VGO CORPORATION LIMITED

Annual Report 2015

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VGO CORPORATION LIMITED

10 Changi South Lane #06-01 Singapore 486162 Tel: 65 6543 5828 Fax: 65 6543 5829
Company Reg: 199301388D Website: http://www.vgocorp.com

Corporate INFORMATION

BOARD OF DIRECTORS

Mr Goh Ching Huat, Steven
Group Executive Chairman / Chief Executive Officer

Mr Goh Ching Wah, George
Executive Director

Mr Goh Ching Lai, Joe
Non-Independent / Non-Executive Director

Mr Wong King Kheng
Independent / Non-Executive Director

Mr Anthony Clifford Brown
Independent / Non-Executive Director

Mr Foo Jong Han, Rey
Independent / Non-Executive Director

AUDIT COMMITTEE

Mr Wong King Kheng
Chairman
Mr Anthony Clifford Brown
Mr Foo Jong Han, Rey

NOMINATING COMMITTEE

Mr Anthony Clifford Brown
Chairman
Mr Foo Jong Han, Rey
Mr Goh Ching Huat
Mr Wong King Kheng

REMUNERATION COMMITTEE

Mr Foo Jong Han, Rey
Chairman
Mr Anthony Clifford Brown
Mr Wong King Kheng

COMPANY SECRETARIES

Ms Lotus Isabella Lim Mei Hua

Ms Lee Bee Fong

REGISTERED OFFICE

VGO CORPORATION LTD
Company Registration Number: 199301388D
10 Changi South Lane
#06-01
Singapore 486162
Tel : (65) 6543 5828
Fax : (65) 6543 5829

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd)

80 Robinson Road
#02-00
Singapore 068898

PRINCIPAL BANKERS

The Development Bank Of Singapore Ltd
Malayan Banking Berhad
RHB Bank Berhad
CIMB Bank Berhad
UBS AG
Overseas Chinese Banking Corporation Limited

AUDITORS

Ernst & Young LLP

One Raffles Quay
#18-01 North Tower
Singapore 048583

PARTNER-IN-CHARGE

Terry Wee Hiang Bing
(Appointed since financial year 2014)

Our VISION

Our vision is to be recognized as the leading retailer and distributor of internationally renowned brand names in Sports, Active Lifestyle and Fashion, dominating the markets that we operate in. From our current market dominant position, we'll continue to grow and endeavor to stay ahead in these challenging markets, focus and grow our core business activities as well as to create and maintain the value for our people, customers and shareholders and ensuring long-term growth and profitability.

Our MISSION

Our mission is to stay focus in our vision as the 'voice of the industry' and to satisfy each and every customer with our totally integrated product offerings. We shall also endeavor to meet the needs of the affluent and sophisticated as well as our potentiality as a global conglomerate in our long-term growth plan.

Our COMMITMENT

To Our Employees

To ensure that every employee is connected to the strategy, vision and mission of VGO Corporation Limited. To equip them with training / knowledge and harness their growth in rewarding career paths

To Our Shareholders

To ensure long-term growth and profitability

To Our Customers

To satisfy each and every customer with our totally integrated brand offerings, ensuring extraordinary services and benefitting them from our quality products.

Group Executive Chairman's STATEMENT

Dear Shareholders

For and on behalf of the Board of Directors, I am pleased to present to you the Annual Report and Financial Statements of VGO Corporation Limited (the "Company") for the 12-month financial year ended 31 March 2015.

The Group had on 05 November 2013, announced the change of its financial year end to 31 March. For the purpose of this announcement, the full year results for the current financial year reported on will comprise 12 months, from 1 April 2014 to 31 March 2015, against 15 months comparative period from 1 January 2013 to 31 March 2014.

Below are some highlights on the performance of the Group for the financial year ended 31 March 2015.

Financial Review

The Group's revenue decreased from S$78.3 million for 15-month period from 1 January 2013 to 31 March 2014 ("15M2013/14") to S$70.7 million for 12-month period from 1 April 2014 to 31 March 2015 ("12M2014/15"), a decrease of 9.7%. The decrease in the 12 month revenue was due to the inclusion of 3 months' revenue from 1 January 2013 to 31 March 2014. The decrease was partially offset by the increase of sales due to opening of new outlets and new wholesale customers in 12M2014/15.

The gross profit margin reduced from 56.8% in 15M2013/14 to 52.4% in 12M2014/15. The gross profit margin was lower due to higher promotional discount, markdown given on the past seasons merchandise and early settlement discount given to wholesale dealers in Malaysia subsidiary.

Other income decreased by S$0.9 million or 47% mainly due to decrease in membership fee income and exchange loss.

Distribution costs decreased from S$39.8 million for 15-month period from 1 January 2013 to 31 March 2014 ("15M2013/14") to S$37.0 million for 12-month period from 1 April 2014 to 31 March 2014 ("12M2014/15"), a decrease of S$2.9 million. The decrease in the 12 month distribution costs was due to the inclusion of 3 months' distribution costs from 1 January 2013 to 31 March 2014. However, the decrease was partially offset by the increase of manpower, rental and depreciation incurred for new outlets opening.

Administrative and general expenses decreased by 11.5% or S$0.7 million in 12M2014/15 as compared to 15M2013/14 mainly due to the inclusion of 3 months' expenses from 1 January 2013 to 31 March 2014. However, the decrease was partially offset by the increase of manpower cost, property, plant and equipment write off, depreciation and provision for annual leave.

Balance Sheet

The Group property, plant and equipment decreased by S$0.4 million. The decrease was mainly due to write off of property, plant and equipment for the closure outlets in Malaysia subsidiary.

The Group’s trade receivables decreased by S$1.0 million mainly due to better collection during the financial year.

The Group’s other receivables decreased by S$0.3 million mainly due to reduced rental deposit resulting from closing of unprofitable outlets and repayment from director.

The Group’s amount due from related parties decreased by S$0.7 million mainly due to reclassification of amount due from related parties.

The Group’s inventory increased by S$3.3 million mainly due to purchase of inventories for new outlets and purchase from related companies.

The Group’s trade payables decreased by S$1.1 million mainly due to decrease in purchase with local suppliers.

Amounts due to related parties increased by S$3.8 million largely due to purchase of inventory.

The Group’s bills payable and bank borrowings increased by S$2.7 million mainly due to purchase of inventories from overseas suppliers which in line with the increase in inventory.

Going Forward

The Group will continue to strengthen its market position and focus on its existing businesses, staying ahead in the challenging markets that we operate in.

With our commitment to enhance shareholders’ value, we will remain focus on our existing growth strategies and will continue to improve operational efficiency, cost management measures and to stay competitive.

Note of Appreciation

On behalf of the Board Of Directors, I would like to convey our deepest gratitude to you – our loyal customers, our dedicated staff, principals and business partners for your steadfast support in the past years. With your continued support and patronage, the management will work diligently to achieve good results for the coming year. To our valued shareholders, we also thank you for your support through these challenging times.

Mr Goh Ching Huat, Steven
Group Executive Chairman

MIZUNO

1 Marina Bay Sands Basement 1
2 Velocity @ Novena Square Level 1 (NEW)
3 Paragon Level 4
4 Kallang Wave Mall Level 1 (NEW)

Sole Distributor:
VGO CORPORATION LIMITED

WORLD OF SPORTS
YOUR GAME. YOUR PASSION. YOUR TIME.

1 Heartland Mall Level 3 2 I12 Katong Level 2 3 IMM Level 1 4 JCube Level 1 5 Jurong Point Level 3 6 Lot 1 Level 2 7 Marina Square Level 3
8 Marina Bay Sands Basement 1 9 Paragon Level 4 10 Parkway Parade Level 3 11 Plaza Singapura Level 3 12 Tampines 1 Level 3 13 The Clementi Mall Level 4
14 Toa Payoh Blk 192 Lor 4 15 West Mall Level 3 16 Westgate (Sports Town) Level 3 17 Velocity @ Novena Square Level 2 18 Takashimaya Dept Store Level 4
19 VivoCity Level 2 20 Kallang Wave Mall Level 1 21 Seletar Mall Level 2

Authorised Dealers:
*Feder Sports Peninsula Plaza Level 2 • *JW Sports Queensway Shopping Centre Level 2 • N-Zone Queensway Shopping Centre Level 1 • Sports Profile Queensway Shopping Centre Level 2 • Weston Soccer Somerset 313 Shopping Center Level 4

*Available at these stores.

/wosingapore

www.worldofsports.com.sg

Executive DIRECTORS

MR GOH CHING HUAT, STEVEN

Group Executive Chairman /
Chief Executive Officer

He (Age: 50, Appointed as Group Deputy Managing Director on 9 March 1993 and Group Executive Chairman wef: 1 July 2006) is our Group Executive Chairman / Chief Executive Officer and is also the Executive Director of our related companies, Ossia International Limited ("Ossia Group") and Internet Technology Group Private Limited ("ITG Group").

Mr Steven Goh is responsible in spearheading the overall strategy and direction of the Group's business, leading the management team in product development, brand strategies and implementing the strategic goals and directions set by the Board. He is also responsible for the growth of sporting goods retailing under World of Sports, Outdoors, Mizuno and Columbia; Luxury Lifestyle Fashion retailing under Bread & Butter, Seven For All Mankind, True Religion and Evisu; and Luxury Fashion retailing under 6five barcode.

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 and have more than 30 years of experience in distribution and retailing of lifestyle products in footwear, fashion apparel, sporting goods, golf, bags and accessories under Ossia Group.

MR GOH CHING WAH, GEORGE

Executive Director

He (Age: 56, Appointed as Chairman on 25 May 2002 and Executive Director wef: 1 July 2006) is our Executive Director. He is responsible for overall Group direction, strategic planning, business development and investors' relations.

Mr George Goh is the Group Executive Chairman of our related companies, ITG Group and Ossia Group. He is also the Non-Executive Director of Pertama Holdings Pte. Ltd. trading under the name of "Harvey Norman", which retails electrical, computer, furniture and household products.

Mr George Goh and his two brothers (Messrs Goh Ching Lai, Joe and Goh Ching Huat, Steven) are experienced entrepreneurs who had co-founded the Group, Ossia Group and the ITG Group. They were winners of the 1994 Rotary-ASME Entrepreneur Award. Their business interests range from marketing, distribution, and retailing to technology investments in the Asia Pacific.

Independent / Non-Executive DIRECTORS

MR WONG KING KHENG
Independent / Non-Executive Director

He (Age: 61) 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 advices 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 Certified Public Accountants, Singapore (ICPAS). 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, ITG Group and OSSIA Group.

MR FOO JONG HAN, REY
Independent / Non-Executive Director

He (Age: 48, Appointed: 16 January 2006) is an Independent / Non-Executive Director. He had been a practicing lawyer for the last 20 years since he was called to the Singapore Bar in June 1992. He practices in the field of civil litigation and corporate and commercial law. He is a partner of Singapore law firm KSCGP Juris LLP. Mr Rey Foo was called to English Bar as a Barrister-at-law, Inner Temple in 1991. He holds a LLB Honours from University of Buckingham and an LLM in Corporate and Commercial Law at Queen Marry College, University of London. Besides being the Chairman of the Remuneration Committee for the Group, Mr Foo is also the Independent Director and member of the Audit Committee and Nominating Committee for the Group.

MR GOH CHING LAI, JOE
Non-Independent / Non-Executive Director

He (Age: 56) was appointed as Director on 1 September 1990 and re-designated as Non-Independent / Non-Executive Director on 1 May 2009. He is also the Non-Independent /Non-Executive Director of our related companies, Ossia Group and ITG Group. Goh brothers were the winner of the 1994 Rotary-ASME Entrepreneur Award. Their business interests range from marketing, distribution, and retailing to technology investments in the Asia Pacific region. He is a Non-Executive Director of Pertama Holdings Limited, trading under the name of “Harvey Norman”, which retails electrical, computer, furniture and household products. Mr Joe Goh and his two brothers have more than 30 years of experience in distribution and retailing of lifestyle products in footwear, fashion apparel, sporting goods, golf, bags and accessories.

MR ANTHONY CLIFFORD BROWN
Independent / Non-Executive Director

He (Age: 75) 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 General Manager and then the Managing Director of LEGO Australia Pty Ltd. Mr Brown was the winner of United Kingdom State Scholarship and holds a Bachelor of Science degree in Economics from the London School of Economics (London University). Besides being a member of the Audit Committee, Remuneration Committee and Chairman of the Nominating Committee for the Group, Mr Brown is also the Independent Director and member of the Audit Committees, Remuneration Committees and Nominating Committees for OSSIA Group.

Senior MANAGEMENT

(SINGAPORE)
Head Quarter

MS TAN SEOH LAY

Chief Operating Officer

Ms Tan is the Chief Operating Officer of VGO Corporation Limited. She joined the Company as General Manager in January 1997 and subsequently transferred to VGO Corporation Limited, an affiliated company of Ossia in October 2002 and was promoted to Chief Operating Officer to manage both the retail and wholesale divisions. On 1 March 2010, she was transferred back to Ossia International Limited as the Chief Operating Officer. Prior to that, Ms Tan was the Group Sale and Marketing Manager of Sportech where she successfully negotiated with The Walt Disney and S. League for licensing projects in its kids' swimwear and sportswear divisions. She was previously the Assistant Membership Manager of Automobile Association of Singapore and a Market Researcher with Rothmans of Pall Mall.

Ms Tan possesses more than 22 years of business development and marketing experiences in senior management capacity.

Ms Tan holds a Master of Business Administration from the Birmingham University, United Kingdom and is a Graduate Member of Chartered Institute of Marketing (UK), Institute of Administrative Management (UK) and an associate member of Marketing Institute of Singapore (MIS).

MS TAM HUEY CHYUN, TAMMY

Corporate Finance Manager

Ms Tam is the Corporate Finance Manager of the Group. She oversees the overall accounting functions, tax, treasury, SGX financial reporting, and management reporting and corporate finance of our Group. Prior to joining us, Ms Tam spent the last 15 years in various Singapore listed companies. She holds a Bachelor of Commerce in Accounting and Finance from Murdoch University, Western Australia and currently a Chartered Accountant of the Institute of Singapore Chartered Accountants.

SPORTS DIVISION

MR CHAN CHEE KIANG, CHARLES

General Manager

Business Development / Sports – Wholesale Division

He is the General Manager of Vgo Corporation Limited - Business Development / Wholesale Division. He takes care of the sales initiatives of wholesale division and responsible for the business development of Sports Division. He has more than 25 years of experience in the Sports industry.

Senior
MANAGEMENT

MR ALAN CHIA

General Manager

Sports Retail Divison

He is the General Manager of Vgo Corporation Limited – Sports Retail Division. He has been in apparel retail industry for more than 15 years. He possesses the skills, knowledge and management of various departments such as Sales Operation, Leasing, Buying, Creative & Marketing, and Logistics. Prior to joining VGO Corporation Limited, he was the Country Head for a MNC company which licensed apparels.

Mr Alan is currently responsible for the overall retail operations, merchandising and marketing for World of Sports in Singapore.

FASHION DIVISION

MS TEE MUI FONG, YVONNE

General Manager

Luxury Fashion Division

She is the General Manager of VGO Corporation Limited – Luxury Fashion Division. She has been in the retail industry for 20 years. Prior to joining VGO Corporation Limited, she was with Petite Cherie Marketing, Houseproud and Royal Sporting House.

Ms Yvonne is responsible for the retail operations, branding, merchandising sales and buying of the different brands under 6five Barcode and Bread & Butter in Singapore.

Senior MANAGEMENT

(MALAYSIA)

MR SAW SWEE LEONG

Executive Director

Mr Saw is the Executive Director of Ossia World of Golf (M) Sdn Bhd. He is responsible for the distribution of sporting goods, golf equipment, footwear and accessories in Malaysia. He joined the Group in 1994. Swee Leong has over 25 years of experience in marketing and distribution of sporting goods. Prior to joining us, he was the Manager and Company Director of Sunrise Sports Sdn Bhd. Swee Leong was formerly the National Badminton Champion and represented Malaysia in all the International Tournaments including the Thomas Cup. He was a member of the Malaysian Thomas Team that emerged runners-up in 1977.

MS WONG KEE ROE, CAROL

Senior General Manager

Sports & Luxury Fashion Division

She is the Senior General Manager of W.O.S World Of Sports (M) Sdn Bhd, with more than 10 years experience in the Sports industry. She is responsible for the overall growth, strategic developments, operations and merchandising for Sports and Fashion.

MR GLENNY J DA COSTA

Senior Sales Manager

Sports Wholesale Division

He joined the company in 2005, he is currently the Senior Sales Manager for Wholesale Division leading a team of 3 sales persons. Concurrently, he is also in charge of Corporate Sales and Events Marketing.

He has more than 20 years working experience and exposure in the sport arena in Malaysia and represented the Company in several international trade shows. He has established good relationship with National Athletes & Sports Association. Prior to that, he was with Asics and Fila Sports.

MS POON SOW KENG, JESSNIE

Finance Manager

She is currently the Finance Manager overseeing the Finance & Administration Division. She has more than 15 years working experience in the accounting field. Prior to this, she was with Machines Sdn Bhd. She received her professional education in accounting in Malaysia.

WORLD OF SPORTS

YOUR GAME .YOUR PASSION .YOUR TIME.

Mizuno
Columbia
Salomon
Teva
Rollerblade

HEAD
Mountain Hard Wear
HI-TEC
KEEN
X-BIONIC

Hurley
GLOBE
ELLE Active
SPALDING TRUE TO THE GAME
RUSSELL ATHLETIC
dupé MADE IN BRAZIL

BIRKENSTOCK Made in Germany • Tradition seit 1774
EASTPAK U.S.A.
DAKINE
McDAVID
Thorlos Your feet will feel better

Sneaker Balls
KOR
DONIC
SPENCO
HICKIES

vgo
BMX action
BODYMASTER
Melrose

Highlights
of the year (Singapore)

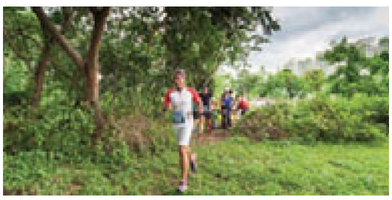
MIZUNO PASSION WAVE RUN 2014

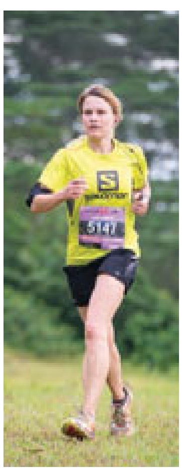
‘Hailed as the only 16 kilometers race in Singapore, the eleventh edition of the Mizuno PAssion Wave Run was organised by Tanjong Pagar GRC, Radin Mas SMC and was proudly sponsored by World of Sports and Mizuno. More than 2,000 eager runners crossed the finish line on a hot Sunday morning, conquering the gruelling course which consists of steep climb and trail section.

Highlights
of the year (Singapore)

SALOMON X-TRAIL RUN 2014

The 2014 edition of the Salomon X-Trail delivered more gravels, more hills and more adrenaline! More than 1,800 trail seekers came together to give the new race course a test drive at Punggol Waterway.

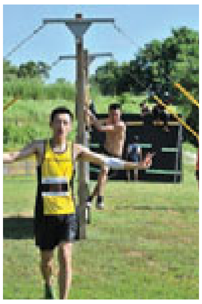


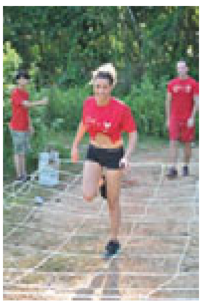


Highlights of the year (Singapore)

LION DASH 2014 PRESENTED BY COLUMBIA

The Lion Dash presented by Columbia summoned 1,500 brave souls to take on the fear factor of all races. Participants challenged themselves to some devilishly challenging obstacles such as the Python Pit, Escape Route, Push Up Poaches and Slippery Slope.

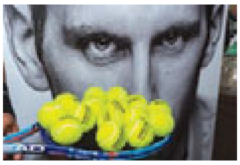


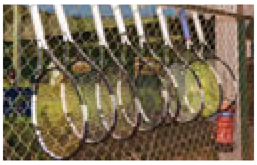


Highlights
of the year (Singapore)

HEAD DEMO DAY 2015

Recreational tennis players seized the chance to sink their teeth on the new HEAD GrapheneXT Speed and Instinct racquets at the HEAD GrapheneXT Demo Day.





Highlights
of the year (Singapore)

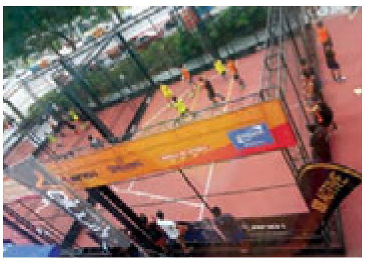
SALOMON X-SCREAM LAUNCH WITH ANNA FROST

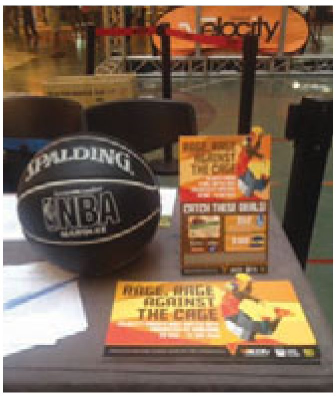
Anna Frost aka Frosty, one of ultra marathon most recognised faces was in town to launch the new Salomon X-Scream and share her running experience and tips with local trail runners

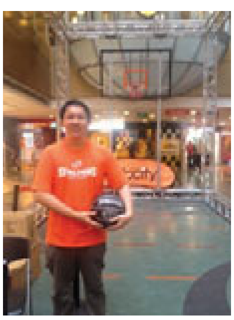
Highlights of the year (Singapore)

VELOCITY CAGED B-BALL BATTLE 2014

Things got heated as basketball players took to the court at Velocity@ Novena Square, the only 3-on-3 B-Ball competition played in a cage! Presented by Spalding, the annual Velocity B-Ball Battle is a staple amongst basketball players in Singapore.







Highlights of the year (Singapore)

SPALDING 30TH ANNIVERSARY

'To celebrate Spalding's 30th anniversary as the official NBA game ball, a month long exhibition was held at Sports Town Westgate where NBA players' signature balls and merchandises were put on display. Customers enjoyed live basketball performances, games, special discounts and customised Spalding cupcakes during the launch of the exhibition.


BREAD & BUTTER
TRUE RELIGION
BRAND JEANS®
HABITUAL
NEW YORK LOS ANGELES
7 for all mankind
J BRAND
JOE'S JJ
siwy
CITIZENS OF HUMANITY
THE MUMMY SHOES
FESSURA
THE MUMMY SHOES
AG ADRIANO GOLDSCHMIED
PAIGE
Rock Revival®
HUDSON
"Bruised Never Broken"
Prps
GENETIC DENIM
OeTZI3300
ETIENNE MARCEL II
Affliction
CHIPPEWA®
EST.1901

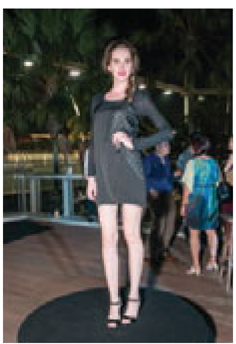

BREAD & BUTTER
EUROPE
COLLECTION
DENHAM
HYDROGEN
K.O.I
KINGS OF INDIGO
GAS
A FISH NAMED FRED.COM
フレッドという名前の魚
KUYICHI
KOHZO
DENIM
REPLAY

BREAD & BUTTER
JAPAN Collection

Highlights of the year (Singapore)

LAMBORGHINI RACE DAY EVENT 2014 FULLERTON BOAT HOUSE

The epitome of motor sport glamour, Bread & Butter collaborated with renowned luxury car-makers, Lamborghini on Formula 1 Singapore Grand Prix Race Day for a night of fast car and luxury denim fashion.



Highlights of the year (Singapore)

BREAD & BUTTER FALL EVENT AT ALTIMATE

An exclusive fashion showcase featuring cult denim brands from Bread & Butter. Guests were treated to a night of the latest in denim fashion. Featuring True Religion, Evisu, 7 For All Mankind, Replay and more of the luxury denim favourites, there was no shortage of unique ways to wear denim.

Highlights of the year (Singapore)

FASHION TV BEACH FESTIVAL 31 AUGUST 2014
TANJONG BEACH CLUB

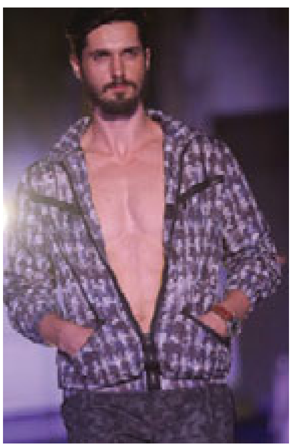
A music and fashion beach festival that brings beach revellers to Tanjong Beach Club in Sentosa for a day of festivities and glitz. Featuring brands from True Religion, Evisu, 7 For All Mankind and Bread & Butter, guests were treated to the latest in denim blues worn in a unique setting under the sunset.









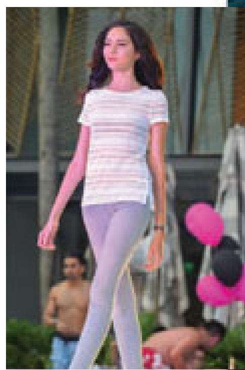



Highlights of the year (Singapore)

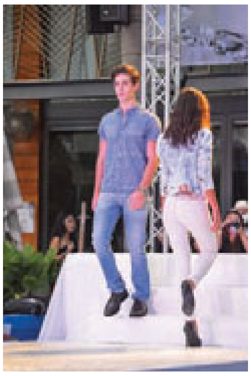
FASHION TV BEACH FESTIVAL 2014 TANJONG BEACH CLUB

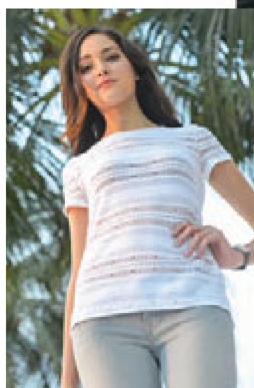




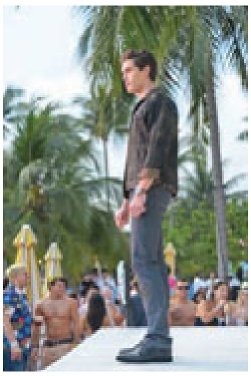








A music and fashion beach festival that brings beach revellers to Tanjong Beach Club in Sentosa for a day of festivities and glitz. Featuring brands from True Religion, Evisu, 7 For All Mankind and Bread & Butter, guests were treated to the latest in denim blues worn in a unique setting under the sunset.









THE
ORIGINAL SUMMER
Teva

WORLD OF SPORTS

YOUR GAME .YOUR PASSION .YOUR TIME.

Mizuno · Columbia · Salomon · Teva

Mountain Hardwear · HEAD · KEEN · GLOBE

Birkenstock (Made in Germany • Tradition seit 1774) · Papillio (Made in Germany) · HI-TEC · Thorlos (Your feet will feel better)

Russell Athletic · AND1 · KOR · DONIC

Sneaker Balls · EASTPAK · SPENCO · DAKINE

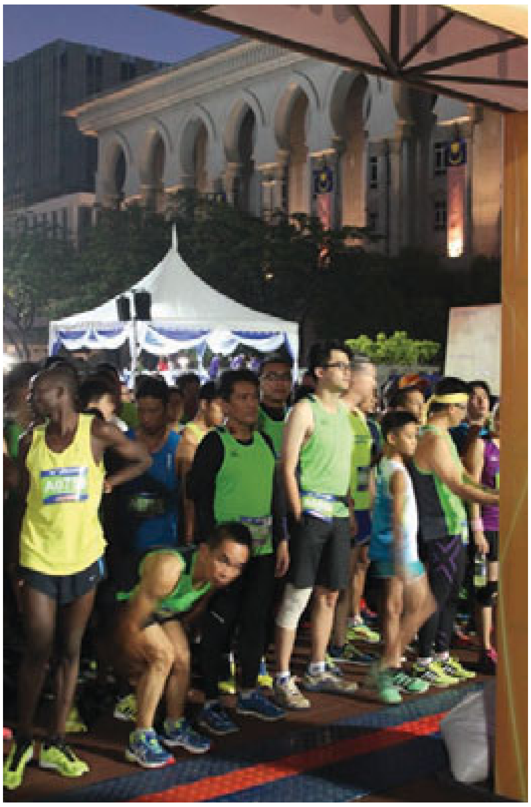
dupé (MADE IN BRAZIL) · SPALDING (TRUE TO THE GAME) · McDAVID · vgo

BODYMASTER

Highlights of the year (Malaysia)

MIZUNO WAVE RUN 2014

This year is the 9th series of the Run. Held at Putrajaya with a new distance of 16km & 7km categories being introduced. Total participants was 3,500.



Highlights of the year (Malaysia)

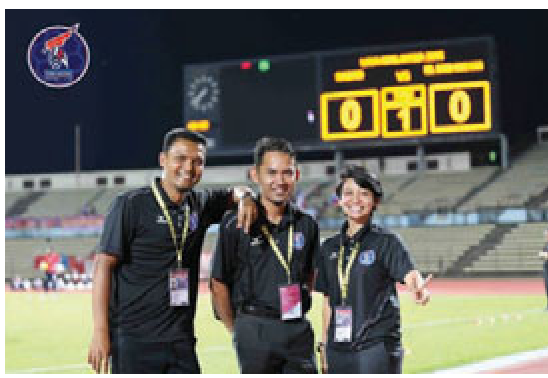
MIZUNO FUTSAL TOURNAMENT 2014

The Futsal tournament held in May 2014 with Mizuno as title sponsor. A total of 30 teams participated. The purpose of this tournament was to support the futsal community and to create brand awareness for Mizuno Futsal shoes category. Danii-Mizuno FC was the Champion team.

Highlights of the year (Malaysia)

DRB-HICOM FOOTBALL CLUB

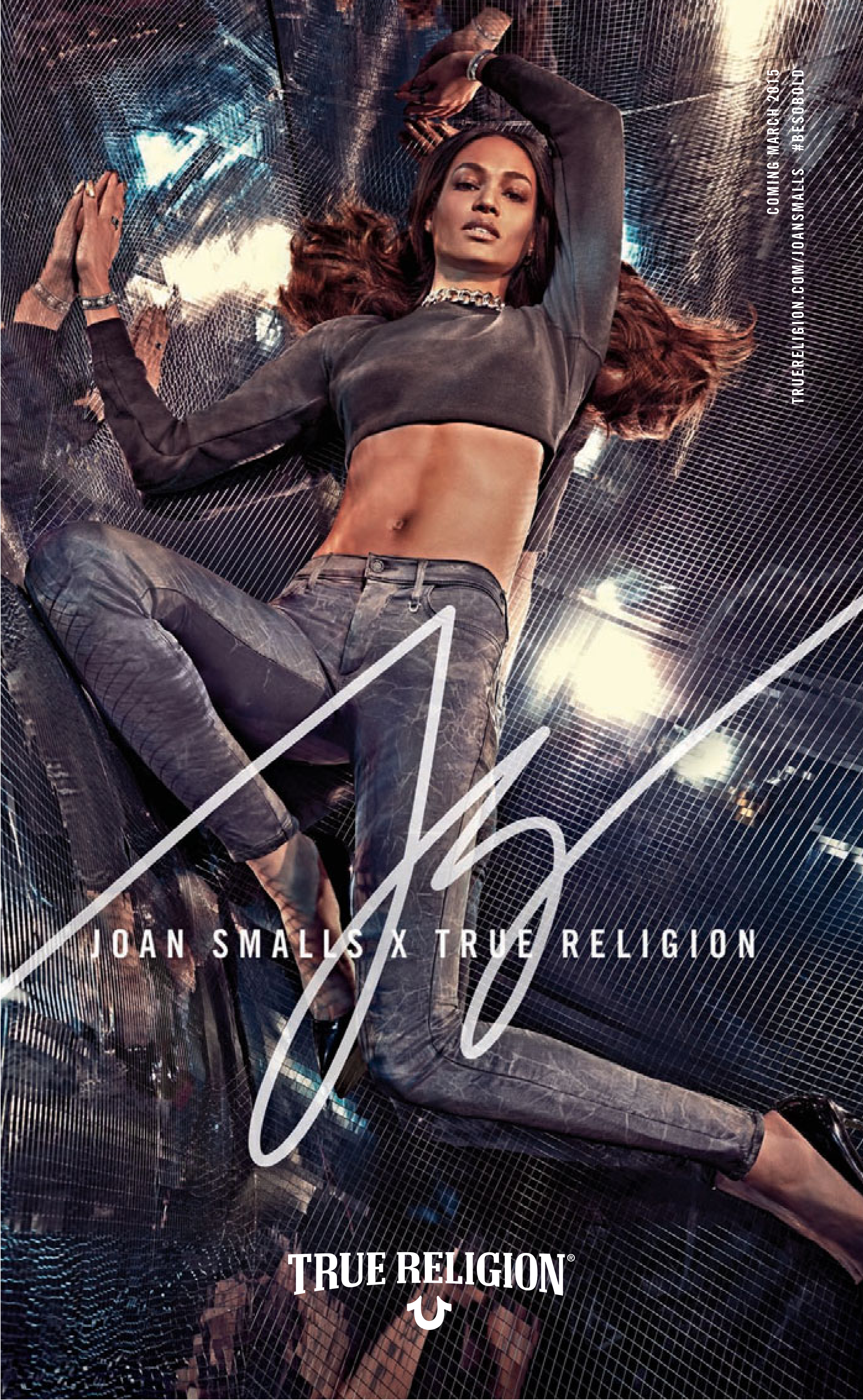
DRB-Hicom, a Malaysian football club, currently plays in the Malaysia Premier League, the second tier of Malaysian league system. Their home stadium is the Proton City Stadium in Tanjung Malim, Perak. The club is under the management of DRB-HICOM, one of Malaysia's leading corporations. Mizuno is the Official Sports Attire for 2015 seasons.



Highlights
of the year (Malaysia)

MIZUNO-CRVC 14 MEN'S & WOMEN'S VOLLEYBALL CHAMPIONSHIP

For the first time ever, CRVC is collaborating with Mizuno to organize the 1st Mizuno-CRVC 2014 Men's & Women's Volleyball Championship held on 28th-30th March 2014 at Dewan Bola Tampar MBSA, Shah Alam, Selangor. Participated by 30 teams from around Malaysia.



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Corporate GOVERNANCE REPORT

The Board of Directors (the "Board") of VGO Corporation 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 director	Number of Board meetings held	Attendance
Goh Ching Huat (Chairman)	2	2
Goh Ching Wah	2	2
Goh Ching Lai	2	1
Wong King Kheng	2	2
Anthony Clifford Brown*	2	2
Foo Jong Han, Rey	2	2

*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 carry out their duties effectively as Directors. All Directors are updated regularly concerning any changes in the Company's policies, risks management, key changes in the relevant regulatory requirements and accounting standards. The Company also provides ongoing education on Board processes, governance and best practices. Newly appointed Directors are briefed by the Management on the business activities of the Group and its strategic directions. They are also provided with relevant information on the Company's policies and procedures.

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 two are executive, three are independent directors and one is non-executive and non-independent. 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 9 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 weighted the need for Board refreshment against tenure for relative benefit, the Nominating Committee and the Board has reviewed and determined that Mr Wong King Kheng and Mr Anthony Clifford Brown continue as Independent Directors, notwithstanding that their service has been for more than nine years.

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

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

The Board is of the view that it is in the best interest of the Group to adopt a single leadership structure, whereby the Group Executive Chairman ("GEC") and Chief Executive Officer ("CEO") is the same person, so as to ensure that the decision-making process of the Group would not be unnecessarily hindered.

The GEC and CEO is Mr Goh Ching Huat, Steven, who is responsible for the day-to-day running of the Group as well as the exercise of control over the quality, quantity and timeliness of information flow between the Board and the management. He has played an instrumental role in developing the business of the Group and has also provided the Group with strong leadership and vision.

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.

To enable the Board to fulfil its responsibilities, the Board is provided with management reports containing complete, adequate and timely information prior to board meetings. The Board also has separate and independent access to senior management 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, need 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 and prepares minutes of all Board meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Memorandum and Articles of Association and the relevant rules and regulations applicable to the Company are complied with.

Nominating Committee ("NC")

Principle 4 : Board Membership

The Nominating Committee (''NC ") was established on 31 December 2002. The NC is chaired by an Independent Non-Executive director. The members of NC as at the date of this report: are-

- Mr Anthony Clifford Brown (Chairman and Independent director)
- Mr Foo Jong Han, Rey (Independent director)
- Mr Wong King Kheng (Independent Director)
- Mr Goh Ching Huat, Steven (Group Executive Chairman)

The primary function of the NC is to determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board and also to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval. Its duties and functions are outlined as follows:-

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 Mr Foo Jong Han, Rey, 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 Mr Foo Jong Han, Rey, 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 2015 were as follows:

Name of director	Appointment	No. of meetings held	Attendance
Anthony Clifford Brown (Chairman)	Independent	1	1
Wong King Kheng (Member)	Independent	1	1
Foo Jong Han, Rey (Member)	Independent	1	1
Goh Ching Huat (Member)	Executive	1	1

Pursuant to the Article 89 of the Company's Articles of Association, 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 Articles of Association 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. A director above 70 years of age is subject to annual re-appointment.

The NC has recommended the re-appointment of three retiring directors, namely Mr Goh Ching Wah, Mr Goh Ching Huat and Mr Anthony Clifford Brown at the Company's forthcoming AGM. The Board has accepted the NC's recommendation and the three 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 48 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 : Procedure for Developing Remuneration Policies

The Remuneration Committee ("RC") comprises three members, 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 judgment. The RC is chaired by an independent non-executive director, and has access to expert advice inside and/or outside the Group, where relevant. As at the date of this Report, the RC members are:

- Mr Foo Jong Han, Rey (Chairman and Independent Director)
- Mr Anthony Clifford Brown (Independent Director)
- Mr Wong King Kheng (Independent Director)

The RC's role is to review and approve recommendations on remuneration policies and packages for key executives. The review will cover all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonus, options and benefits in kind. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board.

The number of RC meetings held and attendance at the meetings during the financial year ended 31 March 2015 were as follows:

Name of director	Appointment	No. of meetings held	Attendance
Foo Jong Han, Rey (Chairman)	Independent	1	1
Anthony Clifford Brown (Member)	Independent	1	1
Wong King Kheng (Member)	Independent	1	1

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 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 contribution to the Company, taking into account factors such as efforts and time spent as well as his responsibilities on the Board. Generally, directors who undertake additional duties as chairman and/or members of the Board Committees will receive higher fees because of their additional responsibilities.

The Board will be recommending proposed Directors' Fees amounting to S$100,000 for the financial year ended 31 March 2015 (31 March 2014:S$125,000). The remuneration of each Director has been disclosed in respective bands. The Board is of the opinion that given the confidentially of and commercial sensitivity attached to remuneration matters and to be in line with the interest of the company, the remuneration will not be disclosed in dollar terms.

The breakdown (in percentage terms) of each Director's remuneration for FY2015 are as follows:-

Directors Remuneration	Directors' Fees (%)	Salary (%)	Bonus (%)	Allowances & Benefits (%)	Total (%)
Executive Directors					
S$500,000 and Above					
Goh Ching Huat, Steven	-	76	6	17	100
S$250,000 to S$499,999					
Goh Ching Wah, George	-	88	7	4	100
Non-Executive Directors					
Below S$250,000					
Goh Ching Lai, Joe	100	-	-	-	100
Anthony Clifford Brown	100	-	-	-	100
Wong King Kheng	100	-	-	-	100
Foo Jong Han, Rey	100	-	-	-	100

The Company has not disclosed exact details of the remuneration of its key management personnel as it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information. The annual aggregate remuneration paid to the top 5 management personnel of the Company (who are not directors or the Chief Executive Officer) for FY 2015 is S$593,000.

No termination, retirement and post-employment benefit were granted to any Director, the CEO or any top five key management personnel for the year ended 31 March 2015.

The company does not have any employee who is an immediate family member of Director or CEO whose remuneration exceeds S$50,000 during the year.

Audit Committee ("AC")

Principle 10: Accountability and Audit

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: Audit Committee

The Audit Committee is chaired by Mr Wong King Kheng and its members are Mr Anthony Clifford Brown and Mr Foo Jong Han, Rey. 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 2015 were as follows:

Name of director	Appointment	No. of meetings held	Attendance
Wong King Kheng (Chairman)	Independent	3	3
Anthony Clifford Brown (Member)*	Independent	3	3
Foo Jong Han, Rey (Member)	Independent	3	2

*Some of the meetings attended via tele-conference.

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

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

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

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

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

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

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

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

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

Pursuant to Rule 1207 (6)(b) and (6)(c), the Audit Committee undertook the review of the independence and objectivity of the auditors as well as reviewing the non-audit services provided by the incumbent auditors, and the aggregate amount of audit fees paid to them. During the current financial year, there was no non-audit related work carried out by the incumbent auditors, hence there was no fee paid in this respect. 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 7 on page 73 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 AC noted there were no non-audit services rendered in FY2014 and FY2015 and there were no non-audit fees payable to the Company's external auditors in FY2014 and FY2015.The Company is in compliance with Rules 712 and 715 of the Listing Manual of the SGX-ST .

Whistle-Blowing Policy

To encourage proper work ethics and eradicate any internal improprieties acts, financial malpractice, fraudulent acts, corruption and criminal activities in the Group, a whistle blowing policy was approved and implemented on 12 August 2009. The Board believes that this policy will provide an avenue for employees to raise concerns about actual or suspected unacceptable conduct and gives employees assurance that they will be protected from reprisals or victimization for whistle blowing in good faith, etc.

A copy of the Whistle-Blowing Policy has been emailed and posted on the notice board to all employees for implementation.

Principle 12 : 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 internal and 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 internal and 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 and compliance risks are adequate in meeting the needs of the Group and provide assurance in safeguarding the Group's assets. The internal controls ensure the Group's maintenance of proper accounting records, compliance with applicable regulations and best practices and timely identification and containment of financial, operational and compliance risks.

Principle 13 : Internal Audit

To comply with the Code, the Company has established an internal audit function. The internal auditor's primary line of reporting is to the Chairman of the AC. The AC reviews the activities of the internal auditor on a regular basis, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified.

The Company's internal auditor conducts an annual review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls. The Company's external auditors consider internal control 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 control. Any material non-compliance and recommendation for improvement are reported to the AC. The AC, on behalf of the Board, also reviews 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 and internal auditors 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.

Communication With Shareholders

Principle 14 : Communication with Shareholders

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 as regards "bundling" of resolutions. The Board will provide reasons and material implications where resolutions are interlinked.

Principle 15 : Greater Shareholder Participation

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 Executive, 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.

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 2015 as the format set out in Rule 907 of the Listing Manual as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	
	Group		Group	
	31.03.2015 $'000	31.03.2014 $'000	31.03.2015 $'000	31.03.2014 $'000
Ossia International Limited				
- Purchase	-	-	4,039	2,203
- Sales	-	-	25	27
Ossia World of Golf (M) Sdn. Bhd.				
- Purchase			1,702	178
- Sales	-	-	-	428
Ossia (HK) Company Limited				
- Purchase	-	-	75	-
Loama Maamigili Resort & Spa Private Limited				
- Sales	-	-	19	-

Details of the interested person transactions are disclosed in Note 31(a) to the financial statements under Significant Related Party Transactions.

Operational Risks Factor

The risk management policies and processes for the Group may be summarised as follows:

RETAILING

The sporting goods industry and Active lifestyle industry is a very competitive industry and the demand is dependent on consumers' spending patterns which in turn is dependent on various factors including the state of economy, changes in income levels and changes in demographic profiles.

The intense competition in sports and active lifestyle industry and quick-changing consumer tastes have led to volatile sales. Thus, the environment and operational efficiency is of great importance to us. In facing the increasing operational costs such as rental and salary, it is crucial that we monitor our expenditures closely and exercise tight controls to reduce operating expenses and improve operational efficiency.

Financial Risk

Please refer to Note 34 to the Financial Statements.

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of VGO Corporation Limited (the Company) and its subsidiaries (collectively, the Group) and the balance sheet of the Company for the financial year ended 31 March 2015.

Directors

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

Goh Ching Huat, Steven
Goh Ching Wah, George
Goh Ching Lai, Joe
Wong King Kheng, James
Anthony Clifford Brown
Foo Jong Han, Rey

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of 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 period had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the Act), an interest in the shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
The Company				
(Ordinary shares)				
Goh Ching Huat, Steven	4,968,360	5,063,360	51,236,609	51,236,609
Goh Ching Wah, George	4,908,713	4,908,713	51,296,255	51,391,256
Goh Ching Lai, Joe	4,093,879	4,093,879	52,111,091	52,206,090

By virtue of Section 7 of the Act, Goh Ching Huat, Steven, Goh Ching Wah, George and Goh Ching Lai, Joe are deemed to have an interest in the shares held by the Company in all its subsidiary companies.

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 2015.

Except as disclosed above, no director who held office at the end of the financial period had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial period, or date of appointment if later, or at the end of the financial period.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

Share options

There were no options granted during the financial period to subscribe for unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

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

Audit Committee

The nature and extent of the functions performed by the Audit Committee pursuant to Section 201B(5) of the Companies Act are described in the Report on Corporate Governance.

Auditor

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

On behalf of the board of directors,

Goh Ching Huat, Steven
Director

Goh Ching Wah, George
Director

Singapore
30 June 2015

STATEMENT BY DIRECTORS

We, Goh Ching Huat, Steven and Goh Ching Wah, George, being two of the directors of VGO Corporation Limited, do hereby state that, in the opinion of the directors:

(a) the accompanying balance sheets, consolidated statement of comprehensive income, statement of changes in equity, and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results of the business, changes in equity and cash flows of the Group for the year ended on that date; and

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

On behalf of the board of directors,

Goh Ching Huat, Steven
Director

Goh Ching Wah, George
Director

Singapore
30 June 2015

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of VGO Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 52 to 105, which comprise the balance sheets of the Group and the Company as at 31 March 2015 and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year ended 31 March 2015 and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Group for the year ended 31 March 2015.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Chartered Accountants

Singapore
30 June 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group 1.4.2014 to 31.3.2015 $'000	Group 1.1.2013 to 31.3.2014 $'000
<u>Continuing operations</u>			
Revenue	4	70,670	78,287
Cost of sales	13	(33,607)	(33,812)
Gross profit		37,063	44,475
Other income (net)	5	972	1,833
Distribution costs		(36,962)	(39,834)
General and administrative expenses		(5,200)	(5,879)
Finance costs	6	(764)	(768)
Loss before tax from continuing operations	7	(4,891)	(173)
Income tax expense	8	(90)	(240)
Loss for the year/period from continuing operations, net of tax		(4,981)	(413)
<u>Discontinued operations</u>			
Profit from discontinued operations, net of tax	12	-	743
(Loss)/profit for the year/period		(4,981)	330
(Loss)/profit for the year/ period attributable to:			
Owners of the Company:			
Loss for the year/period from continuing operations, net of tax		(4,981)	(413)
Profit discontinued operations, net of tax		-	1,110
		(4,981)	697
Non-controlling interest:			
Loss from discontinued operations, net of tax		-	(367)
		(4,981)	330
Loss per share from continuing operations attributable to owners of the Company (cents per share)		(5.39)	(0.45)
(Loss)/Earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	9	(5.39)	0.75

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group 1.4.2014 to 31.3.2015 $'000	Group 1.1.2013 to 31.3.2014 $'000
(Loss)/profit for the year/period		(4,981)	330
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation		(118)	(184)
Total comprehensive income for the year/period		(5,099)	146
Attributable to:			
Owners of the Company		(5,099)	513
Non-controlling interests		-	(367)
Total comprehensive income for the year/period		(5,099)	146
Attributable to:			
Owners of the Company			
Total comprehensive income from continuing operations, net of tax		(5,099)	(597)
Total comprehensive income from discontinued operation, net of tax		-	1,110
Total comprehensive income for the year/period attributable to owners of the Company		(5,099)	513

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

BALANCE SHEETS

As at 31 March 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, plant and equipment	10	5,088	5,533	2,402	2,457
Intangible assets	11	–	–	–	–
Investment in subsidiaries	12	–	–	782	782
Deferred tax assets	27	142	6	–	–
		5,230	5,539	3,184	3,239
Current assets					
Inventories	13	27,526	24,227	18,269	16,524
Trade receivables	14	3,766	4,728	2,780	3,682
Prepayments		441	585	169	405
Other receivables	15	2,591	2,912	1,416	1,730
Amounts due from subsidiaries	16	–	–	730	546
Amounts due from related parties	17	514	1,217	510	1,213
Cash and bank balance	18	1,364	1,217	771	1,170
		36,202	34,886	24,645	25,270
Current liabilities					
Bank overdrafts	18	2,367	2,007	1,209	1,125
Trade payables	19	5,096	6,208	1,740	2,847
Deferred revenue		77	101	77	101
Other payables	20	5,475	4,919	4,194	4,003
Amounts due to related parties	21	3,927	111	2,332	74
Amounts due to subsidiaries	16	–	–	580	580
Amounts due to a director	22	120	–	120	–
Bills payable	23	11,519	8,828	9,408	6,456
Bank borrowings	24	533	527	500	500
Obligations under finance leases	25	458	495	–	–
Provision for taxation		64	157	–	–
		29,636	23,353	20,160	15,686
Net current assets		6,566	11,533	4,485	9,584
Non-current liabilities					
Obligations under finance leases	25	381	516	–	–
Lease rent equalisation account	26	–	–	–	–
Bank borrowings	24	437	479	–	–
Deferred tax liabilities	27	28	28	28	28
		846	1,023	28	28
		10,950	16,049	7,641	12,795
Equity attributable to owners of the Company					
Share capital	28	27,885	27,885	27,885	27,885
Other reserves		(12)	106	–	–
Accumulated losses	29	(16,923)	(11,942)	(20,244)	(15,090)
Total shareholders' equity		10,950	16,049	7,641	12,795
Non-controlling interests		–	–	–	–
Total equity		10,950	16,049	7,641	12,795

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

	Attributable to owners of the Company							
Group	Share capital (Note 28) $'000	Accumulated losses $'000	Capital reserve (Note 29a) $'000	Translation reserve (Note 29b) $'000	Other reserves $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2015								
Balance at 1 April 2014	27,885	(11,942)	500	(394)	106	16,049	–	16,049
Loss for the year	–	(4,981)	–	–	–	(4,981)	–	(4,981)
Other comprehensive income								
Foreign currency translation	–	–	–	(118)	(118)	(118)	–	(118)
Other comprehensive income for the financial year, net of tax	–	–	–	(118)	(118)	(118)	–	(118)
Total comprehensive income for the financial year	–	(4,981)	–	(118)	(118)	(5,099)	–	(5,099)
Balance at 31 March 2015	27,885	(16,923)	500	(512)	(12)	10,950	–	10,950
2014								
Balance at 1 January 2013	27,885	(12,639)	500	(210)	290	15,536	(369)	15,167
Profit for the period	–	697	–	–	–	697	(367)	330
Other comprehensive income								
Foreign currency translation	–	–	–	(184)	(184)	(184)	–	(184)
Other comprehensive income for the financial period, net of tax	–	–	–	(184)	(184)	(184)	–	(184)
Total comprehensive income for the financial period	–	697	–	(184)	(184)	513	(367)	146
Changes in ownership interests in subsidiaries								
Disposal of subsidiary companies	–	–	–	–	–	–	736	736
Total changes in ownership interest in subsidiaries			–	–	–	–	736	736
Balance at 31 March 2014	27,885	(11,942)	500	(394)	106	16,049	–	16,049

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

CONSOLIDATED STATEMENT OF CASH FLOW

	Note	Group 1.4.2014 to 31.3.2015 $'000	1.1.2013 to 31.3.2014 $'000
Cash flows from operating activities			
Loss before tax from continuing operations		(4,891)	(173)
Profit before tax from discontinued operation		–	743
(Loss)/profit before tax, total		(4,891)	570
Adjustments for:			
Depreciation of property, plant and equipment	10	2,430	3,140
Property, plant and equipment written-off	10	185	137
Impairment loss on property, plant and equipment	10	42	–
Write-back of impairment loss on property, plant and equipment	10	–	(46)
Write-back of allowance for inventory obsolescence	7	(116)	(35)
Write-back for allowance for doubtful debts	7	(18)	(2)
Gain on disposal of property, plant and equipment	7	(6)	(233)
Allowance for doubtful debts	14	6	11
Gain on disposal of subsidiaries	12	–	(2,208)
Bad debts written off	7	33	33
Allowance for inventory obsolescence	13	679	119
Inventories written-off	13	–	32
Interest income	5	(6)	(5)
Finance expense	6	764	768
Unrealised exchange loss		86	118
Operating (loss)/profit before working capital changes		(812)	2,399
Changes in working capital			
Increase in inventories		(3,665)	(1,429)
Decrease in trade and other receivables		1,459	2,996
Decrease/(increase) in balances with related parties		4,510	(1,597)
Decrease in trade and other payables		(1,511)	(1,721)
Cash used in operations		(19)	648
Income tax paid		(313)	(595)
Interest received	5	6	5
Interest paid	6	(764)	(768)
Net cash outflow used in operating activities		(1,090)	(710)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(1,663)	(3,283)
Net cash outflow on disposal of subsidiaries	12	–	(495)
Proceeds from disposal of property, plant and equipment		6	457
Net cash outflow used in investing activities		(1,657)	(3,321)
Cash flows from financing activities			
Proceeds from finance leases		387	977
Repayment of obligations under finance lease		(526)	(2,684)
Repayment of bank borrowings		(35)	(753)
Proceeds of bank borrowings		–	506
Net proceeds from bills payables		2,680	2,494
Increase in secured bank deposits		(372)	-
Net cash inflow from financing activities		2,134	540
Net decrease in cash and cash equivalents		(613)	(3,491)
Cash and cash equivalents at beginning of year/period		(790)	2,701
Effect on exchange rate changes for cash and cash equivalents		28	–
Cash and cash equivalents at end of year/period	18	(1,375)	(790)

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

NOTES TO THE FINANCIAL STATEMENT

1. General

VGO Corporation 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 Ossia Building, Singapore 486162.

The principal activities of the Company are that of franchising and retailing of lifestyle sporting goods, footwear, equipment, apparel and accessories under the World of Sports trademark of specialty sports retail shops. The principal activities of the subsidiary companies are disclosed in Note 12 to the financial statements.

During the last financial period, the Company changed its financial year end from 31 December to 31 March. Accordingly, the prior year balance covers the fifteen month period from 1 January 2013 to 31 March 2014.

The financial statements for the financial year ended 31 March 2015 covers the twelve month period from 1 April 2014 to 31 March 2015. The comparative figures for the prior period cover the fifteen period from 1 January 2013 to 31 March 2014. Thus, any comparison between the financial year/period ended 31 March 2015 and 31 March 2014 is not meaningful.

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 the Singapore Financial Reporting Standards (“FRS”).

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

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

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 2015. 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 *Standards 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 16 Property, Plant and Equipment	1 January 2016
Amendments to FRS 27 *Separate Financial Statements*	1 January 2016
Amendments to FRS 28 Investments In Associates and Joint Venture	1 January 2016
Amendments to FRS 110 Consolidated Financial Statements	1 January 2016
Amendments to FRS 111 *Joint Arrangements*	1 January 2016
Amendments to FRS 112 Disclosure Invests in Other entities	1 January 2016
Improvements to FRS (November 2014)	
Amendment to FRS 19 *Employee Benefits*	1 January 2016
Amendment to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018
Amendments to FRS 1 Presentation of Financial Statements	1 January 2018

Except for FRS 115 and FRS 109, 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 115 and FRS 109 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

In December 2014, the Accounting Standard Council issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Group is currently assessing the impact of FRS 109 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENT

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 value 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 interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company'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 interest 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)

2.6 *Foreign currency (cont'd)*

(b) ***Consolidated financial statements (cont'd)***

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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 2.21. 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.

Freehold land has an unlimited useful life and therefore is not depreciated.

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

Freehold building	-	50 years
Computer systems	-	3 - 5 years
Motor vehicles	-	5 years
Office equipment, furniture and fittings	-	3 - 10 years
Renovations	-	2 - 5 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 on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 *Intangible assets*

Intangible assets acquired separately, such as trademarks, are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. The trademark is amortised on a straight line basis over 10 years.

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

2.9 *Land use rights*

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term of 50 years.

2.10 *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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. 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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 *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 any impairment losses.

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

2.12 *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, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Loans and receivables*

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 the 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 has been recognised directly in equity is recognised in the profit and loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(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.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

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

2.12 *Financial instruments (cont'd)*

(b) *Financial liabilities (cont'd)*

Subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value. Gain 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 extinguished. 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.

(c) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 *Impairment of financial assets*

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

Financial assets carried at amortised cost

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 been 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 the 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.

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

2.13 *Impairment of financial assets (cont'd)*

Financial assets carried at amortised cost (cont'd)

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 the profit or loss.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank, fixed deposits, and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 *Trade and other receivables*

Trade receivables are non-interest bearing and are generally on 60 – 90 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The accounting policy for this category of financial assets is stated in Note 2.12. Allowance for doubtful receivables is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

2.16 *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 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.

2.17 *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 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.

2.18 *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 will 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 may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income".

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

2.19 *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.

2.20 *Interest bearing loans and borrowings*

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process. The accounting policy for this category of financial liabilities is stated in Note 2.12 (b).

2.21 *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.

2.22 *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.

2.23 *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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

2.23 *Leases (cont'd)*

As lessee (cont'd)

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

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.

2.24 *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. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Sale of goods*

Revenue 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 they are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Membership fee income*

Membership fee is recognised as income when a new customer signs up to be a member or when an existing member renews the membership.

2.25 *Taxes*

(a) *Current 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 which 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.

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

2.25 *Taxes*

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

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, associates and interests in joint ventures, 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.

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, associates and interests in joint ventures, 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 recovered.

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 asset 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 asset 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

2.25 *Taxes (cont'd)*

(c) *Sales tax*

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

- Where the sales tax incurred on 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.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.26 *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 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 *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.

2.28 *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:

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

- 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)

2.29 *Related parties*

A related party is defined as follows:

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

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

(ii) Has significant influence over the Company; or

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

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

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

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

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

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

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

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

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

2.30 *Discontinued operation*

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, is part of a single co-ordinated major line of business or geographical area of operations. In the profit or loss of the current reporting period, and of the comparative period, all income and expenses from discontinued operation are reported separately from income and expenses from continuing activities.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, 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. Significant accounting judgments and estimates (cont'd)

3.1 *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) *Income taxes*

Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payables at balance sheet date was $64,000 (2014: $157,000). The carrying amount of the Company's income tax payables at balance sheet date was $Nil (2014: $Nil). The carrying value of deferred tax assets and liabilities are disclosed in Note 27.

(b) *Useful lives of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 2 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at balance sheet date is disclosed in Note 10 to the financial statements.

(c) *Impairment of non-financial assets*

The Group assesses at each balance sheet date whether there are any indicators of impairment for all non–financial assets.

Determining whether the carrying values of property, plant and equipment and investment in subsidiaries are impaired requires an estimation of the value-in-use of the asset of CGU. This requires the Group to estimate the future cash flows expected from the asset or CGU and appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amount of property, plant and equipment and investment in subsidiaries at balance sheet date are disclosed in Notes 10 and 12 respectively.

(d) *Impairment of loans and receivables*

The Group assesses at 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 amounts of trade receivables are disclosed in Note 14 to the financial statements.

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

3.1 *Key sources of estimation uncertainty (cont'd)*

(e) *Allowance for inventory obsolescence*

Allowance for inventory obsolescence 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 and the Company's inventories at 31 March 2015 was $27.5 million (2014: $24.2 million) and $18.2 million (2014: $16.5 million), respectively.

4. Revenue

	Group	
	1.4.2014 to 31.3.2015 $'000	1.1.2013 to 31.3.2014 $'000
Sale of sports and fashion apparels, and sporting goods	70,670	78,287

5. Other income (net)

	Group	
	1.4.2014 to 31.3.2015 $'000	1.1.2013 to 31.3.2014 $'000
Gain on disposal of property, plant and equipment	6	233
Interest income	6	5
Sponsorship fee	203	209
Government grant	101	54
Sourcing fee	206	48
Membership fee	650	1,319
Net Foreign exchange loss	(396)	(217)
Rental Income	-	31
Others	196	151
	972	1,833

6. Finance costs

	Group	
	1.4.2014 to 31.3.2015 $'000	1.1.2013 to 31.3.2014 $'000
Finance expense on bank loans, bills payable and obligations under finance leases	764	768

7. (Loss)/profit before tax from continuing operations

The following items have been included in arriving at (loss)/profit before tax from continuing operations:

	Group 1.4.2014 to 31.3.2015 $'000	Group 1.1.2013 to 31.3.2014 $'000
Auditor's remuneration		
- Auditors of the Company	67	67
- Other auditors	15	18
Non-audit fee		
- Auditors of the Company	12	14
Allowance for doubtful debts (Note 14)	6	11
Allowance for inventory obsolescence (Note 13)	679	119
Bad debts written off	33	33
Depreciation of property, plant and equipment (Note 10)	2,430	3,140
Gain on disposal of property, plant and equipment	(6)	(233)
Inventories written-off (Note 13)	–	32
Impairment loss on property, plant and equipment (Note 10)	42	–
Property, plant and equipment written off	185	137
Write back of impairment loss on property, plant and equipment (Note 10)	–	(46)
Write back of allowance for inventory obsolescence (Note 13)	(116)	(35)
Write back of allowance for doubtful debts (Note 14)	(18)	(3)
Rental expense:		
- Operating lease expense	18,410	20,453
- Contingent lease rentals	1,080	734
Staff costs:		
- Salaries and bonuses	9,706	11,417
- Contributions to defined contribution plans	1,409	1,569
- Other related costs	836	656

8. Income tax expense

(a) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 March 2015 and 31 March 2014 are as follows:

	Group	
	1.4.2014 to 31.3.2015 $'000	1.1.2013 to 31.3.2014 $'000
Consolidated statement of comprehensive income		
Current income tax – continuing operations		
- Current income taxation	227	318
- Under/(over) provision in respect of previous years	5	(103)
	232	215
Deferred income tax – continuing operations (Note 27)		
- Origination and reversal of temporary differences	(142)	25
	(142)	25
Income tax expense recognised in the profit or loss	90	240

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

A reconciliation between the tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 March 2015 and 31 March 2014 are as follows:

	Group	
	1.4.2014 to 31.3.2015 $'000	1.1.2013 to 31.3.2014 $'000
Loss before tax from continuing operations	(4,891)	(173)
Profit before tax from discontinued operations	–	743
Accounting (loss)/profit before tax	(4,891)	570
Tax at the domestic rates applicable to profits in the countries where the Group operates	(817)	23
Adjustments :		
Non-deductible expenses	252	528
Income not subject to taxation	–	(16)
Effect of partial tax exemption and tax relief	–	(180)
Deferred tax assets not recognised	650	–
Under/(over) provision in respect of previous years	5	(103)
Others	–	(12)
Income tax expense recognised in profit or loss	90	240

8. Income tax expense (cont'd)

(b) *Relationship between tax expense and accounting profit (cont'd)*

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

9. Loss per share

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

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

The following tables reflect the (loss)/profit and share data used in the computation of basic and diluted earnings per share for the year/period ended 31 March 2015 and 31 March 2014.

	Group	
	1.4.2014 to 31.3.2015 $'000	1.1.2013 to 31.3.2014 $'000
(Loss)/profit for the year/period attributable to owners of the Company	(4,981)	697
Less: loss from discontinued operation, net of tax, attributable to owners of the Company	–	(1,110)
Loss from continuing operations, net of tax, attributable to owners of the Company used in the computation of basic earnings per share from continuing operations	(4,981)	(413)
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic and diluted earnings per share computation	92,388	92,388

There were no dilutive potential ordinary shares as at 31 March 2015 (2014: Nil).

NOTES TO THE FINANCIAL STATEMENT

10. **Property, plant and equipment**

Group	Construction - in-progress $'000	Freehold land $'000	Freehold building $'000	Computer systems $'000	Motor vehicles $'000	Office equipment, furniture and fittings $'000	Renovations $'000	Total $'000
Cost								
At 1 January 2013	9,194	–	–	1,448	228	7,316	6,368	24,554
Additions	15,227	426	853	18	37	2,160	1,820	20,541
Disposals	–	–	–	–	–	(119)	(158)	(277)
Disposal of subsidiaries (Note 12a)	(24,421)	–	–	(7)	–	(2)	–	(24,430)
Write-offs	–	–	–	(31)	–	(1,141)	(2,431)	(3,603)
Exchange differences	–	(7)	(15)	(10)	(2)	(65)	(50)	(149)
At 31 March 2014 and 1 April 2014	–	419	838	1,418	263	8,149	5,549	16,636
Additions	–	–	–	32	42	1,718	510	2,302
Disposals	–	–	–	–	(97)	(1)	–	(98)
Write-offs	–	–	–	–	–	(136)	(797)	(933)
Exchange differences	–	(13)	(27)	–	(2)	(71)	(53)	(166)
At 31 March 2015	–	406	811	1,450	206	9,659	5,209	17,741

10. Property, plant and equipment

Group	Construction -in-progress $'000	Freehold land $'000	Freehold building $'000	Computer systems $'000	Motor vehicles $'000	Office equipment, furniture and fittings $'000	Renovations $'000	Total $'000
Accumulated depreciation and impairment loss								
At 1 January 2013	–	–	–	1,329	210	5,544	4,724	11,807
Depreciation	–	–	18	78	11	1,350	1,683	3,140
Disposals	–	–	–	–	–	(108)	(153)	(261)
Disposal of subsidiaries (Note 12a)	–	–	–	(2)	–	–	–	(2)
Write-offs	–	–	–	(31)	–	(1,093)	(2,342)	(3,466)
Write-back of impairment loss	–	–	–	–	–	–	(46)	(46)
Exchange differences	–	–	–	–	(1)	(44)	(24)	(69)
At 31 March 2014 and 1 April 2014	–	–	18	1,374	220	5,649	3,842	11,103
Depreciation	–	–	17	33	19	1,375	986	2,430
Disposals	–	–	–	–	(97)	(1)	–	(98)
Disposal of subsidiaries (Note 12a)	–	–	–	–	–	–	–	–
Write-offs	–	–	–	–	–	(111)	(637)	(748)
Write-back of impairment loss	–	–	–	–	–	–	–	–
Impairment Loss	–	–	–	–	–	–	42	42
Exchange differences	–	–	(1)	–	(1)	(44)	(30)	(76)
At 31 March 2015	–	–	34	1,407	141	6,868	4,203	12,653
Net carrying amount								
At 31 March 2014	–	419	820	54	43	2,490	1,707	5,533
At 31 March 2015	–	406	777	43	65	2,791	1,006	5,088

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

Company	Computer Systems	Motor vehicles	Office equipment, furniture and fittings	Renovations	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 January 2013	1,444	198	5,620	5,325	12,587
Additions	15	–	1,523	923	2,461
Transfers	(9)	–	–	–	(9)
Write-offs	(31)	–	(1,140)	(2,431)	(3,602)
At 31 March 2014 and 1 April 2014	1,419	198	6,003	3,817	11,437
Additions	32	–	1,511	283	1,826
Disposals	–	(97)	–	–	(97)
Write-offs	–	–	–	(512)	(512)
Impairment loss	–	–	–	(758)	(758)
At 31 March 2015	1,451	101	7,514	2,830	11,896
Accumulated depreciation and impairment loss					
At 1 January 2013	1,328	198	4,434	4,133	10,093
Depreciation	76	–	1,041	1,282	2,399
Write-offs	(31)	–	(1,093)	(2,342)	(3,466)
Write-back of impairment loss	–	–	–	(46)	(46)
At 31 March 2014 and 1 April 2014	1,373	198	4,382	3,027	8,980
Depreciation	33	–	1,089	601	1,723
Disposal	–	(97)	–	–	(97)
Write-off	–	–	–	(396)	(396)
Impairment loss	–	–	–	(716)	(716)
At 31 March 2015	1,406	101	5,471	2,516	9,494
Net carrying amount					
At 31 March 2014	46	–	1,621	790	2,457
At 31 March 2015	45	–	2,043	314	2,402

Assets held under finance leases

During the financial year, the Group acquired motor vehicle, computers, office equipment, furniture and fittings and renovations with cash amounted to $1,663,000 (2014: $3,852,000). In the prior year, the purchase of motor vehicle, office equipment, furniture and fittings and renovations of $1,462,000 is under finance leases.

The carrying amount of motor vehicle, office equipment, furniture and fittings and renovations of the Group at balance sheet date held under finance leases is $435,743 (2014: $620,000).

Lease assets are pledged as security for the related finance lease liabilities.

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

Assets pledged as security

The Group's freehold land and building with a carrying amount of $1,183,000 (2014: $1,239,000) are mortgaged to bank as described in Notes 18 and 24 to the financial statements.

Impairment of assets

During the financial year, the Company carried out a review of the recoverable amount of its renovation for certain outlets which have been incurring losses. An impairment loss of $42,000 (2014: $Nil), representing the write-down of the relevant assets to the recoverable amount, was recognised in general and administrative expenses line item in the profit or loss for the financial year ended 31 March 2015.

11. Intangible assets

Group	Land use rights	Trademark	Total
	$'000	$'000	$'000
Cost			
At 1 January 2013	1,949	410	2,359
Disposal of subsidiaries (Note 12a)	(1,978)	–	(1,978)
Exchange differences	29	–	29
At 31 March 2014, 1 April 2014 and 31 March 2015	–	410	410
Accumulated amortisation			
At 1 January 2013	55	410	465
Disposal of subsidiaries (Note 12a)	(68)	–	(56)
Exchange differences	13	–	13
At 31 March 2014, 1 April 2014 and 31 March 2015	–	410	410
Net carrying amount			
At 31 March 2015	–	–	–
At 31 March 2014	–	–	–

11. **Intangible assets (cont'd)**

Intangible assets comprise the “World of Sports” trademark and land use rights in Maldives.

The land rights related to a non-refundable signing fee of $1.9 million, which was paid to the head-lessee in respect of the construction and operation of a tourist resort in the Maldives for a period of 50 years from 2 February 2011 to 1 February 2061.

Company	**Trademark** $'000
Cost	
At 1 January 2013 and 31 March 2014	410
At 1 April 2014 and 31 March 2015	410
Accumulated amortisation	
At 1 January 2013	376
Amortisation	34
At 31 March 2014,1 April 2014 and 31 March 2015	410
Net carrying amount	
At 31 March 2015	–
At 31 March 2014	–

Amortisation expense

Amortisation of intangible assets is included in the line “general and administrative expenses” in the profit or loss.

12. Investment in subsidiaries

	Company 2015 $'000	Company 2014 $'000
Unquoted shares, at cost	782	782

Name of company/ (Country of incorporation)	Principal activities (Country of business)	Proportion of ownership interest 2015 %	Proportion of ownership interest 2014 %	Cost of investment 2015 $'000	Cost of investment 2014 $'000
Held by the Company					
W.O.S. World of Sports (Franchising) Pte Ltd [1] (Singapore)	Dormant (Singapore)	100	100	@	@
W.O.S. World of Sports (M) Sdn. Bhd. [2] (Malaysia)	Marketing and retailing of sporting goods, equipment, footwear, apparel and accessories (Malaysia)	100	100	782	782
				782	782

[1] Audited by Fong S F & Associates, Singapore
[2] Audited by TKNP International, Malaysia
@ Cost of investment less than $1,000

NOTES TO THE FINANCIAL STATEMENT

12. Investment in subsidiaries (cont'd)

(a) *Disposal of subsidiaries*

On 8 October 2013, the Group entered into a sale agreement to dispose of its entire 75% interest in Loama Maamigili Development Pte Ltd ("LMDPL") for a consideration of $750. The disposal consideration was fully settled in cash.

On 28 November 2013, the Group entered into a sale agreement to dispose of the entire 75% of its equity interest in its subsidiary, Loama Uthurumaafaru Development Pte Ltd ("LUDPL") for the consideration of $750. The disposal consideration was fully settled in cash.

The result of LMDPL and LUDPL for the period ended 31 March 2014 is as below:

	31.3.2014 $'000
Result	
Expenses	(1,465)
Loss before tax	(1,465)
Taxation	–
Gain on disposal of subsidiaries	2,208
Profit from discontinued operations, net of tax	743

The carrying values of identifiable assets and liabilities of LMDPL and LUDPL at the date of disposal, 8 October 2013 were:

	Carrying value at date of disposal $'000
Property, plant and equipment (Note 10)	24,428
Intangible assets (Note 11)	1,910
Other receivables	9,160
Cash and cash equivalents	497
	35,995
Other payables	711
Amounts due to directors	12,801
Lease rent equalisation	3,243
Bank borrowings	22,254
	39,009
Total identifiable net liabilities	(3,014)
Derecognition of translation reserve upon disposal	72
Derecognition of non-controlling interest upon disposal	736
Gain on disposal of subsidiaries	2,208
	2

12. Investment in subsidiaries (cont'd)

(a) *Disposal of subsidiaries (cont'd)*

	$'000
Net cash outflow on disposal of subsidiaries	
Cash consideration	2
Cash and cash equivalents of subsidiaries disposed	(497)
Net cash outflow on disposal of subsidiaries	(495)

13. Inventories

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Balance Sheet:				
- Finished goods	24,892	22,966	15,386	15,147
- Goods-in-transit	3,361	1,433	3,361	1,433
	28,253	24,399	18,747	16,580
Allowance for inventory obsolescence	(727)	(172)	(478)	(56)
	27,526	24,227	18,269	16,524

	Group	
	2015	2014
	$'000	$'000
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	33,607	33,812
Inclusive of the following charge:		
- Inventories written-off	–	32
- Allowance for inventory obsolescence	679	119
- Write-back of allowance for inventory obsolescence	(116)	(35)

14. Trade receivables

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Trade receivables – nominal amounts	3,836	4,812	2,780	3,682
Less: Allowance for impairment	(70)	(84)	-	–
	3,766	4,728	2,780	3,682
Not past due and not impaired	1,302	3,682	633	3,682
Past due and not impaired	2,464	1,046	2,147	–
	3,766	4,728	2,780	3,682
Individually assessed:				
Impaired receivable (gross)	70	84	–	–
Allowance for impairment	(70)	(84)	–	–
	–	–	–	–
Movement in allowance accounts:				
Balance at beginning of year/period	84	79	–	–
Charge for the year/period	6	11	–	–
Write-back for the year/period	(18)	(3)	–	–
Exchange differences	(2)	(3)	–	–
Balance at end of year/period	70	84	–	–

Trade receivables 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 that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

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 31.3.2015 $'000	Group 31.3.2014 $'000	Company 31.3.2015 $'000	Company 31.3.2014 $'000
Trade receivables past due:				
Less than 30 days	656	–	339	–
31 – 90 days	235	–	235	–
More than 90 days	1,573	1,046	1,573	–

14. Trade receivables (cont'd)

Trade receivables denominated in currencies other than the functional currencies of respective entities at 31 March 2015 and 31 March 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
United States Dollars	344	729	344	729
Euro	–	52	–	52

15. Other receivables

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Deposits and advances	1,987	1,695	1,201	1,011
Sundry receivables	604	939	215	441
Amounts due from directors	–	278	–	278
Total other receivables	2,591	2,912	1,416	1,730

There are no other receivables denominated in currencies other than the functional currencies of respective entities at 31 March 2015 and 31 March 2014.

Amounts due from directors related to salaries recoverable from directors and are unsecured, non-interest bearing and repayable within 4 months from the end of the financial period.

16. Amounts due from/to subsidiaries

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

The amounts due to subsidiaries are trade related, non-interest bearing and are repayable in cash on demand.

17. Amounts due from related parties

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade	418	1,060	418	1,060
Non-trade	96	157	92	153
	514	1,217	510	1,213

The amounts due from related parties denominated in currencies other than the functional currencies of respective entities at 31 March 2015 and 31 March 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Malaysian Ringgit	387	417	383	413

The amounts due from related parties are unsecured, non-interest bearing and are repayable in cash on demand.

18. Cash and bank balances

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

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Cash at banks and on hand	992	1,217	771	1,170
Fixed deposits -restricted	372	–	–	–
Cash and bank balances	1,364	1,217	771	1,170
Less:				
Bank overdrafts (Note 24)	(2,367)	(2,007)	(1,209)	(1,125)
Fixed deposits - restricted	(372)	-	-	-
Cash and cash equivalents	(1,375)	(790)	(438)	45

Cash and cash equivalents denominated in currencies other than the functional currencies of respective entities at 31 March 2015 and 31 March 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
United States Dollars	42	6	42	6

Fixed deposits – restricted are pledged to a bank for banking facilities granted to the subsidiary (Note 24).

18. Cash and bank balances (cont'd)

Cash and bank balances earn interest at floating rates based on daily bank deposit rates. The fixed deposits with financial institutions mature on varying dates within 1 month to 8 months (2014: $Nil) from the financial year end. The interest rates of the fixed deposits as at 31 March 2015 range from 3.25% to 3.3% (2014: $Nil) per annum.

19. Trade payables

Trade payables denominated in foreign currencies other than the functional currencies of respective entities at 31 March 2015 and 31 March 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
United States Dollar	1,145	1,415	1,145	1,403
Malaysian Ringgit	20	362	20	362
Euro	17	158	17	158
Japanese Yen	–	3	–	–

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

20. Other payables

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Accrued operating expenses	3,024	2,560	2,572	2,190
Sundry payables	2,451	2,359	1,622	1,813
	5,475	4,919	4,194	4,003

Other payables are non-interest bearing and are normally settled on 30 days' terms.

21. Amounts due to related parties

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Trade	3,393	111	1,798	74
Non-trade	534	–	534	–
	3,927	111	2,332	74

The amounts due to related parties are unsecured, non-interest bearing and are repayable in cash on demand.

The amounts due to related parties denominated in currencies other than the functional currencies of respective entities at 31 March 2015 and 31 March 2014 are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Malaysian Ringgit	–	30	–	30
Hong Kong Dollars	75	–	75	–
United States Dollar	34	–	34	–

22. Amounts due to a director

The amounts due to a director are non-trade related, unsecured, non-interest bearing and are repayable in cash on demand.

23. Bills payable

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Bills payable	11,519	8,828	9,408	6,456

The bills payable carry interest at rates ranging from 2.13% to 8.6% (2014: 2.15% to 8.35%) per annum, are repayable within 120 to 150 days and unsecured, except for $3,616,000 (2014: $2,372,000) secured by way of a corporate guarantee from the Company.

Bills payable denominated in currencies other than the functional currencies of respective entities at 31 March 2015 and 31 March 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Malaysian Ringgit	49	–	49	–
Euro	234	377	234	377
Japanese Yen	195	171	195	171
United States Dollar	7,762	5,338	7,762	5,338

During the current financial year, the Company breached certain financial covenants of trade financing facilities extended by a bank. The Company did not fulfil the requirement to maintain the minimum consolidated leverage ratio for a credit line of $8 million. $1.4 million of the credit line was drawn down as of 31 March 2015 and the amount is presented as part of bills payable in current liabilities at the end of the reporting period. These bills payable have a repayment term of up to 120 days. The banks are contractually entitled to request for immediate repayment of the outstanding bills payable in the event of breach of covenant.

Subsequent to the financial year end, the Company obtained an agreement from the bank to waive the requirement to meet the financial covenant as at the test date of 31 March 2015. The next test date is on 31 March 2016.

24. Bank borrowings

	Maturity	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Current					
Bank overdrafts	On demand	2,367	2,007	1,209	1,125
Bank loan					
- unsecured	2016	533	527	500	500
Bank loan – secured (i)	2016	33	27	–	–
		2,900	2,534	1,709	1,625
Non-current					
Bank loan – secured (i)	2029	437	479	–	–

Bank overdrafts

Bank overdrafts are repayable on demand and carry interest at rates ranging from 6.25% to 8.6% (2014: 5.60% to 8.35%) per annum.

Included in the bank overdrafts is an amount of $1,158,000 (2014: $882,000) which is secured by way of corporate guarantee from the Company. Of which the amount, $711,000 (2014: $500,000) is additionally secured by way of a legal mortgage over the freehold land and building as detailed in Note 10 to the financial statements and $270,000 (2014: $Nil) is secured by fixed deposits (Note 18).

Bank loans

The bank loans carry interest at rates ranging from 2.70% to 8.95% (2014: 2.70% to 8.70%) per annum.

(i) The term loan is secured by:

(a) The Group's freehold land and factory building (Note 10); and

(b) Corporate guarantee from the holding company

25. **Obligations under finance leases**

The Group has entered into finance leases for certain items of plant and equipment and motor vehicles. These leases have terms of renewal but no purchase options, escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions concerning dividends, additional debt or further leasing. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases together with the present value of net minimum lease payment are as follows:

Group	Maturity	Minimum lease payments 2015 $'000	Present value of payment 2015 $'000	Minimum lease payments 2014 $'000	Present value of payment 2014 $'000
Not later than one year	2016	510	458	562	495
Later than one year but not later than five years	2017	402	381	551	516
Minimum lease payments		912	839	1,113	1,011
Less: Amounts representing finance charges		(73)	–	(102)	–
Present value of lease		839	839	1,011	1,011

Finance leases carry an interest at rates ranging from 4.0% to 4.9% (2014: 4.0% to 4.9%) per annum.

26. Lease rent equalisation account

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Balance as at 1 April 2014 and 1 January 2013	–	2,014	–	–
Charged during the year	–	1,229	–	–
Disposal of subsidiaries	–	(3,243)	–	–
Balance as at 31 March 2015 and 31 March 2014	–	–	–	–

The lease rent equalisation account related to differences in lease rent payables specified in the island lease agreement and lease rent charged to the profit or loss. It also includes lease rent payable to Government of Maldives amounting to $Nil (2014: $Nil) as head lease rent.

27. Deferred tax

The deferred income tax prior to offsetting of balances within the same tax jurisdiction arises as a result of:

	Group				Company	
	Consolidated balance sheet		Consolidated statement of comprehensive income		Balance sheet	
	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax assets						
Provisions	161	179	(18)	25	63	63
Differences in Depreciation	44	–	44	(50)	–	–
	205	179			63	63
Deferred tax liabilities						
Differences in Depreciation	(91)	(207)	116	(50)	(91)	(91)
	(91)	(207)			(91)	(91)
Deferred tax credit/ (expense) (Note 8)			142	(25)		

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Deferred tax assets	142	–	–	–
Deferred tax liabilities	(28)	(28)	(28)	(28)

27. Deferred tax (cont'd)

Unrecognised tax losses, temporary differences and capital allowances

At the end of the reporting period, the Group has unabsorbed tax losses, temporary differences and capital allowances of approximately $3,374,000 (2014: $Nil), $1,755,000 (2014: Nil) and S$41,000 (2014: $Nil) respectively which are available for offset against future taxable profits of the companies in which the losses, differences and allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses, temporary differences and capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

28. Share capital

	Group and Company			
	2015		2014	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares				
At beginning of year/period and end of year/period end	92,388	27,885	92,388	27,885

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.

29. Reserves

	Company	
	2015	2014
	$'000	$'000
Accumulated losses		
Balance at 1 April 2014 and 1 January 2013	(15,090)	(13,856)
Loss for the year/period	(5,154)	(1,234)
Balance at 31 March 2015 and 31 March 2014	(20,244)	(15,090)

The movements in other reserves of the Group are disclosed in the Statement of Changes in Equity. The nature of other reserves are:

(a) *Capital reserve*

The capital reserve relates to bonus shares issued by a subsidiary.

(b) *Translation reserve*

The translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

30. Commitments and contingencies

Operating lease commitments – as lessee

The Group and the Company lease certain properties under lease agreements that are non-cancellable. The leases have an average tenure of 3 years and contain provisions for rental adjustments based on sales. There are no restrictions placed upon the Group or the Company by entering into these leases. Minimum lease payments recognised in the profit or loss for the Group as at 31 March 2015 was $18.4 million (2014: $21.1 million).

Future minimum rental payable under non-cancellable operating leases at the balance sheet date are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Not later than one year	11,823	12,705	9,993	12,143
Later than one year but not later than five years	9,817	12,539	8,800	11,989
	21,640	25,244	18,793	24,132

Financial guarantees

During the financial year, the Company, as the holding company, has provided corporate guarantees to financial institutions for a maximum amount of $5.7 million (2014: $4.9 million) in respect of banking facilities granted to subsidiaries. At 31 March 2015, $5,244,000 (2014: $4,475,000) has been utilised by the subsidiary.

No material losses under these guarantees are expected.

31. Related party transactions

(a) *Sale and purchase 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	
	2015	**2014**
	$'000	$'000
Related parties		
Sale of goods	44	455
Purchases of goods	(5,816)	(2,381)
Rental income	32	–
Rental expense	(775)	(414)
Recharge expenses paid	(1,145)	(935)
Recharge expenses received	810	524

Related parties:
The related parties include the following:
i) subsidiaries and associates of Ossia International Limited and its subsidiaries;
ii) Companies in which the directors are also directors of VGO Corporation Limited and its subsidiaries

31. Related party transactions (cont'd)

(b) *Compensation of key management personnel*

	Group 2015 $'000	Group 2014 $'000
Short- term employee benefits	1,443	1,534
Contributions to defined contribution schemes	82	74
Other short-term benefits	147	130
	1,672	1,738
Comprise amounts paid to:		
Directors of the Company	1,079	1,112
Other key management personnel	593	626
	1,672	1,738

32. 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 18), trade and other receivables (Note 14 and 15), amounts due from/to subsidiaries (Note 16), amounts due to a director (Note 22) amounts due from/to related parties (Note 17 and 21), trade and other payables (Note 19 and 20), bills payable (Note 23), bank borrowings (Note 24) and bank overdrafts (Note 18) and obligations under finance leases (Note 25) 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 carrying amounts of obligations under finance leases.

NOTES TO THE FINANCIAL STATEMENT

33. Categories of financial assets and financial liabilities

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

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Assets				
Trade receivables	3,766	4,728	2,780	3,682
Other receivables	2,591	2,912	1,416	1,730
Amounts due from subsidiaries	–	–	730	546
Amounts due from related parties	514	1,217	510	1,213
Cash and bank balances	1,364	1,217	771	1,170
Loans and receivables	8,235	10,074	6,207	8,341
Liabilities				
Bank overdrafts	2,367	2,007	1,209	1,125
Trade payables	5,096	6,208	1,740	2,847
Other payables	5,475	4,919	4,194	4,003
Amounts due to related parties	3,927	111	2,332	74
Amounts due to a director	120	–	120	–
Amounts due to subsidiaries	–	–	580	580
Bills payable	11,519	8,828	9,408	6,456
Bank borrowings	970	1,006	500	500
Obligations under finance leases	839	1,011	–	–
Financial liabilities at amortised cost	30,313	24,090	20,083	15,585

34. 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, obligations under 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.

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

(a) *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.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of relevant operating unit, the Group does not offer credit terms without approval of the respective Chief Operating Officer and General Manager.

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the balance sheets
- a nominal amount of $5.7 million (2014: $4.9 million) relating to a corporate guarantee provided by the Company to banks for banking and credit facilities granted to the subsidiaries.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade at the balance sheet date is as follows:

	Group			
	2015		2014	
	$'000	% of total	$'000	% of total
By country:				
Singapore	2,780	74%	3,682	78%
Malaysia	986	26%	1,046	22%
	3,766	100%	4,728	100%

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

(a) *Credit risk (cont'd)*

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 14 (Trade receivables).

(b) *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 summaries the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted payments.

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

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

	2015 $'000				2014 $'000			
Group	**1 year or less**	**1 to 5 years**	**Over 5 years**	**Total**	**1 year or less**	**1 to 5 years**	**Over 5 years**	**Total**
Financial assets								
Cash and deposits	1,364	–	–	1,364	1,217	–	–	1,217
Trade receivables	3,766	–	–	3,766	4,728	–	–	4,728
Other receivables	2,591	–	–	2,591	2,912	–	–	2,912
Amounts due from related parties	514	–	–	514	1,217	–	–	1,217
Total undiscounted financial assets	8,235	–	–	8,235	10,074	–	–	10,074
Financial liabilities								
Bank overdraft	2,367	–	–	2,367	2,007	–	–	2,007
Trade payables	5,096	–	–	5,096	6,208	–	–	6,208
Other payables	5,475	–	–	5,475	4,919	–	–	4,919
Amounts due to related parties	3,927	–	–	3,927	111	–	–	111
Amounts due to a director	120	–	–	120	–	–	–	–
Obligations under finance leases	510	402	–	912	562	551	–	1,113
Bills payables	11,519	–	–	11,519	8,828	–	–	8,828
Bank borrowings	533	116	493	1,142	527	201	484	1,212
Total undiscounted financial liabilities	29,547	518	493	30,558	23,162	752	484	24,398
Total net undiscounted financial liabilities	(21,312)	(518)	(493)	(22,323)	(13,088)	(752)	(484)	(14,324)

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

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

	2015 $'000				2014 $'000			
Company	**1 year or less**	**1 to 5 Years**	**Over 5 years**	**Total**	**1 year or less**	**1 to 5 years**	**Over 5 years**	**Total**
Financial assets								
Cash and deposits	771	–	–	771	1,170	–	–	1,170
Trade receivables	2,780	–	–	2,780	3,682	–	–	3,682
Other receivables	1,416	–	–	1,416	1,730	–	–	1,730
Amounts due from related parties	510	–	–	510	1,213	–	–	1,213
Amounts due from subsidiaries	730	–	–	730	546	–	–	546
Total undiscounted financial assets	6,207	–	–	6,207	8,341	–	–	8,341
Financial liabilities								
Bank overdraft	1,209	–	–	1,209	1,125	–	–	1,125
Trade payables	1,740	–	–	1,740	2,847	–	–	2,847
Other payables	4,194	–	–	4,194	4,003	–	–	4,003
Amounts due to related parties	2,332	–	–	2,332	74	–	–	74
Amounts due to subsidiaries	580	–	–	580	580	–	–	580
Amounts due to a director	120	–	–	120	–	–	–	–
Bills payables	9,408	–	–	9,408	6,456	–	–	6,456
Bank borrowings	500	–	–	500	500	–	–	500
Total undiscounted financial liabilities	20,083	–	–	20,083	15,585	–	–	15,585
Total net undiscounted financial liabilities	(13,876)	–	–	(13,876)	(7,244)	–	–	(7,244)

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

(b) *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.

	2015 $'000			2014 $'000		
	1 year or less	1 to 5 Years	Total	1 year or less	1 to 5 years	Total
Company						
Corporate guarantee (Note 18,19 and 24)	4,807	437	5,244	3,996	479	4,475

(c) *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 and the Company's exposure to interest rate risk arises primarily from bills payable, borrowings and finance lease obligations. 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 borrowings or finance lease obligations. 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.

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

(c) *Interest rate risk (cont'd)*

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 and Company's profit/(loss) net of tax (through the impact on interest expense on floating rate bills payable and bank borrowings).

	Group	
	Basis points (Higher/ Lower)	Effect on profit, net of tax (Higher/ Lower) $'000
31.3.2015		
- Singapore dollar	75	13
- United States dollar	75	58
- Malaysian Ringgit	75	10
- Euro	75	2
- Japanese Yen	75	1
31.3.2014		
- Singapore dollar	75	8
- United States dollar	75	40
- Malaysian Ringgit	75	22
- Euro	75	3
- Japanese Yen	75	1

(d) *Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD and Malaysian Ringgit (Ringgit). The Group's sales and costs are denominated in various foreign currencies. The Group's trade receivables, trade and other payables and bills payables 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 denominated balances are disclosed in Note 18 to the financial statements.

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

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

(d) *Foreign currency risk (cont'd)*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, Ringgit, JPY and EUR exchange rates, against the respective functional currencies of the Group entities, with all other variables held constant. Sensitivity to possible changes in other foreign currencies was not significant.

	Group	
	2015	**2014**
	$'000	$'000
	Profit before tax	Profit before tax
USD/SGD		
- strengthened 3% (2014: 3%)	(226)	(181)
- weakened 3% (2014: 3%)	226	181

35. Capital management

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 year/period ended 31 March 2015 and 31 March 2014.

The Group monitors capital by performing specific review of each of the Group's entities requirements to obtain external financing, taking into consideration the operating cash flows and the prevailing market interest rates. The Group and the Company are in compliance with all externally imposed capital requirements for the financial year/period ended 31 March 2015 and 31 March 2014.

36. 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. Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Singapore $'000	Malaysia $'000	Elimination/ adjustments $'000	Group $'000
31.3.2015				
Revenue				
External sales	48,357	22,313	–	70,670
Inter-segment sales	854	–	(854)	–
Total revenue	49,211	22,313	(854)	70,670
Results:				
Segment profit/(loss) before tax	(5,153)	236	26	(4,891)
Assets:				
Segment assets	28,411	15,175	(2,154)	41,432
Liabilities:				
Segment liabilities	20,190	11,602	(1,310)	30,482
Other segment information:				
Additions to property, plant and equipment	1,826	476	–	2,302
Depreciation and amortisation	1,723	707	–	2,430

	Singapore $'000	Malaysia $'000	Maldives (discontinued) $'000	Elimination/ adjustments $'000	Group $'000
31.3.2014					
Revenue					
External sales	56,583	21,704	–	–	78,287
Inter-segment sales	1,556	–	–	(1,556)	–
Total revenue	58,139	21,704	–	(1,556)	78,287
Results:					
Segment profit/(loss) before tax	(1,372)	988	(1,465)	2,419	570
Assets:					
Segment assets	29,095	13,327	–	(1,997)	40,425
Liabilities:					
Segment liabilities	15,720	9,782	–	(1,126)	24,376
Other segment information:					
Additions to property, plant and equipment	2,461	2,853	–	–	5,314
Depreciation and amortisation	2,399	741	–	–	3,140

36. Segment information (cont'd)

The following items are deducted from segment profit to arrive at "profit, net of tax" presented in the consolidated statement of comprehensive income.

	Group 2015 $'000	Group 2014 $'000
Profit from inter-segment sales	26	2,419

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

	Group 2015 $'000	Group 2014 $'000
Investment in subsidiaries	(782)	(782)
Inter-segment assets	(1,372)	(1,215)
	(2,154)	(1,997)

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

	Group 2015 $'000	Group 2014 $'000
Inter-segment liabilities	(1,310)	(1,126)

37. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 30 June 2015.

STATISTICS OF HOLDINGS
As At 25 June 2015

Analysis of shareholders

No. of shares : 92,388,045
Class of Shares : Ordinary Shares
Voting Rights : 1 vote per share

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	56	2.53	2,351	-
100 - 1,000	829	37.39	333,649	0.36
1,000 - 10,000	837	37.75	2,868,144	3.10
10,001 - 1,000,000	485	21.88	20,595,506	22.29
1,000,001 and above	10	0.45	68,588,395	74.24
TOTAL	2,217	100.00	92,388,045	100.00

Based on the information available to the Company as at 25 Jun 2015, approximately 37.40% of the issued ordinary shares of the Company are held by the public, and therefore, the Company is in compliance with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

Substantial shareholders

	Name	Direct Interest		Deemed Interest	
1	Ossia Holdings Pte Ltd	42,234,017	45.71%*	-	-
2	Goh Ching Wah, George	4,908,713	5.31%	52,331,255	56.64% @
3	Goh Ching Huat, Steven	5,179,060	5.61%	52,060,909	56.35% @
4	Goh Ching Lai, Joe	4,918,178	5.32%	52,321,790	56.63% @

* These include shares registered in the name of nominees.

@ By virtue of Section 7 of the Companies Act, Cap.50, Goh Ching Wah, Goh Ching Lai and Goh Ching Huat are deemed interested in the shares held by Ossia Holdings Pte Ltd in the capital of the Company. Being brothers, they are also deemed to be interested in the shares held by the other.

STATISTICS OF HOLDINGS
As At 25 June 2015

Twenty Largest Shareholders

	Name	No. of Shares	%
1	OSSIA HOLDINGS PTE LTD	42,234,017	45.71
2	GOH CHING LAI	4,918,178	5.32
3	GOH CHING WAH	4,908,713	5.31
4	GOH CHING HUAT	4,885,772	5.29
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	4,450,135	4.82
6	SAW TZE CHOON	1,726,882	1.87
7	CHAM MOOI TAI	1,573,300	1.70
8	OCBC SECURITIES PRIVATE LTD	1,426,411	1.54
9	S I2I LIMITED	1,357,393	1.47
10	NEO YAM CHENG OR LEE KWEE LAN	1,107,594	1.20
11	CHEN YIPING	932,840	1.01
12	BANK OF SINGAPORE NOMINEES PTE LTD	663,800	0.72
13	JACKY LIEW JYH CHYANG	645,453	0.70
14	DBS NOMINEES PTE LTD	626,525	0.68
15	GOH LEE CHOO	592,752	0.64
16	WESTECH LABEL INDUSTRIES PTE LTD	458,823	0.50
17	CHONG YEW CHUAN	420,511	0.46
18	UOB KAY HIAN PTE LTD	381,128	0.41
19	OCBC NOMINEES SINGAPORE PTE LTD	282,064	0.31
20	PHILLIP SECURITIES PTE LTD	258,024	0.28
TOTAL		73,850,315	79.94

Notice of
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Conference Room, No. 10 Changi South Lane #07-01 OSSIA Building Singapore 486162 on Wednesday, 29 July 2015 at 11.00 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 period ended 31 March 2015 and the Directors' Report and the Auditors Report thereon. (Resolution 1)

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

3. To re-elect Mr Goh Ching Huat, Steven, retiring by rotation, pursuant to Article 89 of the Company's Articles of Association. (Resolution 3)

4. To re-appoint Mr Anthony Clifford Brown, retiring pursuant to Section 153(6) of the Singapore Companies Act Cap. 50. (Resolution 4)

Mr Anthony Clifford Brown if re-appointed will remain as an Independent Director as well as the Chairman of Nominating Committee and a member of the Audit Committee and Remuneration Committee; 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$100,000/- to Non-Executive Directors for the financial period ended 31 March 2015 (2014: S$125,000/-). (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. Renewal of the General Mandate for Interested Person Transactions

"That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in Appendix A of the Company's letter to shareholders dated 14 July 2015 (the "Letter"), with any party who is of the classes of interested persons described in Appendix A of the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for interested person transactions (the "IPT Mandate");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

9. 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, 14 July 2015

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.


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10 Paragon Level 4 11 Parkway Parade Level 3 12 Tampines 1 Level 3 13 Plaza Singapura Level 3
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VGO CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199301388D)

Proxy Form -
Annual General Meeting

IMPORTANT
1. For investors who have used their CPF monies to buy VGO Corporation Limited shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We ____ (Name)

of ____ (Address)

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

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

* and / or (delete as appropriate)

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

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at Conference Room, No. 10 Changi South Lane, #07-01 Singapore 486162 on 29 July 2015 at 11.00 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 period ended 31 March 2015 and the Directors' Report and Auditors' Report thereon.		
2	To re-elect Mr Goh Ching Wah, George, as Director pursuant to Article 89 of the Company's Articles of Association.		
3	To re-elect Mr Goh Ching Huat, Steven as Director pursuant to Article 89 of the Company's Articles of Association.		
4	To re-appoint Mr Anthony Clifford Brown as Director pursuant to Section 153(6) of the Companies Act, Cap 50.		
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.		
8	Renewal of the General Mandate of Interested Person Transactions.		

Dated this ____________ day of ____________ 2015

Total Number of Shares Held

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

Notes:-

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.

2. 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.

3. The instrument appointing a proxy or proxies must be under the hand of the appointor 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.

4. 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.

5. 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 registered office of the Company at No. 10 Changi South Lane #07-01 Singapore 486162 not later than 48 hours before the time set for the Annual General Meeting.

6. 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 130A of the Companies Act, Chapter 50 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.

7. 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 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

8. 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 48 hours before the time set for the Annual General Meeting.

AFFIX
STAMP

VGO CORPORATION LIMITED

10 Changi South Lane #06-01
Singapore 486162