".

2.17 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.18 *Employee benefits*

(a) *Defined contribution plan*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. Summary of significant accounting policies (cont'd)

2.19 ***Leases***

(a) ***As lessee***

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) ***As lessor***

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21.

2.20 ***Borrowing costs***

Borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) ***Sale of goods***

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) ***Rental income***

Rental income is recognised on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2. Summary of significant accounting policies (cont'd)

2.21 ***Revenue (cont'd)***

(c) ***Dividend income***

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

(d) ***Interest income***

Interest income is recognised using the effective interest method.

2.22 ***Taxes***

(a) ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (cont'd)

2.22 ***Taxes (cont'd)***

(b) ***Deferred tax (cont'd)***

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) ***Sales tax***

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

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the 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 (cont'd)

2.23 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 ***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 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 ***Contingencies***

A contingent liability is:

(a) 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

(b) A present obligation that arises from past events but is not recognised because:

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

  (ii) 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.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2. Summary of significant accounting policies (cont'd)

2.26 ***Assets held for sale and discontinued operation***

Assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Property, plant and equipment once classified as held for sale are not depreciated.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held-for-sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 ***Judgements made in applying accounting policies***

Management is of the opinion that there is no significant judgement made in applying accounting policies.

3. Significant accounting judgements and estimates (cont'd)

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Allowance for inventories*

Allowance for inventories is estimated based on the best available facts and circumstances, including but not limited to, the physical condition of the inventories, their market selling prices, and estimated costs to be incurred for their sales. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amount of the Group's inventories at balance sheet date was $8,887,000 (2017: $10,008,000).

(b) *Impairment of loans and receivables*

The Group assesses at end of each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of trade and other receivables are disclosed in Notes 12 and 13 to the financial statements.

4. Revenue

	Group 2018 $'000	Group 2017 $'000
Sale of apparels, sporting goods, footwear and accessories	29,517	29,968

5. Other income

	Group 2018 $'000	Group 2017 $'000
Rental income	39	–
Foreign exchange gain	243	240
Gain on disposal of property, plant and equipment	52	40
Interest income from associated company	99	148
Subsidies from principals	206	149
Sponsorship income	–	64
Miscellaneous income	179	23
	818	664

6. Interest income

	Group 2018 $'000	Group 2017 $'000
Interest income from fixed deposits	14	25

7. Finance costs

	Group 2018 $'000	Group 2017 $'000
Finance costs on bank loans and bills payable	239	284

8. Profit before income tax

The following items have been included in arriving at profit before income tax:

	Group 2018 $'000	Group 2017 $'000
Auditor's remuneration		
- Auditors of the Company	62	62
- Other auditors	42	32
Depreciation of property, plant and equipment (Note 18)	1,233	1,732
Net foreign exchange gain	(214)	(98)
Allowance for doubtful trade receivables (Note 12)	3	–
Rental expense:		
- Operating lease rentals (Note 26)	2,422	3,473
Employee benefits expense:		
- Wages and salaries	5,157	5,570
- Contribution to defined contribution plans	327	374
- Other related costs	643	669
Property, plant and equipment written-off (Note 18)	19	38
Gain on disposal of property, plant and equipment	(52)	(40)

9. Income tax

(a) ***Major components of income tax expense***

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

	Group	
	2018	**2017**
	$'000	$'000
Consolidated statement of comprehensive income		
Current income tax		
- Current income taxation	438	266
- (Over)/under provision in respect of previous years	(92)	73
	346	339
Deferred income tax (Note 19)		
- Origination and reversal of temporary differences	(75)	18
Withholding tax	92	29
Income tax expense recognised in the profit or loss	363	386

9. **Income tax (cont'd)**

(b) ***Relationship between tax expense and accounting profit/(loss)***

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rates for the years ended 31 March 2018 and 31 March 2017 is as follows:

	Group	
	2018	**2017**
	$'000	$'000
Profit before tax from continuing operations	4,557	1,338
Loss before tax from discontinued operations	–	(1,423)
	4,557	(85)
Tax at the domestic rates applicable to profits in the countries where the Group operates	985	(52)
Adjustments:		
Non-deductible expenses	234	607
Income not subject to taxation	(328)	(23)
Deferred tax assets not recognised	42	96
Effect of partial tax exemption and tax relief	(8)	(34)
Share of results of associated company	(507)	(371)
(Over)/under provision in respect of previous years	(92)	73
Withholding tax	92	29
Others	(55)	61
Income tax expense recognised in profit or loss	363	386

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

10. Earnings/(loss) per share

Basic earnings per share amounts are calculated by dividing profit/(loss) 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/(loss) 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/(loss) and share data used in the computation of basic and diluted earnings per share for the years ended 31 March:

	Group	
	2018	**2017**
	$'000	$'000
Profit/(loss) for the year attributable to owners of the Company	4,155	(311)
Less: Loss from discontinued operation, net of tax, attributable to owners of the Company	–	(1,217)
Profit from continuing operations, net of tax, attributable to owners of the Company used in the computation of basic earnings per share from continuing operations	4,155	906
	No of shares	**No of shares**
	'000	'000
Weighted average number of ordinary shares in issue for basic and diluted earnings per share computation	252,629	252,629

There were no dilutive potential ordinary shares as at 31 March 2018 and 2017.

11. Inventories

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Balance sheet:				
Finished goods	9,616	10,846	–	–
Less: Allowance for inventory write-downs	(729)	(838)	–	–
	8,887	10,008	–	–

	Group 2018 $'000	Group 2017 $'000
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	13,938	14,037
Inclusive of the following charges:		
- Allowance for inventory write-downs	108	68
- Write-back of allowance for inventory write-downs	(145)	(150)

The write-back of allowance for inventory write-downs was made when the related inventories were sold above their carrying amounts in 2018.

12. Trade receivables

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Current				
Trade receivables – external parties	4,077	2,879	–	–
Less: Allowance for doubtful debts	(19)	(15)	–	–
	4,058	2,864	–	–
Trade receivables – related parties	1,832	2,356	1,338	1,357
Trade receivables (current)	5,890	5,220	1,338	1,357
Non-current				
Trade receivables – related parties (non-current)	244	–	–	–

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 receivables due from related parties are unsecured, non-interest bearing and are expected to be settled in cash. The current and non-current portions are repayable in 2019 and 2020 respectively.

12. Trade receivables (cont'd)

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		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Trade receivables past due but not impaired:				
Less than 30 days	1,566	1,308	–	–
30 to 60 days	2,035	1,336	–	–
61 to 90 days	6	2	–	–
91 to 120 days	5	–	–	–
More than 120 days	1,886	2,313	1,338	1,357
	5,498	4,959	1,338	1,357

12. Trade receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment is as follows:

	Group	
	2018	**2017**
	$'000	$'000
Trade receivables – nominal amounts	194	77
Less: Allowance for impairment	(19)	(15)
	175	62
Movement in allowance accounts:		
At 1 April	15	35
Charge for the year	3	–
Written-off	–	(19)
Exchange differences	1	(1)
At 31 March	19	15

13. Other receivables

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Current				
Financial assets				
Deposits	497	827	–	5
Sundry debtors	347	870	243	815
Due from a related party	299	1,991	299	1,991
Due from subsidiaries	–	–	583	588
	1,143	3,688	1,125	3,399
Non-financial asset				
Tax recoverable	143	133	–	–
Other receivables (current)	1,286	3,821	1,125	3,399
Non-current				
Due from a related party (non-current)	1,407	–	1,407	–

The amounts due from a related party are non-trade related, unsecured, non-interest bearing and are expected to be settled in cash. The current and non-current portions are repayable in 2019 and 2020 respectively.

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

14. Cash and bank balances

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at the balance sheet date:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Cash at banks and on hand	3,916	2,282	1,373	5
Fixed deposits — restricted	771	837	–	–
Cash and bank balances	4,687	3,119	1,373	5
Less:				
Fixed deposits — restricted	(771)	(837)	–	–
Cash and cash equivalents	3,916	2,282	1,373	5

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

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 1 to 3 months (2017: 1 to 3 months) from the financial year end. The interest rates of the fixed deposits as at 31 March 2018 range from 0.63% to 1.03 % (2017: 0.20% to 1.12%) per annum.

Cash and cash equivalents denominated in currencies other than the functional currencies of respective entities at 31 March 2018 and 31 March 2017 are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
United States Dollars	140	4	–	–
Korean Won	1	9	–	–
Euro	14	–	–	–

15. Investment in associated company

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	13,252	13,252	13,252	13,252
Share of post acquisition reserves	10,055	7,475	–	–
	23,307	20,727	13,252	13,252

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

	Group	
	2018	**2017**
	$'000	$'000
Revenue reserve	7,985	5,958
Translation reserve	(1,094)	(1,610)
Revaluation reserve	3,164	3,127
	10,055	7,475

15. Investment in associated company (cont'd)

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

	Group	
	2018	**2017**
	$'000	$'000
Assets and liabilities:		
Current assets	40	31
Non-current assets	58,492	51,886
Total assets	58,532	51,917
Current liabilities	264	99
Total liabilities	264	99
Net assets	58,268	51,818
Proportion of the Group's ownership	40%	40%
Carrying amount of the investment	23,307	20,727
Results:		
Revenue	–	–
Profit for the year	7,449	5,462
Other comprehensive income	(2,553)	(1,137)
Total comprehensive income	4,896	4,325

Dividends of $950,000 (2017: $612,000) were received from Harvey Norman Ossia (Asia) Pte Ltd.

15. **Investment in associated company (cont'd)**

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	
			2018	2017	2018	2017
			%	%	$'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)]	Investment holding	Singapore	19.8	19.8		

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

16. **Investment in subsidiaries**

	Company	
	2018	2017
	$'000	$'000
Unquoted shares, at cost	3,468	3,468
Less: Impairment loss	(2,020)	(2,020)
	1,448	1,448

16. Investment in subsidiaries (cont'd)

The Company has the following subsidiaries as at 31 March 2018 and 31 March 2017:

Name	Principal activities	Country of incorporation and place of business	Proportion of ownership interest		Cost of investment	
			2018	2017	2018	2017
			%	%	$'000	$'000
Held by the Company						
Alstyle Marketing Sdn. Bhd. (3)	Designing and distribution of fashion wear and accessories and investment holding	Malaysia	100.0	100.0	282	282
Ossia World of Golf (M) Sdn. Bhd. (3)	Importation and distribution of sports equipment, apparel and accessories	Malaysia	100.0	100.0	1,080	1,080
Great Alps Industry Co., Ltd (1)	Distribution of bags, sporting goods, apparel and accessories	Taiwan	100.0	100.0	677	677
W.O.G. World of Golf Pte Ltd (4)	Dormant	Singapore	100.0	100.0	1,429	1,429
					3,468	3,468

16. Investment in subsidiaries (cont'd)

Name	Principal activities	Country of incorporation and place of business	Proportion of ownership interest	
			2018	2017
			%	%
Held by Subsidiaries				
Alstyle International (M) Sdn. Bhd.[(3)]	Designing, marketing and distribution of fashion wear and accessories	Malaysia	100.0	100.0
Alstyle Fashion Sdn. Bhd.[(3)]	Marketing and distribution of fashion and sports apparel and accessories	Malaysia	100.0	100.0
Alstyle International Resources Sdn Bhd.[(3)]	Wholesaler, retailer of apparels and others	Malaysia	61.0	61.0
O.F. Marketing Sdn. Bhd. [(2), (5)]	Dormant	Malaysia	–	100.0
O.F. Active Sdn. Bhd. [(2), (5)]	Dormant	Malaysia	–	100.0
Decorion Sdn. Bhd. [(2)]	Investment holding	Malaysia	100.0	100.0

(1) Audited by member firm of Ernst & Young Global in Taiwan.
(2) Audited by W.K. Lee & Co., CPA, Malaysia.
(3) Audited by KGNP, CPA, Malaysia.
(4) Not required to be audited by the law of its country of incorporation.
(5) Struck off during the financial year ended 31 March 2018.

16. Investment in subsidiaries (cont'd)

(a) Impairment of investment in subsidiary

During the year, an impairment loss of $Nil (2017: $197,771) was recognised in respect of the Company's investment in subsidiary to reduce the carrying value of the investment to the recoverable amount, taking into account the financial condition of the subsidiary.

(b) Disposal of subsidiary

On 19 January 2017, the Group entered into a sale agreement with Mr Wong Kin Shing, a director of Ossia (HK) Company Limited, to dispose of its entire 85% equity interest in its subsidiary, Ossia (HK) Company Limited ("OHK"), for a consideration of $1 million. The disposal consideration was settled in accordance with the terms and conditions of the sale agreement.

The Group completed the sale of OHK on 10 March 2017 and OHK had thereafter ceased to be a subsidiary of the Company.

As at 31 March 2017, the results of OHK had been presented separately in the consolidated income statement as a discontinued operation. The comparative figures had been re-presented to report separately profit or loss items from continuing and discontinued operations.

The result of OHK for the period/year ended was as below:

Income statement disclosures

	10.03.2017 $'000
Results	
Revenue	2,102
Cost of sales	(2,167)
Gross profit	(65)
Expenses	(1,250)
Income tax expense	–
Loss on disposal of subsidiary	(108)
Loss from discontinued operation, net of tax	(1,423)

16. Investment in subsidiaries (cont'd)

(b) **Disposal of subsidiary (cont'd)**

Cash flow statement disclosures

	2017
	$'000
Operating	207
Investing	(57)
Financing	(181)
Net cash outflow	(31)

Loss per share disclosures

Loss per share from discontinued operation attributable to owners of the Company (cents per share)	
Basic and diluted	(0.48)

16. Investment in subsidiaries (cont'd)

(b) **Disposal of subsidiary (cont'd)**

Basic and diluted loss per share from discontinued operation is calculated by dividing the loss from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares. These loss and share data are presented in the tables in Note 10.

The value of assets and liabilities of OHK at the date of disposal 10 March 2017, and the cash flow effect of the disposal were:

	10.03.2017
	$'000
Property, plant and equipment	68
Trade and other receivables	628
Inventories	772
Cash and cash equivalents	432
	1,900
Trade and other payables	(619)
Carrying value of net assets	1,281
Cash consideration	1,064
Net assets derecognised	(1,281)
Dividend received	146
Derecognition of translation reserve	(230)
Derecognition of non-controlling interests	193
Loss on disposal of subsidiary	(108)

<u>Net cash outflow on disposal of a subsidiary</u>

Cash consideration	1,064
Less: Cash and cash equivalents of subsidiary	(432)
Less: Deferred consideration	(832)
Net cash outflow on disposal of a subsidiary	(200)

17. Assets classified as held for sale

The assets and liabilities of Alstyle Fashion Sdn. Bhd.'s ("AFSB's") ELLE business is presented as held for sale following the commitment of the Group's management on 9 February 2018 to a plan to sell the business. Efforts to sell the business had commenced during the year, and as at the date of this report, the disposal of the assets classified as held for sale has been transacted. As at 31 March 2018, the assets and liabilities related to the ELLE business have been presented in the balance sheet as "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" respectively. There was no impairment loss recognised to reduce the carrying amount of the assets in the disposal group to the fair value less costs to sell.

Balance sheet disclosures

The major classes of assets and liabilities of the ELLE business classified as held for sale as at 31 March 2018 are as follows:

	Group 2018 $'000
Assets	
Property, plant and equipment	85
Inventories	675
Deposits	327
Total assets classified as held for sale	1,087
Liability	
Provision for reinstatement costs, representing liability directly associated with assets classified as held for sale	52

18. Property, plant and equipment

Group	Leasehold land and building $'000	Computer equipment $'000	Furniture, fixtures, fittings and renovations $'000	Motor vehicles $'000	Plant, machinery and office equipment $'000	Total $'000
Cost						
At 1 April 2016	1,518	2,161	15,395	434	995	20,503
Additions	–	3	765	23	1	792
Disposals	–	(110)	(3,703)	(89)	–	(3,902)
Write-offs	–	(18)	(2,001)	(52)	(59)	(2,130)
Disposal of subsidiary	–	(77)	(137)	(111)	(26)	(351)
Exchange differences	(57)	4	454	(1)	(28)	372
At 31 March 2017 and 1 April 2017	1,461	1,963	10,773	204	883	15,284
Additions	–	46	710	–	8	764
Disposals	–	(3)	(293)	(103)	–	(399)
Reclassification to assets held for sale	–	(19)	(948)	–	(56)	(1,023)
Write-offs	–	(1,483)	(2,212)	(78)	(63)	(3,836)
Exchange differences	110	18	(13)	–	26	141
At 31 March 2018	1,571	522	8,017	23	798	10,931

18. Property, plant and equipment (cont'd)

Group	Leasehold land and building $'000	Computer equipment $'000	Furniture, fixtures, fittings and renovations $'000	Motor vehicles $'000	Plant, machinery and office equipment $'000	Total $'000
Accumulated depreciation and impairment loss						
At 1 April 2016	121	2,058	13,375	375	929	16,858
Depreciation charge for the year	25	48	1,609	25	25	1,732
Disposals	–	(110)	(3,702)	(62)	–	(3,874)
Write-offs	–	(18)	(1,968)	(51)	(55)	(2,092)
Disposal of subsidiary	–	(75)	(85)	(105)	(18)	(283)
Exchange differences	58	(2)	349	(3)	(27)	375
At 31 March 2017 and 1 April 2017	204	1,901	9,578	179	854	12,716
Depreciation charge for the year	25	43	1,138	18	9	1,233
Disposals	–	(1)	(293)	(96)	–	(390)
Reclassification to assets held for sale	–	(16)	(867)	–	(55)	(938)
Write-offs	–	(1,486)	(2,191)	(78)	(62)	(3,817)
Exchange differences	16	18	(12)	(16)	41	47
At 31 March 2018	245	459	7,353	7	787	8,851
Net carrying amount						
At 31 March 2018	1,326	63	664	16	11	2,080
At 31 March 2017	1,257	62	1,195	25	29	2,568

18. Property, plant and equipment (cont'd)

Company	Computer equipment $'000	Furniture, fixtures, fittings and renovations $'000	Motor vehicles $'000	Plant, machinery and office equipment $'000	Total $'000
Cost					
At 1 April 2016	1,482	2,750	128	52	4,412
Additions	–	–	23	–	23
Write-offs	–	(909)	(51)	–	(960)
At 31 March 2017 and 1 April 2017	1,482	1,841	100	52	3,475
Write-offs	(1,482)	(1,841)	(78)	(52)	(3,453)
At 31 March 2018	–	–	22	–	22
Accumulated depreciation and impairment loss					
At 1 April 2016	1,480	2,702	114	52	4,348
Depreciation charge for the year	2	47	12	–	61
Write-offs	–	(909)	(51)	–	(960)
At 31 March 2017 and 1 April 2017	1,482	1,840	75	52	3,449
Depreciation charge for the year	–	1	9	–	10
Write-offs	(1,482)	(1,841)	(78)	(52)	(3,453)
At 31 March 2018	–	–	6	–	6
Net carrying amount					
At 31 March 2018	–	–	16	–	16
At 31 March 2017	–	1	25	–	26

18. **Property, plant and equipment (cont'd)**

Assets pledged as security

As at 31 March 2018, the leasehold land and building of the Group with carrying amount of $1,326,000 (2017: $1,257,000) are pledged to a bank to secure the Group's bank loans (Note 22). The leasehold land and building of the Group consist of the following:

Property/(Location)	Purpose	Approximate land area (in sq metre)	Approximate gross floor area (in sq metre)	Tenure of lease
No. 89 Jalan 10/91, Taman Shamelin Perkasa, 56100 Kuala Lumpur (Malaysia)	Office and warehouse	1,456	2,081	80 years expiring on 11 September 2082

19. **Deferred tax**

Deferred tax as at 31 March relates to the following:

	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Group				
Deferred tax liabilities				
Other items	–	(32)	(32)	32
Deferred tax assets				
Provisions and accruals	162	119	(43)	(14)
Deferred tax (credit)/expense (Note 9)			(75)	18

19. Deferred tax (cont'd)

Unrecognised tax losses and capital allowances

At the end of the reporting period, the Group has unabsorbed tax losses and capital allowances of approximately $32,186,000 (2017: $31,419,000) and $248,000 (2017: $114,000), 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 operates.

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (2017: $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 $9,008,000 (2017: $8,022,000).

Tax consequences of proposed dividends

There are no income tax consequences (2017: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 32).

20. Trade and other payables

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade payables				
- external parties	2,109	1,979	47	48
- related party	–	389	–	–
Other payables				
- subsidiary	–	–	28	185
- related party	11	11	11	11
Sundry creditors	286	388	173	235
Deposits received	217	244	41	41
Accrued operating expenses	1,508	1,840	110	265
	4,131	4,851	410	785

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

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

Deposits received are non-interest bearing and refundable at the expiration of the lease term.

Trade and other payables denominated in currencies other than the functional currencies of respective entities as at 31 March 2018 and 31 March 2017 are as follows:

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
United States Dollars	51	43	–	–
Chinese Renminbi	–	11	–	–

21. Bills payable

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Bills payable	2,343	1,753	–	–

Bills payable carry interest at rates ranging from 1.91% to 2.42% (2017: 1.92% to 2.69%) per annum and are repayable within 1 to 8 months (2017: 1 to 6 months) from the financial year end.

Bills payable are secured by corporate guarantees from the Company and personal guarantee from a director of a subsidiary of $2,343,000 (2017: $1,753,000).

Bills payable denominated in currencies other than the functional currencies of respective entities at 31 March 2018 and 31 March 2017 are as follows:

	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
United States Dollars	–	29	–	–

22. Bank borrowings

	Maturity	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Current					
Bank loans - secured	2019	319	1,305	–	–
Bank loans - unsecured	2019	1,305	1,600	–	–
		1,624	2,905	–	–
Non-current					
Bank loans - secured	2020 - 2033	1,905	1,860	–	–

22. Bank borrowings (cont'd)

Bank loans

Bank loans are secured by corporate guarantees of the Company and restricted fixed deposits placed with the respective banks.

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

	Group		Company	
	2018	2017	2018	2017
	%	%	%	%
Bank loans	3.19	3.19	–	–

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes		
	2017	Net cash flows from financing activities	Foreign exchange movement	Other	2018
	$'000	$'000	$'000	$'000	$'000
Bank loans					
- current	2,905	(1,351)	(18)	88	1,624
- non-current	1,860	–	133	(88)	1,905
Bills payable	1,753	627	(37)	–	2,343
Total	6,518	(724)	78	–	5,872

The 'other' column relates to the reclassification of non-current obligation under bank loans due to the passage of time.

23. Share capital

	Group and Company			
	2018 **No. of shares** ’000	**2017** **No. of shares** ’000	**2018** $’000	**2017** $’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.

24. 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.

25. Contingent liabilities

Guarantees

The Company has provided corporate guarantees of $2.5 million (2017: $2.3 million) to secure banking facilities for certain subsidiaries (Note 28(d)).

26. Lease commitments

Operating lease commitments

As lessee

The Group leases certain properties under lease agreements that are non-cancellable. The leases have an average tenure of between 2 and 7 years. There are no restrictions placed upon the Group by entering into these leases.

Certain lease contracts include contingent rent provision and renewal option for additional lease period of 2 to 3 years at rental rates based on prevailing market conditions. Future minimum lease payments under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		**Company**	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Not later than 1 year	1,396	2,045	30	40
Later than 1 year but not later than 5 years	1,325	1,394	29	–
	2,721	3,439	59	40

Minimum lease payments recognised in profit or loss for the Group and the Company for the financial years ended 31 March 2018 and 31 March 2017 are shown in Note 8.

27. Related party transactions

(a) ***Sales and purchases of goods and services***

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	
	2018	**2017**
	$'000	$'000
Income/(expenses)		
Sale of goods to related party	4	67
Recharge of rental and office building expenses to related parties	138	897
Recharge of staff costs and other expenses from related parties	(222)	–

Related parties

Related parties refer to VGO International Pte Ltd and W.O.S. World of Sport (M) Sdn Bhd.

(b) ***Compensation of key management personnel***

	Group	
	2018	**2017**
	$'000	$'000
Short-term employee benefits	1,423	1,431
Central Provident Fund contributions	69	29
Other short-term benefits	28	67
	1,520	1,527
Comprise amounts paid to:		
- Directors of the Company	580	586
- Other key management personnel	940	941
	1,520	1,527

27. Related party transactions (cont'd)

(c) ***Commitments with related parties***

On 19 April 2017, the Company entered into a 36-month agreement ending 18 April 2020 with VGO International Pte Ltd for the lease of the Company's office space. The Group expects the rental paid to VGO International Pte Ltd to be $30,000 and $28,750 in 2019 and 2020 respectively.

28. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency 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 and overdrafts, bills payable, finance leases and 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 and related party balances which arise directly from its operations.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Foreign currency risk***

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), Euro (EUR), Chinese Renminbi (RMB) and Japanese Yen (JPY). 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 14.

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.

28. Financial risk management objectives and policies (cont'd)

(b) ***Interest rate risk***

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 does not use derivative financial instruments to hedge its exposure to interest rate fluctuations. However, it is the Group's policy to obtain the most favourable interest rates available wherever the Group obtains additional financing through bank borrowings. The Group has cash balances placed with reputable banks which generate interest income for the Group. The Group manages its interest rate risks by placing such balances of varying maturities and interest rate terms.

Sensitivity analysis for interest rate risk

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit/(loss) net of tax (through the impact on interest expense on floating rate bills payable and short-term bank loans).

	Group	
	Basis points (Higher/Lower)	**Effect on profit net of tax (Higher/Lower)** $'000
2018		
Malaysian Ringgit	75	12
New Taiwan Dollars	75	20
2017		
Malaysian Ringgit	75	12
New Taiwan Dollars	75	28

28. Financial risk management objectives and policies (cont'd)

(c) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should an external party default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. At the end of the reporting period, the Group's and Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets and the nominal amount of corporate guarantees provided by the Company to banks (Note 25).

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group has policies in place to ensure that sales of products and services are made to customers with appropriate credit histories. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profile of its trade and other receivables on an on-going 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			
	2018		2017	
	$'000	% of total	$'000	% of total
Singapore	1,775	25%	4,149	46%
Taiwan	4,271	59%	3,049	34%
Malaysia	1,149	16%	1,859	20%
	7,195	100%	9,057	100%

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12 (Trade receivables).

28. Financial risk management objectives and policies (cont'd)

(d) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Company also monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents and secured committed funding facilities from financial institutions. In assessing the adequacy of these funding facilities, management reviews its working capital requirements regularly.

The Group assessed the concentration of risk with respect to the refinancing of its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

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.

	2018 $'000				2017 $'000			
Group	**One year or less**	**One to five years**	**Over five years**	**Total**	**One year or less**	**One to five years**	**Over five years**	**Total**
Financial assets								
Cash and bank balances	4,687	–	–	4,687	3,119	–	–	3,119
Trade receivables	5,890	244	–	6,134	5,220	–	–	5,220
Other receivables	1,143	1,407	–	2,550	3,688	–	–	3,688
Assets classified as held for sale	1,087	–	–	1,087	–	–	–	–
Total undiscounted financial assets	12,807	1,651	–	14,458	12,027	–	–	12,027

28. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Group	2018 $'000 One year or less	2018 One to five years	2018 Over five years	2018 Total	2017 $'000 One year or less	2017 One to five years	2017 Over five years	2017 Total
Financial liabilities								
Trade and other payables	4,131	–	–	4,131	4,851	–	–	4,851
Amounts due to directors	126	–	–	126	295	–	–	295
Bills payable	2,343	–	–	2,343	1,753	–	–	1,753
Bank borrowings	1,660	492	2,224	4,376	2,905	460	2,289	5,654
Liability directly associated with assets classified as held for sale	52	–	–	52	–	–	–	–
Total undiscounted financial liabilities	8,312	492	2,224	11,028	9,804	460	2,289	12,553
Total net undiscounted financial assets/(liabilities)	4,495	1,159	(2,224)	3,430	2,223	(460)	(2,289)	(526)

28. Financial risk management objectives and policies (cont'd)

(d) ***Liquidity risk (cont'd)***

	2018 $'000			2017 $'000		
Company	**One year or less**	**One to five years**	**Total**	**One year or less**	**One to five years**	**Total**
Financial assets						
Cash and bank balances	1,373	–	1,373	5	–	5
Trade receivables	1,338	–	1,338	1,357	–	1,357
Other receivables	1,125	1,407	2,532	3,399	–	3,399
Total undiscounted financial assets	3,836	1,407	5,243	4,761	–	4,761
Financial liabilities						
Trade and other payables	410	–	410	785	–	785
Amounts due to directors	126	–	126	295	–	295
Total undiscounted financial liabilities	536	–	536	1,080	–	1,080
Total net undiscounted financial assets	3,300	1,407	4,707	3,681	–	3,681

28. Financial risk management objectives and policies (cont'd)

(d) ***Liquidity risk (cont'd)***

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the corporate guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2018 $'000				2017 $'000			
Company	**One year or less**	**One to five years**	**Over five years**	**Total**	**One year or less**	**One to five years**	**Over five years**	**Total**
Corporate guarantee	115	490	1,845	2,450	98	438	1,743	2,279

29. Fair value of financial instruments

Fair value is the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

Financial instruments whose carrying amounts are reasonable approximation of fair value

Management has determined that the carrying amounts of cash and bank balances (Note 14), trade receivables (Note 12), other receivables (Note 13), trade and other payables (Note 20), bills payable (Note 21) and bank borrowings (Note 22) at the end of the reporting period, based on their notional amounts, are reasonable approximations of their fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

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

29. Fair value of financial instruments (cont'd)

Categories of financial assets and financial liabilities

Set out below are the carrying amounts of the Group's and the Company's financial assets and financial liabilities that are carried on the balance sheets:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Assets				
Cash and bank balances (Note 14)	4,687	3,119	1,373	5
Trade receivables (Note 12)	6,134	5,220	1,338	1,357
Deposits (Note 13)	497	827	–	5
Other receivables (Note 13)	2,053	2,861	2,532	3,394
Total loans and receivables	13,371	12,027	5,243	4,761
Liabilities				
Trade and other payables (Note 20)	4,131	4,851	410	785
Amount due to directors	126	295	126	295
Bills payable (Note 21)	2,343	1,753	–	–
Bank borrowings (Note 22)	3,529	4,765	–	–
Total financial liabilities carried at amortised cost	10,129	11,664	536	1,080

30. Capital management

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 2018 and 31 March 2017.

30. Capital management (cont'd)

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 2018 and 31 March 2017.

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, bank borrowings, trade and other payables, dividend and bills payable, less cash and bank balances. Capital includes equity attributable to the equity holders of the Company less the abovementioned legal reserve.

	Group	
	2018	**2017**
	$'000	$'000
Trade and other payables (Note 20)	4,131	4,851
Bills payable (Note 21)	2,343	1,753
Bank borrowings (Note 22)	3,529	4,765
Less: Cash and bank balances (Note 14)	(4,687)	(3,119)
Net debt	5,316	8,250
Equity attributable to equity holders of the Company	38,565	33,784
Less: Legal reserve	(1,373)	(1,343)
Total capital	37,192	32,441
Capital and net debt	42,508	40,691
Gearing ratio	13%	20%

31. 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 each of the following locations and are independent from each other.

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.

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:

2018	Singapore and Malaysia $'000	Taiwan $'000	Adjustments and eliminations $'000		Total Group $'000
Revenue:					
External customers	4,991	24,526	–		29,517
Results:					
Interest income	8	6	–		14
Dividend income	1,376	–	(1,376)	(b)	–
Finance costs	(89)	(150)	–		(239)
Depreciation of property, plant and equipment	(203)	(1,030)	–		(1,233)
Share of results of associated company	2,980	–	–		2,980
Other non-cash expenses	(63)	(65)	–	(c)	(128)
Income tax credit/(expense)	2	(387)	22		(363)
Segment profit	3,868	1,626	(1,300)	(b)	4,194
Assets:					
Investment in associated company	23,307	–	–		23,307
Additions to property, plant and equipment	67	697	–		764
Segment assets	35,041	15,553	(1,374)	(d)	49,220
Segment liabilities	3,662	7,595	(732)	(e)	10,525

31. **Segment information (cont'd)**

2017	Singapore and Malaysia $'000	Taiwan $'000	Hong Kong (Discontinued operation) $'000	Adjustments and eliminations $'000		Total Group $'000
Revenue:						
External customers	6,642	23,326	2,102	(2,102)	(a)	29,968
Results:						
Interest income	16	9	–	–		25
Dividend income	767	–	–	(767)	(b)	–
Finance costs	(84)	(200)	–	–		(284)
Depreciation of property, plant and equipment	396	1,336	86	(86)	(a)	1,732
Share of results of associated company	2,184	–	–	–		2,184
Other non-cash expenses	(64)	17	359	(359)	(a,c)	(47)
Income tax expense	(224)	(162)	–	–		(386)
Segment profit	429	438	(1,423)	1,894	(a,b)	1,338
Assets:						
Investment in associated company	20,727	–	–	–		20,727
Additions to property, plant and equipment	95	697	75	(75)	(a)	792
Segment assets	31,334	14,824	1,900	(2,260)	(d)	45,798
Segment liabilities	3,924	8,086	619	(768)	(e)	11,861

(a) The amounts relating to the Hong Kong segment has been excluded to arrive at the amounts shown in profit or loss as they are presented separately in the statement of comprehensive income within one line item, "loss from discontinued operation, net of tax".

31. Segment information (cont'd)

(b) The following items are added to/(deducted from) segment profit to arrive at "profit/(loss) for the year" presented in the consolidated statement of comprehensive income.

	2018 $'000	2017 $'000
Dividend income from subsidiaries and associated company	1,376	767
Segment results of discontinued operation	–	1,423
Inter-segment expense	(2,676)	(296)
	(1,300)	1,894

(c) Other non-cash expenses consist of allowance for inventories and property, plant and equipment written-off as presented in the respective notes to the financial statements.

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

	2018 $'000	2017 $'000
Segment assets from discontinued operation	–	1,900
Investment in subsidiaries	675	675
Other receivables from subsidiaries	699	776
	1,374	3,351

31. Segment information (cont'd)

(e) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2018 $'000	2017 $'000
Segment liabilities from discontinued operation	–	619
Inter-segment liabilities	732	768
	732	1,387

32. Dividends

	Group and Company	
	2018 $'000	2017 $'000
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final exempt (one-tier) dividend for 2018: 0.4 cents (2017: Nil cents) per share	1,011	–

33. Authorisation of financial statements

The financial statements for the year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on 29 June 2018.

Statistics of **SHAREHOLDINGS**

Distribution By Size of Shareholdings As At 18 June 2018

Size of Shareholdings			No. of Shareholders	%	No. of Shares	%
1	-	99	47	1.56	2,302	0.00
100	-	1,000	859	28.59	805,585	0.32
1,001	-	10,000	1,468	48.85	6,293,500	2.49
10,001	-	1,000,000	616	20.50	33,485,307	13.26
1,000,001	and	above	15	0.50	212,042,789	83.93
		Total:	**3,005**	**100.00**	**252,629,483**	**100.00**

No.	Name	No. of Shares	%
1	RAFFLES NOMINEES (PTE) LTD	97,704,654	38.68
2	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	73,012,577	28.90
3	GOH CHING WAH	17,354,656	6.87
4	PHILLIP SECURITIES PTE LTD	3,876,540	1.53
5	GOH LEE CHOO	3,203,700	1.27
6	LEH BEE HOE	2,653,800	1.05
7	CHAM MOOI TAI	2,382,900	0.94
8	CITIBANK NOMINEES SINGAPORE PTE LTD	2,125,847	0.84
9	DB NOMINEES (SINGAPORE) PTE LTD	2,047,000	0.81
10	UOB KAY HIAN PTE LTD	1,564,629	0.62
11	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,306,600	0.52
12	NG CHUEN GUAN	1,241,000	0.49
13	DBS NOMINEES PTE LTD	1,196,986	0.47
14	CHEW AH KONG	1,190,200	0.47
15	RHB SECURITIES SINGAPORE PTE LTD	1,181,700	0.47
16	CHIAM HOCK POH	905,200	0.36
17	LIM & TAN SECURITIES PTE LTD	876,000	0.35
18	MAYBANK KIM ENG SECURITIES PTE LTD	698,368	0.28
19	GUAT SENG HONG	641,000	0.25
20	OCBC NOMINEES SINGAPORE PTE LTD	603,326	0.24
	Total:	**215,766,683**	**85.41**

NO	NAME	Direct Interest	% of Shares	Deemed Interest	% of Shares
1	Goh Ching Lai, Joe	73,012,577	28.90	114,855 ,040*	45.46
2	Goh Ching Wah, George	57,500,386	22.76	130,367,231 *	51.60
3	Goh Ching Huat, Steven	57,354,654	22.70	130,512,963*	51.66

Based on the information available to the Company as at 18 June 2018, approximately 25.64% 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 each other's shares.


TUMI
PERFECTING THE JOURNEY

NOTICE IS HEREBY GIVEN that the Twenty-Seventh Annual General Meeting of the Company will be held at the Conference Room, No. 10 Changi South Lane #07-01, Singapore 486162 on Thursday, 26 July 2018 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 2018 and the Directors' Report and the Auditors Report thereon. (Resolution 1)
2. To declare a First and Final tax exempt (one-tier) dividend of 0.4 Singapore cents per ordinary share for the year ended 31 March 2018. (Resolution 2)
3. To re-elect Mr Goh Ching Wah, retiring by rotation, pursuant to Article 89 of the Company's Articles of Association. (Resolution 3)
4. To re-elect Mr Anthony Clifford Brown, retiring by rotation, pursuant to Article 89 of the Company's Articles of Association. (Resolution 4)

   Mr Anthony Clifford Brown, if re-elected will remain as an Independent Director as well as Chairman of the Nominating Committee, and a Member of the Audit and Remuneration Committees; and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
5. To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

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$104,500/- to Non-Executive Directors for the financial year ended 31 March 2018 (2017: S$104,500/-). (Resolution 6)
7. Authority to allot and issue shares

   (a) "That, pursuant to Section 161 of the Companies Act, Chapter 50, 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 7)

(Please see Explanatory Note 1)

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

Singapore, 11 July 2018

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.

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 (Cap. 19) 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 (Cap. 289) and holds shares in that capacity; or

   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

A proxy needs not be a member of the Company.

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.

4. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not later than 48 hours before the time appointed for the Meeting.

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.


ELLE
the Parisians' lifestyle
ACTIVE


ELLE
the Parisians' lifestyle
ACTIVE
El retrato español DEL GRECO A PICASSO
André de Dienes Marilyn
ELLE 600 COVERS MODE DE 1945 À NOS JOURS


Hedgren

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

PROXY FORM

IMPORTANT
1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 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.

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 11July 2018

*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 Twenty-Seventh Annual General Meeting of the Company to be held at Conference Room, No. 10 Changi South Lane, #07-01 Singapore 486162 on 26 July 2018 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 2018 and the Directors' Statement and Auditors' Report thereon.		
2	To declare a First and Final tax exempt (one-tier) dividend of 0.4 Singapore cents per ordinary share for the year ended 31 March 2018.		
3	To re-elect Mr. Goh Ching Wah as Director pursuant to Article 89 of the Company's Constitution.		
4	To re-elect Mr Anthony Clifford Brown as Director pursuant to Article 89 of the Company's Constitution.		
5	To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		
6	Approval of Non-Executive Directors' fees.		
7	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this ______________ day of ______________ 2018

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, Chapter 50.

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, Chapter 50 of Singapore.

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 Servicces (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 11 July 2018.

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

OSSIA
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