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*Active*



OSSIA INTERNATIONAL LIMITED

ANNUAL REPORT 2015

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INTERNATIONAL LIMITED

ANNUAL REPORT 2015





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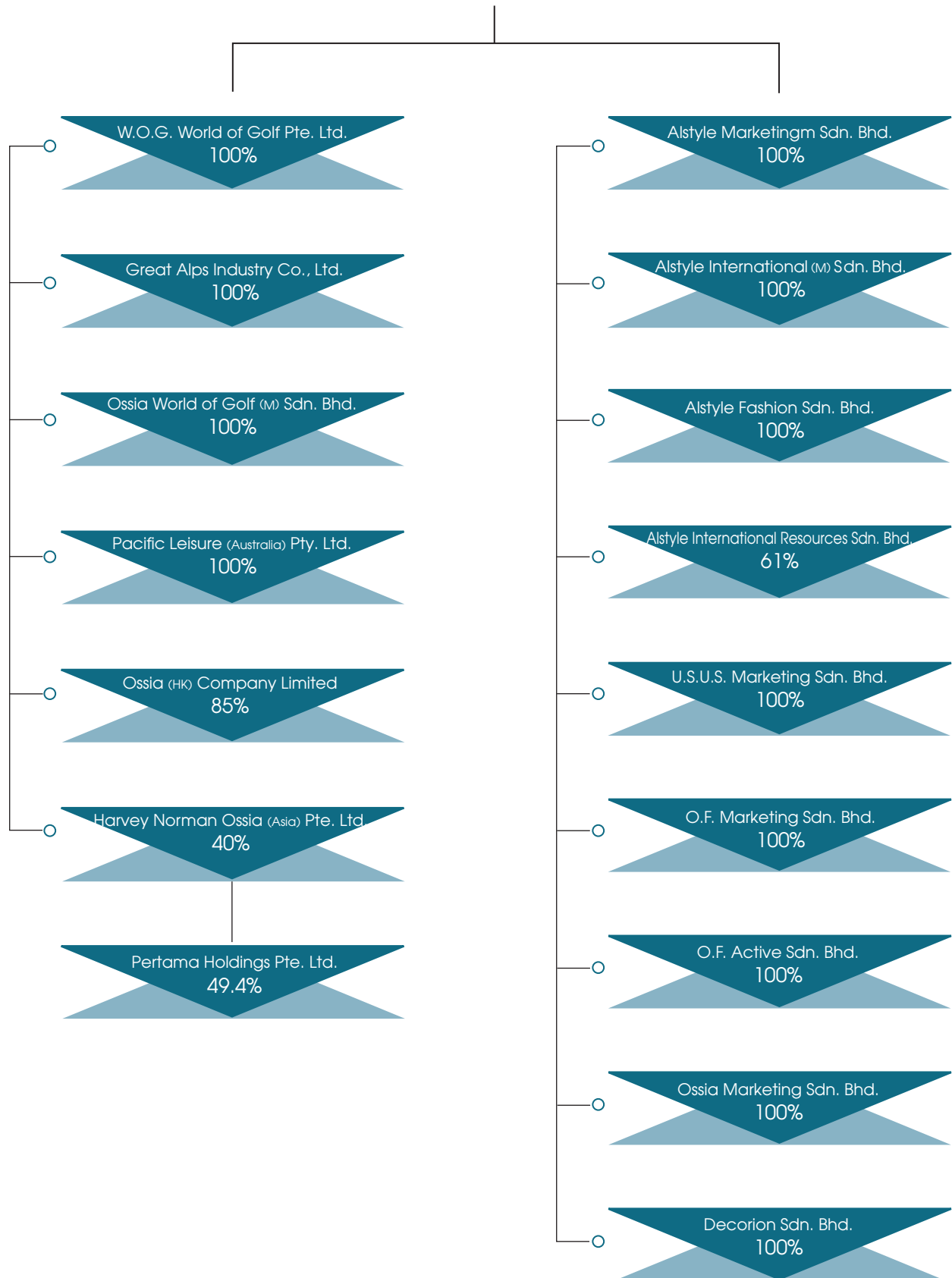
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# Group STRUCTURE

## OSSIA International Limited



# Corporate PROFILE

## OVERVIEW

Established in 1982, Ossia has grown from a footwear manufacturer to a leading regional distributor and retailer of lifestyle products in fashion apparel, bags, footwear, sporting goods and golf in the Asia Pacific region. Listed on the main board of Singapore Exchange Securities Trading Limited (SGX-ST) on 20 November 1996, Ossia has gained strong presence in 4 key regional markets namely Singapore, Malaysia, Taiwan and Hong Kong.

The Group has subsidiaries in these 4 regional markets with a distribution network of more than 1,400 channels/outlets, spanning 50 cities across the Asia Pacific region. We have more than 40 specialty stores, more than 68 shop-in-shop, in fashion apparel, bags, footwear.

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

Today, the Group has exclusive distribution, licensee and franchise rights of over 30 well-known international brands as follows:

Fashion apparels: Springfield, Elle, Elle Petite, 7 For All Mankind, Okaidi & Obaibi, Promod.

Bags : Tumi, Hedgren, Elle Active, Acegene, MLB, Arnold Palmer, Kangol, Paul Frank, Ferrari.

Footwear : Elle, Thorlos.

Sport : Columbia, Prince, Fischer, AND 1, Spank, K-Swiss, Slazenger, Umbro, Elle Active, Elle Sports, Mountain Hardwear.

Golf : Bridgestone, Tourstage, Precept, Paradiso, Newing, Reygrande, PRGR, Kasco, Head, SeeMore, Rife, Hi-Tec, Callaway, LoudMouth, Advanz Golf, Fidra, Druh, Alberto Golf.

# Group Executive Chairman's STATEMENT

## **Dear Shareholders,**

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Group for the financial year ended 31 March 2015 ("FY2015")

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

## **Financial Review**

The Group's revenue was \$47.6 million for the year ended 31 March 2015 (FY2015), a decline of 13.9% from \$55.5 million in the last corresponding year. The decline in sales is mainly due to closure of non-performing outlets.

The gross profit margin reduced from 50.6% to 49.5%. The gross margin was lower as compared to the corresponding year due to higher promotional discounts and markdowns given on the past season merchandise and brands which have since been discontinued during the financial year.

Other operating income decreased by 64.8% or \$2.2 million mainly contributed by lower dividend income received from an associated company and no rental income earned on its lease back agreement following the expiration of lease building at the start of financial year.

Distribution costs decreased by 27.8% or \$6.7 million. The decrease in distribution costs is mainly due to closure of non-performing outlets.

Administrative expenses decreased by 53.6% or \$8.2 million, principally due to a write back of allowance for stock obsolescence and decrease in rental expenses relating to lease of the office building.

The Group's share of results of the associated company has increased from a loss of \$0.8 million to a loss of \$1.4 million due to poorer results of the associated company.

Net loss attributable to owners of the Company was \$2.1 million in FY2015 as compared to \$9.1 million in 31 March 2014 ("FY2014").

The Group's and the Company's inventories reduced as compared to 31 March 2014. The reduction in inventories carried by the Company decreased significantly due to inventories disposed to a related party. This result in the Group's and the Company's trade and other receivables increasing as compared to 31 March 2014.

The Group's and Company's current financial assets decreased mainly due to refund of deposits.



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

Investment in subsidiary Company reduced by 4% mainly due to impairment of subsidiary in Malaysia.

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

The Group's and the Company's bill payables decreased due to repayment during the financial year.

The Company's borrowings decreased due to a reduction in utilisation of overdraft facilities during the financial year. The Group's borrowings have increased by \$0.9 million mainly due to increase in draw-down of banking facilities for its subsidiary in Taiwan.

#### **Moving Forward**

The retail climate conditions remain challenging. The Group will continue to focus on its core business overseas, tightening operations by closing non-performing outlets and brands.

#### **Note of Appreciation**

I wish to express my sincere appreciation to my fellow directors for their counsel and contribution. On behalf of the Board, I would like to thank our management team and staff for their contribution and dedication.

Finally, I would like to thank our valued customers, suppliers, business associates and shareholders for their invaluable support. We look forward to their continued support and patronage in the year ahead.

**Mr Goh Ching Wah, George**

Group Executive Chairman



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# Executive DIRECTORS

## **MR GOH CHING WAH**

### **Group Executive Chairman**

He (Age: 56) was appointed as Director on 1 September 1990 and re-designated as GROUP EXECUTIVE CHAIRMAN on 7 July 2009. He is the Group Executive Chairman of our related company, Internet Technology Group Private Limited (ITG) and an Executive Director of our related company, VGO Corporation Limited (VGO). Mr George Goh and his brothers (Messrs Goh Ching Huat, Steven and Goh Ching Lai, Joe) are experienced entrepreneurs who had co-founded the Group, the ITG Group and VGO Group. He is also the Deputy Chairperson and a Non-Executive Director of Pertama Holdings Pte. Ltd. trading under the name of "Harvey Norman", which retails electrical, computer, furniture and household products. George, together with his two brothers, was the winner of the 1994 Rotary-ASME Entrepreneur Award. George and his two brothers have 32 years of experience in distribution and retailing of lifestyle products in footwear, fashion apparel, sporting goods, golf, bags and accessories under the Group and also retailing sporting goods under World of Sports, Mizuno, Columbia and Outdoors.

Mr. George Goh is responsible for overall Group direction, strategic planning and business development. He is a member of the Nominating Committee for the Group.

## **MR GOH CHING HUAT**

### **Chief Executive Officer / Executive Director**

He (Age: 50) was appointed as Director on 1 September 1990 and re-designated as EXECUTIVE DIRECTOR on 1 July 2006. He is the Chief Executive Officer / Group Executive Chairman of our related company, VGO and an Executive Director of our related company, ITG. Steven, together with his two brothers, was the winner of the 1994 Rotary-ASME Entrepreneur Award. Steven and his two brothers have 32 years of experience in distribution and retailing of lifestyle products in footwear, fashion apparel, sporting goods, golf, bags and accessories under the Group and also retailing sporting goods under World of Sports, Mizuno, Columbia and Outdoors.

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





Arnold Palmer





# Non-Executive DIRECTORS

## **MR GOH CHING LAI**

### **Non-Independent / Non-Executive Director**

He (Age: 56) was appointed as Director on 1 September 1990 and re-designated as NON-EXECUTIVE DIRECTOR on 1 May 2009. He is also the Non-Executive Director of our related companies, VGO and ITG. Goh brothers were the winner of the 1994 Rotary-ASME Entrepreneur Award. Their business interests range from distribution, retailing and technology investments to property development in the Asia Pacific region. He is a Non-Executive Director of Pertama Holdings Pte. Ltd., trading under the name of "Harvey Norman", which retails electrical, computer, furniture and household products. Mr. Joe Goh and his two brothers have 32 years of experience in distribution and retailing of lifestyle products in footwear, fashion apparel, sporting goods, golf, bags and accessories. Besides being a member of the Nominating Committee for the Group, he is also a member of the Audit, Remuneration and Nominating Committees of Pertama Holdings Pte. Ltd. .

## **MR WONG KING KHENG**

### **Independent / Non-Executive Director**

He (Age: 62) 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 and VGO.

# Non-Executive DIRECTORS

## 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 VGO.

## MS MAE HENG SU-LING

### Independent / Non-Executive Director

She (Age: 45) was appointed on 27 April 2010 as an INDEPENDENT / NON-EXECUTIVE DIRECTOR. Ms Mae is a member of the Audit Committee, Nominating Committee and Chairman of the Remuneration Committee for the Group. Ms Mae has over 18 years of experience in an audit, corporate finance and business advisory environment with Ernst & Young Singapore. She graduated with a Bachelor of Accountancy from Nanyang Technological University, Singapore in 1991 and is a Chartered Accountant with the Institute of Singapore Chartered Accountants. She is an independent non-executive director of Asiatravel.com holding Ltd and Apex Healthcare Berhad and holds directorships in her family-owned investment holding companies.

# Senior MANAGEMENT

## **MS LIM SOOK KIANG**

Executive Director

Ms Lim is the Executive Director of Alstyle International (M) Sdn Bhd. She is responsible for the product development, merchandising, marketing and distribution of apparels and accessories. She joined us as a General Manager in 1994 and was promoted to Executive Director in 1996. She has over 26 years of experience in retailing, merchandising, sourcing and business development in various departmental stores and specialty stores. Prior to joining us, she was a Group Merchandising Manager in R.S.H. Sports (M) Sdn Bhd. She holds a Bachelor of Arts from Universiti Kebangsaan Malaysia.

## **MR LENG KOK CHEN**

Financial Controller

Mr Leng is the Financial Controller of Alstyle International (M) Sdn Bhd. He is in charge of the financial, office administration, human resource, IT and warehouse of the company. He joined the Group in 2003. Prior to joining us, he has acquired many years of experience in several organisations in the retail industry such as Parkson Corporation Sdn Bhd, Apcot (M) Sdn Bhd etc. He is a member of the Malaysia Institute of Accountants.

## **MR WONG KIN SHING**

Managing Director

Mr Wong is the Managing Director of Ossia (HK) Company Limited. He is responsible for the marketing and distribution of sporting goods, golf equipment, footwear and accessories in Hong Kong and Macau. He joined the Group in 1994. Simon has more than 26 years of experience in marketing and distribution of lifestyle sporting goods, footwear, golf equipment, apparel and accessories. Prior to joining us, he was the General Manager of Sovereign Sports Ltd.



# Senior MANAGEMENT

## **MS POLLY KAN**

Finance and Administration Manager

Ms. Polly Kan is the Finance and Administration Manager of Ossia (HK) Company Limited. She is responsible for the company accounting, finance and administration matters with which she has acquired many years relevant experience. She joined the Group in 1996. She holds a Master of Business Administration from the University of Manchester in the United Kingdom. She is an associate member of the Hong Kong Institute of Certified Public Accountants as well as a fellow member of the Association of Chartered Certified Accountants.

## **MR HSU CHIH TUNG**

Managing Director

Mr Hsu is the Managing Director of Great Alps Industry Co., Ltd. He is brother-in-law of non-executive Director, Goh Ching Lai. He is responsible for the product development, brand management, marketing and distribution of bags and accessories in Taiwan. He joined us as a Brand Manager in 1996 and was promoted to Managing Director in 2001. Prior to joining us, he was a Product Developer of E.S. Original. Alan graduated from Ta-Ming Junior College of Commerce in 1990 with a Diploma in Business Administration.

## **MS WU WAN CHUN**

Finance Manager

Ms Wu joined Great Alps Industry Co., Ltd. as Finance Manager in 2013. She graduated with Bachelor degree of Business Administration from National Chengchi University in Taiwan. She has over 11 years relevant experience in retail industry. Prior to joining us, she was an Assistant Finance Controller in a Hong Kong listed company.

Arnold Palmer 



# Corporate INFORMATION

## BOARD OF DIRECTORS

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

## AUDIT COMMITTEE

Wong King Kheng (Chairman)  
Anthony Clifford Brown  
Heng Su-Ling, Mae

## NOMINATING COMMITTEE

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

## REMUNERATION COMMITTEE

Heng Su-Ling, Mae (Chairman)  
Anthony Clifford Brown  
Wong King Kheng

## COMPANY SECRETARIES

Lotus Isabella Lim Mei Hua, FCIS  
Lee Bee Fong, ACIS

## REGISTERED OFFICE

No. 10 Changi South Lane  
#07-01 OSSIA Building  
Singapore 486162  
Tel: 6543 1133  
Fax: 6543 5801

## SHARE REGISTRAR

Tricor Barbinder Share  
Registration Services  
(A division of Tricor Singapore Pte. Ltd)  
80 Robinson Road #02-00  
Singapore 068898

## AUDITORS

Ernst & Young  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

## PARTNER-IN-CHARGE

Terry Wee Hiang Bing  
Appointed since financial year ended  
31 March 2014

## BANKERS

DBS Bank Limited  
Malayan Banking Berhad  
RHB Bank Berhad  
United Overseas Bank Limited  
UBS AG



# Corporate GOVERNANCE

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

Board of Directors

## Principle 1 : 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 Wah (Chairman)	4	4
Goh Ching Huat	4	4
Goh Ching Lai	4	4
Wong King Kheng	4	4
Anthony Clifford Brown*	4	4
Heng Su-Ling, Mae	4	4

\*Some of the meetings attended via tele-conference.

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

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

Board members are encouraged to attend seminars and receive training to enable them to 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 Chairman and CEO are two separate individuals who are brothers and who are both executive directors of the Company.

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

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

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

Nominating Committee ("NC")

## **Principle 4 : Board Membership**

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

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

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

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

- a. make recommendations to the Board on all board appointments and re-nomination of directors after taking into account the respective director's contributions in terms of experience, business perspective, management skills, individual expertise and pro-activeness in participation of meetings;
- b. ensure that all directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;
- c. determine annually whether a director is independent, guided by the independent guidelines contained in the Code;
- d. decide whether a director is able to and has adequately carried out his duties as a director of the company in particular where the director concerned has multiple board representations; and
- e. to decide how the Board's performance may be evaluated and propose objective performance criteria.

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

The number of NC meetings held and attendance at the meetings during the financial year ended 31 March 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
Heng Su-Ling, Mae (Member)	Independent	1	1
Goh Ching Wah (Member)	Executive	1	1
Goh Ching Lai (Member)	Non-executive	1	1

Pursuant to the Article 89 of the Company's 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 Wong King Kheng 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 24 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 was formed on 25 May 2002. The RC is chaired by Ms Heng Su-Ling, Mae and its members are Mr Anthony Clifford Brown and Mr Wong King Kheng, all of whom are directors independent of management and free from any business or other relationships, which may materially interfere with the exercise of their independent judgement. The RC has access to expert advice in the field of executive compensation outside the Company where required.

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

### Principle 8 : Level and Mix of Remuneration

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

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\$184,500/- for the financial year ended 31 March 2015 (31 March 2014: S\$284,500/-). The remuneration of each Director has been disclosed in respective bands. The board is of the opinion that given the confidentiality 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\$250,000 to S\$499,999					
Goh Ching Huat, Steven	-	88	7	4	100
Goh Ching Wah, George	-	89	7	3	100
Non-Executive Directors					
Below S\$250,000					
Goh Ching Lai, Joe	100	-	-	-	100
Anthony Clifford Brown	100	-	-	-	100
Wong King Kheng	100	-	-	-	100
Heng Su-Ling, Mae	100	-	-	-	100

The Group 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 Group (who are not directors or the Chief Executive Officer) for FY 2015 is S\$596,511.

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.

There is no employee of the Group is an immediate family member of a director or substantial shareholder whose remuneration exceeds S\$50,000 for the year ended 31 March 2015.

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 Ms Heng Su-Ling, Mae. All three members are independent of the Company, who bring with them invaluable managerial and professional expertise in the financial, legal and business management spheres.

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

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

\*Some of the meetings attended via tele-conference.

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

- 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;
- 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 8 on page 50 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 FY2015 and FY2014 and there were no non-audit fees payable to the Company's external auditors in FY2014 and FY 2013. 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 unaccepted 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, 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 review 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 shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	Group		Group	
	31.03.2015 S\$'000	31.03.2014 S\$'000	31.03.2015 S\$'000	31.03.2014 S\$'000
VGO Corporation Limited				
- Purchase	-	-	25	198
- Sales	-	-	4,139	2,001
W.O.S. World of Sports (M) Sdn Bhd				
- Sales	-	-	1,703	291

Details of the interested person transactions are disclosed in Note 26 to the financial statements under Significant Related Party Transactions.



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# DIRECTORS' Report

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

## Directors

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

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

## Arrangements to enable directors to acquire shares and debentures

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

## Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the Act), an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of directors	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
<i>Ordinary shares of the Company</i>				
Goh Ching Lai	32,028,345	32,028,345	155,157,272	155,157,272
Goh Ching Wah	17,198,154	17,198,154	169,987,463	169,987,463
Goh Ching Huat	17,052,422	17,052,422	170,133,195	170,133,195
<i>Ordinary shares of \$1 each of the related party (Ossia Holdings Pte Ltd)</i>				
Goh Ching Lai	1	1	3	3
Goh Ching Wah	1	1	3	3
Goh Ching Huat	1	1	3	3

### **Directors' interests in shares or debentures (cont'd)**

By virtue of Section 7 of the Act, Goh Ching Lai, Goh Ching Wah and Goh Ching Huat are deemed to have interests in the shares held by Ossia Holdings Pte Ltd in the Company and that held by the Company in all its subsidiaries. Goh Ching Lai, Goh Ching Wah and Goh Ching Huat, who are brothers, are also deemed to be interested in each other's shares in Ossia Holdings Pte Ltd and Ossia International Limited.

There was no change in the directors' interests in the share capital of the Company and of related corporations between the end of the financial year and 21 April 2015.

### **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, except as disclosed in the financial statements.

### **Scrip dividend scheme**

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

### **Share options**

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

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

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

### **Audit Committee**

The nature and extent of the functions performed by the Audit Committee pursuant to Section 201B(5) of the 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 Wah  
Director

Goh Ching Huat  
Director

Singapore  
30 June 2015

# Statement by DIRECTORS

We, Goh Ching Wah and Goh Ching Huat, being two of the directors of Ossia International 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 and the changes in equity of the Company 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 Wah  
Director

Goh Ching Huat  
Director

Singapore  
30 June 2015

# INDEPENDENT AUDITOR'S Report

## **Report on the financial statements**

We have audited the accompanying financial statements of Ossia International Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 30 to 78, which comprise the balance sheets of the Group and the Company as at 31 March 2015, statement of changes in equity and the consolidated statement of comprehensive income and statement of cash flows of the Group for the year then ended, 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 judgement, 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 presentation 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	2015 \$'000	2014 \$'000
Revenue	4	47,728	55,458
Cost of sales	11	(24,104)	(27,410)
<b>Gross profit</b>		<b>23,624</b>	<b>28,048</b>
Other income	5	1,171	3,329
Distribution costs		(17,419)	(24,168)
General and administrative expenses		(7,053)	(15,213)
<b>Profit/(Loss) from operations</b>		<b>323</b>	<b>(8,004)</b>
Interest income	6	8	7
Finance costs	7	(309)	(257)
Changes in fair value of quoted investments		□	(103)
Share of results of associated company □ net of tax	15	(1,384)	(792)
<b>Loss before income tax</b>	8	<b>(1,362)</b>	<b>(9,149)</b>
Income tax	9	(754)	14
<b>Loss for the year</b>		<b>(2,116)</b>	<b>(9,135)</b>
<b>Profit/(Loss) for the year attributable to :</b>			
Owners of the Company		(2,135)	(9,118)
Non-controlling interests		19	(17)
		<b>(2,116)</b>	<b>(9,135)</b>
<b>Loss per share attributable to owners of the Company (cents per share)</b>			
- basic and diluted	10	(0.85)	(3.61)
<b>Other comprehensive income :</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Share of gain on property revaluation of associated company		□	2,727
Transfer from legal reserve		□	(9)
<b>Items that may be reclassified subsequently to profit and loss</b>			
Foreign currency translation		174	(538)
Other comprehensive income for the year, net of tax		174	2,180
<b>Total comprehensive income for the year</b>		<b>(1,942)</b>	<b>(6,955)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(1,932)	(6,944)
Non-controlling interests		(10)	(11)
		<b>(1,942)</b>	<b>(6,955)</b>

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

# Balance SHEETS

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current assets</b>					
Inventories	11	13,374	17,778	–	4,016
Trade and other receivables	12	7,709	4,885	4,229	1,481
Prepayments		334	414	23	39
Other financial assets	13	1,881	2,612	208	627
Other non-financial assets	13	171	295	1	5
Cash and bank balances	14	5,005	4,150	182	128
		28,474	30,134	4,643	6,296
<b>Non-current assets</b>					
Investment in associated company	15	19,069	21,044	13,252	13,252
Investment in subsidiaries	16	–	–	1,663	1,726
Property, plant and equipment	17	3,897	4,503	263	651
Deferred tax assets	18	197	350	–	–
		23,163	25,897	15,178	15,629
<b>Total assets</b>		51,637	56,031	19,821	21,925
<b>Current liabilities</b>					
Trade and other payables	19	5,966	8,391	1,205	3,232
Bills payable	20	42	766	–	727
Borrowings	21	5,029	3,978	282	1,274
Income tax payable		80	36	–	–
Other liabilities		–	134	–	134
		11,117	13,305	1,487	5,367
<b>Non-current liabilities</b>					
Borrowings	21	2,488	2,737	67	112
		2,488	2,737	67	112
<b>Total liabilities</b>		13,605	16,042	1,554	5,479
<b>Net current assets</b>		17,357	16,829	3,156	929
<b>Net assets</b>		38,032	39,989	18,267	16,446
<b>Equity attributable to owners of the Company</b>					
Share capital	22	31,351	31,351	31,351	31,351
Revaluation reserve		2,802	2,802	–	–
Legal reserve		1,280	1,207	–	–
Translation reserve		(4,290)	(4,426)	–	–
Other reserve		(71)	(71)	–	–
Accumulated profits/(losses)		6,287	8,428	(13,084)	(14,905)
		37,359	39,291	18,267	16,446
<b>Non-controlling interests</b>		673	698	–	–
<b>Total equity</b>		38,032	39,989	18,267	16,446

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

# Statement of CHANGES IN EQUITY

2015 Group	Share capital \$'000	Legal reserve \$'000	Translation reserve \$'000	Revaluation Reserve \$'000	Other reserve \$'000	Accumulated profits/ (losses) \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 April 2014</b>	31,351	1,207	(4,426)	2,802	(71)	8,428	39,291	698	39,989
<u>Other comprehensive income</u>	-	-	-	-	-	(2,135)	(2,135)	19	(2,116)
Loss for the year	-	-	-	-	-	-	-	-	-
Transfer from legal reserve	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	67	136	-	-	-	203	(29)	174
<b>Total comprehensive income for the financial year</b>	-	67	136	-	-	(2,135)	(1,932)	(10)	(1,942)
<u>Contributions by and distributions to owners</u>	-	6	-	-	-	(6)	-	-	-
Transfer from accumulated profits to legal reserve	-	-	-	-	-	-	-	(15)	(15)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	-	6	-	-	-	(6)	-	(15)	(15)
<b>Balance at 31 March 2015</b>	31,351	1,280	(4,290)	2,802	(71)	6,287	37,359	673	38,032

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

# Statement of CHANGES IN EQUITY

## Attributable to owners of the Company

2014 Group	Share capital \$'000	Legal reserve \$'000	Translation reserve \$'000	Revaluation Reserve \$'000	Other reserve \$'000	Accumulated profits/ (losses) \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 April 2013</b>	31,351	1,206	(3,882)	75	(71)	17,556	46,235	724	46,959
<u>Other comprehensive income</u>									
Loss for the year						(9,118)	(9,118)	(17)	(9,135)
Share of gain on property revaluation of associated company				2,727			2,727		2,727
Transfer from legal reserve		(9)					(9)		(9)
Foreign currency translation			(544)				(544)	6	(538)
<b>Total comprehensive income for the financial year</b>		(9)	(544)	2,727		(9,118)	(6,944)	(11)	(6,955)
<u>Contributions by and distributions to owners</u>									
Transfer from accumulated profits to legal reserve		10				(10)			
Dividends paid to non-controlling shareholders								(15)	(15)
<b>Total contributions by and distributions to owners</b>		10				(10)		(15)	(15)
<b>Balance at 31 March 2014</b>	31,351	1,207	(4,426)	2,802	(71)	8,428	39,291	698	39,989

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



# Statement of CHANGES IN EQUITY

Statements of Changes in Equity For the financial year ended 31 March 2015

Company	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>2015</b>			
<b>Balance at 1 April 2014</b>	31,351	(14,905)	16,446
Profit for the year	–	1,821	1,821
Total comprehensive income	–	1,821	1,821
<b>Balance at 31 March 2015</b>	31,351	(13,084)	18,267
<b>2014</b>			
<b>Balance at 1 April 2013</b>	31,351	(7,193)	24,158
Loss for the year	–	(7,712)	(7,712)
Total comprehensive income	–	(7,712)	(7,712)
<b>Balance at 31 March 2014</b>	31,351	(14,905)	16,446

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

# Consolidated CASH FLOW STATEMENT

	Note	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
Loss before income tax		(1,362)	(9,149)
Adjustments for:			
Share of results of associated company		1,384	792
Depreciation of property, plant and equipment	17	2,206	2,846
Dividend income from quoted investments	5	□	(47)
Finance costs	7	309	257
Allowance for inventory obsolescence	11	160	741
Write-back of allowance for inventory obsolescence	11	(793)	(2)
(Gain)/loss on disposal of property, plant and equipment	5	(62)	66
Changes in fair value of quoted investments		□	103
Gain on disposal of quoted investments		□	(24)
Interest income	6	(8)	(7)
Unrealised foreign exchange loss		27	2
Write-back of reinstatement cost		(47)	□
Impairment loss on property, plant and equipment	17	□	683
Write-off of property, plant and equipment	17	72	1,721
		<hr/>	<hr/>
<b>Operating cash flow before working capital changes</b>		1,886	(2,018)
<b>Changes in working capital:</b>			
Decrease in inventories		5,039	2,143
(Increase)/decrease in trade and other receivables		(1,970)	1,541
Decrease in other current assets and prepayments		82	268
Decrease in trade and other payables		(2,551)	(3,425)
		<hr/>	<hr/>
<b>Net cash from/(used in) operations</b>		2,486	(1,491)
Income tax paid		(556)	(137)
Interest received	6	8	7
Interest paid	7	(309)	(257)
		<hr/>	<hr/>
<b>Net cash from/(used in) operating activities</b>		1,629	(1,878)
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Dividend received		398	445
Purchase of property, plant and equipment	17	(1,773)	(2,650)
Proceeds from disposal of quoted investments		□	2,212
Proceeds from disposal of property, plant and equipment		269	□
		<hr/>	<hr/>
<b>Net cash (used in)/from investing activities</b>		(1,106)	7
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Repayment of bank borrowings		(109)	(140)
Proceeds from bank borrowings		2,312	5,247
Repayment of finance lease liabilities		(172)	(76)
Net repayments from bills payable		(724)	(2,640)
Increase in restricted bank deposits	14	(494)	(429)
Dividend paid to a non-controlling shareholder of a subsidiary		(15)	(15)
		<hr/>	<hr/>
<b>Net cash from financing activities</b>		798	1,947
		<hr/>	<hr/>
Net increase in cash and cash equivalents		1,321	76
Cash and cash equivalents at the beginning of the financial year		1,719	1,774
Effects of exchange rate changes on cash and cash equivalents		56	(131)
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	14	3,096	1,719

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

# Notes to the Financial STATEMENTS

## 1. General

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

The registered office and principal place of business of the Company is located at 10 Changi South Lane #07-01 Ossia Building, Singapore 486162.

The principal activities of the Company are the marketing and distribution of sporting goods, golf equipment, footwear accessories and apparel, and investment holding. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

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

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

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

### 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.

### 2.3 Standard issued but not yet effective

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

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

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

Except for FRS 115 and 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 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.

## 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.

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

### 2.4 Basis of consolidation (cont'd)

#### Business combinations prior to 1 January 2010

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

- Acquisition of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the owners of the Company.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying values of such investments as at 1 January 2010 have not been restated.

### 2.5 Transactions with non-controlling interests

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

### 2.6 Foreign currency

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

#### (a) Transactions and balances

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

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

#### (b) Consolidated financial statements

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

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. Summary of significant accounting policies (cont'd)

### 2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.21. 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.

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

Leasehold land	- Over the remaining lease period of 68 years
Building	- 50 years
Computer equipment	- 3-5 years
Motor vehicles	- 3-5 years
Furniture, fixtures, fittings and renovations	- 2-10 years
Plant, machinery and office equipment	- 3-10 years

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

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

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

### 2.8 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 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 three to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third or 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. Summary of significant accounting policies (cont'd)

### 2.9 Subsidiaries

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

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

### 2.10 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associate are accounted for using the equity method. Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of its associate is shown on the face of profit or loss after tax and non-controlling interests in the subsidiaries of associate.

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

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

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

### 2.11 Financial instruments

#### (a) Financial assets

##### Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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

### 2.11 Financial instruments (cont'd)

#### (a) Financial assets (cont'd)

##### Subsequent measurement

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

##### (i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are derivatives (including separated embedded derivatives) or if they are acquired principally for the purpose of selling or repurchasing it in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

##### (ii) 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 profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- cash and bank balances;
- trade and other receivables, including amounts due from subsidiaries, and related parties and companies; and
- deposits (current and non-current), sundry debtors and amount due from the non-controlling shareholder of a subsidiary.

##### De-recognition

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

##### 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)

### 2.11 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. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### De-recognition

A financial liability is derecognised when the obligation under the liability is 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.

### 2.12 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 incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

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

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

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



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

### 2.13 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.

### 2.14 Inventories

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

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

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

### 2.15 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 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.

### 2.17 Financial guarantee

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

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

### 2.18 Employee benefits

#### (a) Defined contribution plan

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

#### (b) Employee leave entitlement

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

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

### 2.19 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment 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.

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.

#### **As lessor**

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22.

### 2.20 Interest bearing loans and borrowings

All loans and borrowings are initially recognised at 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 rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. The accounting policy for this category of financial liabilities is stated in Note 2.11(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. Summary of significant accounting policies (cont'd)

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

(b) **Rental income**

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

(c) **Dividend income**

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

(d) **Interest income**

Interest income is recognised using effective interest method.

### 2.23 Taxes

(a) **Current income tax**

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

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

(b) **Deferred tax**

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

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

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

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

### 2.23 Taxes (cont'd)

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

- 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 assets to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

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

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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

#### (c) **Sales tax**

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

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

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. Summary of significant accounting policies (cont'd)

### 2.24 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.

### 2.25 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 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.26 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

### 2.27 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.



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

### 2.27 Related parties (cont'd)

- (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).

## 3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. 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.

### 3.1 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 judgement 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 was made. The carrying amount of the Group's income tax payables at 31 March 2015 was \$80,000 (2014: \$36,000). The carrying amount of deferred tax assets and liabilities are disclosed in Note 18.

#### (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 68 years. Changes in the expected level of usage could impact the economic useful lives, therefore future depreciation charges could be revised. The carry amount of the Group's property, plant and equipment at balance sheet date is disclosed in Note 17 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 and associated company are impaired requires an estimation of the value -in-use of the asset or 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 and associated company at balance sheet date are disclosed in Notes 17, 16 and 15 respectively.

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

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

##### (d) Impairment of loans and receivables

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

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

##### (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 \$13,374,000 (2014: \$17,778,000) and \$Nil (2014: \$4,016,000), respectively.

### 4. Revenue

	Group	
	2015 \$:000	2014 \$:000
Sale of apparels, sporting goods, footwear and accessories	47,728	55,458

### 5. Other income

	Group	
	2015 \$:000	2014 \$:000
Rental income		
- Third parties	81	1,702
- Related parties	18	356
Dividend income from quoted investments	□	47
Dividend income from associate	398	398
Gain/(loss) on disposal of property, plant and equipment	62	(66)
Gain on disposal of quoted investments	□	24
Miscellaneous income	612	868
	1,171	3,329

Included in miscellaneous income are government grant and other income.

**6. Interest income**

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
Interest income from:		
- Fixed deposits	8	7

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**7. Finance costs**

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
Finance costs on bank loans, bills payable, bank overdrafts and finance lease liabilities	309	257

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**8. Loss before income tax**

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

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
Auditor's remuneration		
- Auditors of the Company	84	84
- Other auditors	63	45
Non-audit fee		
- Other auditors	□	19
Depreciation of property, plant and equipment (Note 17)	2,206	2,846
Net foreign exchange loss	65	151
Allowance for doubtful debts (Note 12)	2	38
Write-back of allowance for doubtful debts (Note 12)	(42)	□
Rental expense:		
- Operating lease rentals	6,575	11,865
- Contingent lease rentals	178	733
Staff costs:		
- Wages and salaries	7,672	12,500
- Contribution to defined contribution plans	724	1,137
- Other related costs	678	1,194
Write-back of reinstatement cost	(47)	□
Write-off of property, plant and equipment (Note 17)	72	1,721
Impairment loss on property, plant and equipment (Note 17)	□	683
Inventories recognised as an expense in cost of sales (Note 11)	24,104	27,410
Allowance for inventory obsolescence (Note 11)	160	741
Write-back of allowance for inventory obsolescence (Note 11)	(793)	(2)

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## 9. Income tax

### (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:

	Group	
	2015	2014
	\$'000	\$'000
<b>Consolidated statement of comprehensive income</b>		
Current income tax		
- Current income taxation	301	112
- Under/(over) provision in respect of previous years	12	(33)
	<hr/>	<hr/>
	313	79
	<hr/>	<hr/>
Deferred income tax (Note 18)		
- Origination and reversal of temporary differences	16	(234)
- Under provision in respect of previous years	138	104
	<hr/>	<hr/>
	154	(130)
	<hr/>	<hr/>
Withholding tax	287	37
	<hr/>	<hr/>
	287	37
	<hr/>	<hr/>
Income tax expense/(credit) recognised in the profit or loss	754	(14)

## 9. Income tax (cont d)

### (b) Relationship between tax expense and accounting profit

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

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	\$:000	\$:000
Loss before income tax	(1,362)	(9,149)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(52)	(1,653)
Non-deductible expenses	35	1,546
Deferred tax assets not recognised	136	728
Share of results of associated company	235	(135)
Income not subject to taxation	(86)	(678)
Withholding tax	287	37
Under provision in respect of previous years	149	71
Others	50	70
Income tax expense/(credit) recognised in profit or loss	754	(14)

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

## 10. Loss per share

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

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

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

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	\$:000	\$:000
Loss net of tax attributable to owners of the Company used in the computation of basic and diluted earnings per share	(2,135)	(9,118)
	No of shares :000	No of shares :000
Weighted average number of ordinary shares in issue for basic and diluted earnings per share computation	252,629	252,629

There were no dilutive potential ordinary shares as at 31 March 2015 and 2014.



## 11. Inventories

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Balance sheet:</b>				
Finished goods	14,372	19,382	51	4,342
Less: Allowance for inventory obsolescence	(998)	(1,604)	(51)	(326)
	13,374	17,778	□	4,016

	Group	
	2015 \$'000	2014 \$'000
<b>Consolidated statement of comprehensive income:</b>		
Inventories recognised as an expense in cost of sales	24,104	27,410
Inclusive of the following charge:		
- Allowance for inventory obsolescence	160	741
- Write-back of allowance for inventory obsolescence	(793)	(2)

## 12. Trade and other receivables

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade receivables from external parties (i)	4,168	4,872	□	310
Less: Allowance for doubtful debts	(26)	(144)	□	□
	4,142	4,728	□	310
Trade receivables from related parties (ii)	3,567	157	1,894	90
Trade receivables from subsidiaries (iii)	□	□	2,335	674
Non-trade receivables from subsidiaries (iii)	□	□	□	407
Trade and other receivables	7,709	4,885	4,229	1,481

- (i) 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.
- (ii) Trade receivables due from related parties are unsecured, non-interest bearing and repayable in cash upon demand.
- (iii) The balances due from subsidiaries are unsecured and non-interest bearing, except for an amount of \$Nil (2014: \$230,000) which carries interest at Nil (2014: 5.5%) per annum. Trade receivables are generally on 30 to 90 days terms and non-trade receivables are repayable in cash upon demand.

## 12. Trade and other receivables (cont'd)

### Receivables that are past due but not impaired

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

	Group		Company	
	2015 \$:000	2014 \$:000	2015 \$:000	2014 \$:000
Trade receivables past due but not impaired:				
Less than 30 days	191	272	-	184
30 to 60 days	130	354	87	122
61 to 90 days	135	189	-	71
91 to 120 days	51	172	-	17
More than 120 days	3,433	515	1,786	6
	<hr/>			
	3,940	1,502	1,873	400
	<hr/>			

### Receivables that are impaired

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

	Group	
	2015 \$:000	2014 \$:000
Trade receivables □ nominal amounts	216	144
Less: Allowance for impairment	(26)	(144)
	<hr/>	
	190	□
	<hr/>	
Movement in allowance accounts:		
At 1 April	144	117
Charge for the year	2	38
Written off against allowance	(81)	(9)
Written back against allowance	(42)	□
Exchange differences	3	(2)
	<hr/>	
At 31 March	26	144
	<hr/>	

Trade and other 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 \$:000	2014 \$:000	2015 \$:000	2014 \$:000
Australian Dollar	□	16	□	□
United States Dollars	51	43	□	□
Japanese Yen	□	25	□	25
	<hr/>			

13. Other current assets

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Financial assets</b>				
Deposits	1,531	1,692	7	177
Sundry debtors	161	1,612	12	72
Due from a director	189	–	189	–
Advances to principals	–	378	–	378
	1,881	3,682	208	627
Less: Allowance for doubtful debts (sundry debtors)	–	(1,070)	–	–
	1,881	2,612	208	627
<b>Non-financial assets</b>				
Tax recoverable	171	295	1	5
Movement in allowance accounts:				
At 1 April	1,070	1,163	–	127
Written off during the year	(1,070)	(127)	–	(127)
Exchange differences	–	34	–	–
At 31 March	–	1,070	–	–

Amount due from director relates to proceeds receivable from the sale of motor vehicle and is unsecured, non-interest bearing and with no repayment terms. The amount was fully settled subsequent to the financial year-end.

Other current assets 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 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Chinese Renminbi	1	5	–	–
United States Dollars	23	441	–	407

#### 14. Cash and bank balances

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

	Group		Company	
	2015 \$:000	2014 \$:000	2015 \$:000	2014 \$:000
Cash at banks and on hand	3,478	3,117	182	128
Fixed deposits - restricted	1,527	1,033	□	□
Cash and bank balances	5,005	4,150	182	128
Less:				
Bank overdrafts (Note 21)	(382)	(1,398)	(237)	(1,224)
Fixed deposits - restricted	(1,527)	(1,033)	□	□
Cash and cash equivalents	3,096	1,719	(55)	(1,096)

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. The fixed deposits with financial institutions mature on varying dates within 1 month to 12 months (2014: 1 month to 9 months) from the financial year end. The interest rate of the fixed deposits as at 31 March 2015 ranges from 1.89% to 3.30% (2014: 0.95% to 3.00%) per annum.

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 \$:000	2014 \$:000	2015 \$:000	2014 \$:000
Euro	1	3	□	3
United States Dollars	5	4	□	□
Korean Won	15	14	□	□

#### 15. Investment in associated company

	Group		Company	
	2015 \$:000	2014 \$:000	2015 \$:000	2014 \$:000
Unquoted shares, at cost	13,252	13,252	13,252	13,252
Share of post acquisition reserves	5,817	7,792	□	□
	19,069	21,044	13,252	13,252

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

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

	Group	
	2015 \$'000	2014 \$'000
Revenue reserve	3,770	5,551
Translation reserve	(755)	(561)
Revaluation reserve	2,802	2,802
	5,817	7,792
	5,817	7,792

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

	Group	
	2015 \$'000	2014 \$'000
<b>Assets and liabilities:</b>		
Current assets	45	638
Non-current assets	48,433	52,416
Total assets	48,478	53,054
	48,478	53,054
Current liabilities	141	146
Non-current liabilities	33,000	33,000
Total liabilities	33,141	33,146
	33,141	33,146
<b>Results:</b>		
Revenue	-	-
Loss for the year	(3,460)	(1,979)
	(3,460)	(1,979)

The following information relates to the associated company:

Name	Principal activities	Country of incorporation and place of business	Effective interest held by the Group		Cost of Investment	
			2015	2014	2015	2014
			%	%	\$'000	\$'000
<b>Held by the Company</b>						
Harvey Norman Ossia (Asia) Pte Ltd <sup>(1)</sup>	Investment holding	Singapore	40.0	40.0	13,252	13,252
					13,252	13,252
<b>Held by associated company</b>						
Pertama Holdings Limited <sup>(1)</sup>	Investment holding	Singapore	19.8	19.8		

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore.

16. Investment in subsidiaries

	Company	
	2015 \$:000	2014 \$:000
Unquoted shares, at cost	4,682	4,682
Less: Impairment loss	(3,019)	(2,956)
	1,663	1,726
	1,663	1,726

The Company has the following subsidiaries as at 31 March 2015 and 31 March 2014:

Name	Principal activities	Country of incorporation and place of business	Effective interest held by the Group		Company's cost of investment	
			2015 %	2014 %	2015 \$:000	2014 \$:000
<b>Held by the Company</b>						
Alstyle Marketing Sdn. Bhd. <sup>(3)</sup>	Designing and distribution of fashion wear and accessories and investment holding	Malaysia	100.0	100.0	282	282
Ossia World of Golf (M) Sdn. Bhd. <sup>(3)</sup>	Importation and distribution of sports equipment, apparel and accessories	Malaysia	100.0	100.0	1,080	1,080
Ossia Company Limited (HK) <sup>(4)</sup>	Distribution of sporting equipment, accessories, apparel and footwear	Hong Kong	85.0	85.0	569	569
Great Alps Industry Co., Ltd <sup>(1)</sup>	Distribution of bags, sporting goods, apparel and accessories	Taiwan	100.0	100.0	677	677
Pacific Leisure (Australia) Pty Ltd <sup>(5)</sup>	Dormant	Australia	100.0	100	645	645
W.O.G. World of Golf Pte Ltd <sup>(5)</sup>	Dormant	Singapore	100.0	100.0	1,429	1,429
					4,682	4,682
					4,682	4,682



17. Investment in subsidiaries (cont'd)

Name	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2015 %	2014 %
<b>Held by subsidiaries</b>				
Alstyle International (M) Sdn. Bhd. <sup>(3)</sup>	Designing, marketing and distribution of fashion wear and accessories	Malaysia	100.0	100.0
Alstyle Fashion Sdn. Bhd. <sup>(3)</sup>	Marketing and distribution of fashion and sports apparel and accessories	Malaysia	100.0	100.0
Alstyle International Resources Sdn Bhd. <sup>(3)</sup>	Wholesaler, retailer of apparels and others	Malaysia	61.0	61.0
Ossia Marketing Sdn. Bhd. <sup>(2)</sup>	Dormant	Malaysia	100.0	100.0
U.S.U.S. Marketing Sdn. Bhd. <sup>(2)</sup>	Dormant	Malaysia	100.0	100.0
O.F. Marketing Sdn. Bhd. <sup>(2)</sup>	Dormant	Malaysia	100.0	100.0
O.F. Active Sdn. Bhd. <sup>(2)</sup>	Dormant	Malaysia	100.0	100.0

Name	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			2015 %	2014 %
Decorion Sdn. Bhd. <sup>(2)</sup>	Investment holding	Malaysia	100.0	100.0

(1) Audited by member firms of Ernst & Young Global in Taiwan.

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

(3) Audited by TKNP International, CPA, Malaysia.

(4) Audited by FCC and Partners CPA Limited, Hong Kong.

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

**Impairment of investment in subsidiaries**

During the year, an allowance for impairment loss amounting to \$63,000 (2014: \$792,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of the investments to the recoverable amounts, taking into account the financial conditions of the subsidiaries.

**17. Property, plant and equipment**

Group	Leasehold	Computer	Furniture, fixtures,	Motor vehicles	Plant,	Total
	land and building	equipment	renovations and	equipment	machinery	
	\$,000	\$,000	\$,000	\$,000	and office	\$,000
					equipment	
<b>Cost</b>						
At 1 April 2013	1,903	2,116	15,548	820	1,321	21,708
Additions	□	592	2,108	□	40	2,740
Disposals	□	□	(79)	□	(28)	(107)
Write-offs	□	(104)	(2,762)	(36)	(65)	(2,967)
Reclassification	□	(417)	417	□	□	□
Adjustment to cost	14	□	□	□	□	14
Exchange differences	(128)	(25)	(344)	(15)	(50)	(562)
At 31 March 2014 and 1 April 2014	1,789	2,162	14,888	769	1,218	20,826
Additions	□	33	1,857	13	5	1,908
Disposals	□	(4)	(61)	(341)	(23)	(429)
Write-offs	□	(4)	(1,757)	□	(111)	(1,872)
Reclassification	□	□	□	□	□	□
Adjustment to cost	□	□	□	□	□	□
Exchange differences	(57)	7	222	7	(15)	164
At 31 March 2015	1,732	2,194	15,149	448	1,074	20,597

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

Group	Leasehold landbuilding \$'000	Computer equipment \$'000	Furniture, fixtures, fittings and renovations \$'000	Motor vehicles \$'000	Plant, machinery and office equipment \$'000	Total \$'000
<b>Accumulated depreciation and impairment loss</b>						
At 1 April 2013	152	1,504	11,324	348	1,090	14,418
Depreciation charge for the period	30	237	2,386	117	76	2,846
Disposals	□	□	(14)	□	(27)	(41)
Write-offs	□	(12)	(1,162)	(25)	(47)	(1,246)
Impairment loss	□	3	665	□	15	683
Exchange differences	(20)	(23)	(245)	(9)	(40)	(337)
At 31 March 2014 and 1 April 2014	162	1,709	12,954	431	1,067	16,323
Depreciation charge for the year	29	227	1,808	98	44	2,206
Disposals	□	(4)	(15)	(184)	(19)	(222)
Write-offs	□	(4)	(1,694)	□	(102)	(1,800)
Impairment loss	□	□	□	□	□	□
Adjustment to cost	□	□	□	□	□	□
Exchange differences	(7)	3	205	4	(12)	193
At 31 March 2015	184	1,931	13,258	349	978	16,700
<b>Net carrying amount</b>						
At 31 March 2015	1,548	263	1,891	99	96	3,897
At 31 March 2014	1,721	453	1,840	338	151	4,503

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

Company	Computer equipment \$'000	Furniture, fixtures, fittings and renovations \$'000	Motor vehicles \$'000	Plant, machinery and office equipment \$'000	Total \$'000
<b>Cost</b>					
At 1 April 2013	1,467	5,147	390	113	7,117
Additions	531	366	□	□	897
Write-offs	(7)	(2,502)	□	(32)	(2,541)
Reclassification	(417)	417	□	□	□
At 31 March 2014 and 1 April 2014	1,574	3,428	390	81	5,473
Additions	□	135	□	□	135
Write-offs	(4)	(902)	□	(29)	(935)
Disposals	□	□	(262)	□	(262)
At 31 March 2015	1,570	2,661	128	52	4,411
<b>Accumulated depreciation and impairment loss</b>					
At 1 April 2013	1,018	2,874	96	66	4,054
Depreciation charge for the year	164	698	62	13	937
Impairment loss	3	666	□	14	683
Write-offs	(3)	(835)	□	(14)	(852)
At 31 March 2014 and 1 April 2014	1,182	3,403	158	79	4,822
Depreciation charge for the year	159	146	61	1	367
Write-offs	(4)	(895)	□	(29)	(928)
Disposals	□	□	(113)	□	(113)
At 31 March 2015	1,337	2,654	106	51	4,148
<b>Net carrying amount</b>					
At 31 March 2015	233	7	22	1	263
At 31 March 2014	392	25	232	2	651

## 17. Property, plant and equipment (cont'd)

### Assets held under finance leases

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$Nil (2014: \$Nil) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to \$1,773,000 (2014: \$2,650,000).

The carrying amount of property, plant and equipment held under finance leases at the end of the reporting period was \$22,000 (2014: \$283,000).

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

As at 31 March 2015, the leasehold land and building of the Group consist of the following:

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

### Impairment of property, plant and equipment

During the year, the Group carried out a review of the recoverable amount of its furniture, fixtures, fittings and renovations because certain retail outlets had been persistently making losses. An impairment loss of \$Nil (2014: \$683,000), representing the write-down of relevant assets to the recoverable amount was recognised in "Distribution costs" line item of profit or loss. The recoverable amount was determined based on the expected profitability of the relevant retail outlets over the remaining lease term.

## 18. Deferred tax assets

Deferred tax as at 31 March relates to the following:

	Group			
	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2015 \$:000	2014 \$:000	2015 \$:000	2014 \$:000
<b>Deferred tax liabilities</b>				
Accelerated tax depreciation	□	□	□	(7)
	□	□		
<b>Deferred tax assets</b>				
Provisions and accruals	(200)	(256)	56	(70)
Unutilised tax loss	(28)	(54)	26	(33)
Other items	31	(40)	72	(20)
	(197)	(350)		
<b>Deferred tax expenses (Note 9)</b>			154	(130)

At the end of the reporting period, the Group had unabsorbed tax losses and other temporary differences, and capital allowances of approximately \$25,015,000 (2014: \$18,212,000) and \$1,183,000 (2014: \$1,727,000) respectively, which are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses 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 Group operates.

## 19. Trade and other payables

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade payables - external parties	2,287	2,763	56	585
Trade payables - related party	393	1,160	□	710
Sundry creditors	986	841	484	448
Deposits received	349	766	51	464
Accrued operating expenses	1,951	2,664	614	828
Deferred income	□	197	□	197
	5,966	8,391	1,205	3,232

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

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

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

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
United States Dollars	495	598	25	301
Euro	63	215	18	207
Japanese Yen	□	37	□	32
Malaysian Ringgit	12	16	12	16

## 20. Bills payable

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Bills payable	42	766	□	727

The bills payable carry interest at rates ranging from Nil (2014: 2.00% to 8.35%) per annum and are repayable within 3 months (2014: 1 month to 6 months) from the financial year end.

Bills payable are secured by corporate guarantees from the Company and personal guarantee from a director and a non-controlling shareholder of a subsidiary amounting to approximately \$133,000 (2014: \$122,000).

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 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
United States Dollars	–	313	–	313
Euro	–	335	–	335
Japanese Yen	42	79	–	79



## 21. Borrowings

	Maturity	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Current</b>					
Bank overdrafts unsecured (Note 14)	On demand	382	1,398	237	1,224
Bank loans	2016	4,602	2,512	□	□
Finance lease liabilities (Note 25(b))	2016	45	68	45	50
		<u>5,029</u>	<u>3,978</u>	<u>282</u>	<u>1,274</u>
<b>Non-current</b>					
Bank loans	2017 - 2033	2,421	2,610	□	□
Finance lease liabilities (Note 25(b))	2017	67	127	67	112
		<u>2,488</u>	<u>2,737</u>	<u>67</u>	<u>112</u>

### Bank Loans

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

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

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
Bank overdrafts	7.68	6.65	6.75	4.96
Bank loans	3.41	3.21	□	□
Finance lease liabilities	2.25	2.77	0.94	1.84

The carrying amount of the finance lease liabilities is not significantly different from the fair value.

## 22. Share capital

	Group and Company			
	2015 No. of shares '000	2014 No. of shares '000	2015 \$'000	2014 \$'000
Issued and fully paid ordinary shares				
At the beginning and end of the year	252,629	252,629	31,351	31,351

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

## 23. Reserves

- Revaluation reserve represents the Group's share of revaluation reserve of associated company.
- Legal reserve represents amount set aside in compliance with local laws in certain countries where the Group operates, and are not distributable unless approval is obtained from relevant authorities.
- Translation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.
- Other reserve relates to the premium paid on acquisition of non-controlling interests in a subsidiary (Note 16).

## 24. Contingent liabilities

Details and estimate of the maximum amount of contingent liabilities at the end of the reporting period are as follows:

### Guarantees

	Group		Company	
	2015 \$:000	2014 \$:000	2015 \$:000	2014 \$:000
Guarantees issued to banks for banking facilities granted to certain subsidiaries (Note 21)	□	□	7,210	5,368

No material losses under these guarantees are expected.

## 25. Lease commitments

### (a) Operating lease commitments

#### As lessee

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

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

	Group		Company	
	2015 \$:000	2014 \$:000	2015 \$:000	2014 \$:000
Not later than 1 year	5,794	8,041	760	3,053
Later than 1 year but not later than 5 years	4,535	8,582	840	2,753
	10,329	16,623	1,600	5,806

Minimum lease payments recognised in profit or loss for the Group and the Company for the financial year ended 31 March 2015 are shown in Note 8.

25. **Lease commitments (cont'd)**

(a) **Operating lease commitments (cont'd)**

**As lessor**

In previous financial years, the Group entered into sub-lease agreements on a leasehold land and office building. These non-cancellable leases had a remaining lease terms of not more than 1 year. Future minimum lease rental receivable under the non-cancellable operating leases at the end of the reporting period are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b> \$'000	<b>2014</b> \$'000	<b>2015</b> \$'000	<b>2014</b> \$'000
Not later than 1 year	□	111	□	111
	□	111	□	111

(b) **Finance lease commitments**

The Group has entered into finance leases for certain items of plant and equipment and motor vehicles. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments at the end of the reporting period are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b> \$'000	<b>2014</b> \$'000	<b>2015</b> \$'000	<b>2014</b> \$'000
Not later than 1 year	49	74	49	54
Later than 1 year but not later than 5 years	73	137	73	122
More than 5 years	□	□	□	□
Total minimum lease payments	122	211	122	176
Less: Amounts representing finance charges	(10)	(16)	(10)	(14)
Present value of minimum lease payments	112	195	112	162

The present value of finance lease liabilities is as follows:

Current (Note 22)	45	68	45	50
Non-current (Note 22)	67	127	67	112
	112	195	112	162

The liabilities are secured on the relevant assets acquired under the lease agreements (Note 17).

**26. Related party transactions**

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

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

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
<b>Income</b>		
Sale of goods to related parties	5,816	2,001
Rental income from related parties	815	335
Service facility income from related parties	□	25
Sale of property, plant and equipment to a related party	91	□
Sale of motor vehicle to a director	177	□
Service income from a company of which a director of a subsidiary of Ossia International Limited is also a director	7	□
Recharge income from related parties	689	681
<b>Expense</b>		
Purchases of goods from related parties	25	198
Recharge expenses paid to related parties	196	324

Related parties

These are subsidiaries of VGO Corporation Limited and its subsidiaries.

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

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
Short-term employee benefits	1,330	1,957
Central Provident Fund contributions	60	89
Other short-term benefits	□	26
	<hr/> 1,390	<hr/> 2,072
<i>Comprise amounts paid to:</i>		
Directors of the Company	1,390	1,185
Other key management personnel	□	887
	<hr/> 1,390	<hr/> 2,072

## 27. Financial risk management objectives and policies

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

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

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

### (a) Foreign currency risk

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

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances at the end of the reporting period are disclosed in Note 14.

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

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) before tax to a reasonably possible change in the USD exchange rate against the respective functional currency 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
USD/MYR		
- strengthened 3% (2014: 3%)	(11)	(13)
- weakened 3% (2014: 3%)	11	13

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

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from bills payable and borrowings. The Group does not use derivative financial instruments to hedge its exposure to interest rate fluctuations. However, it is the Group's policy to obtain the most favourable interest rates available wherever the Group obtains additional financing through bank borrowings. The Group has cash balances placed with reputable banks which generate interest income for the Group. The Group manages its interest rate risks by placing such balances of varying maturities and interest rate terms.

Sensitivity analysis for interest rate risk

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

	<b>Group</b>	
	<b>Basis points (Higher/Lower)</b>	<b>Effect on profit, net of tax (Higher/Lower) \$:000</b>
<b>31.3.2015</b>		
MYR	75	17
USD	75	□
EUR	75	□
SGD	75	1
NTD	75	28
<hr/>		
<b>31.3.2014</b>		
MYR	75	45
USD	75	2
EUR	75	2
SGD	75	7
NTD	75	□
<hr/>		



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

### (c) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should an external party default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. At the end of the reporting period, the Group's and Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets and the nominal amount of corporate guarantees provided by the Company to banks (Note 24).

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

#### Credit risk concentration profile

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

	Group			
	2015		2014	
	\$'000	% to total	\$'000	% to total
Singapore	1,894	24%	414	8%
Taiwan	2,924	38%	2,270	45%
Hong Kong	1,091	14%	1,352	26%
Australia	□	□	16	3%
Malaysia	1,826	24%	977	18%
	7,735	100%	5,029	100%

### (d) **Liquidity risk**

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

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

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

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted payments.

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

(d) Liquidity risk (cont'd)

Group	2015 \$:000				2014 \$:000			
	One year or less	One to five years	Five years and above	Total	One year or less	One to five years	Five years and above	Total
<b>Financial assets</b>								
Cash and bank balances	5,005	□	□	5,005	4,150	□	□	4,150
Trade and other receivables	7,709	□	□	7,709	4,885	□	□	4,885
Other current assets	1,881	□	□	1,881	2,234	□	□	2,234
Total undiscounted financial assets	14,595	□	□	14,595	11,269	□	□	11,269
<b>Financial liabilities</b>								
Trade and other payables	5,966	□	□	5,966	8,391	□	□	8,391
Other liabilities	□	□	□	□	134	□	□	134
Bills payable	42	□	□	42	766	□	□	766
Borrowings	5,029	568	3,352	8,949	3,978	1,224	1,522	6,724
Total undiscounted financial liabilities	11,037	568	3,352	14,957	13,269	1,224	1,522	16,015
Total net undiscounted financial assets/ (liabilities)	3,558	(568)	(3,352)	(362)	(2,000)	(1,224)	(1,522)	(4,746)

Company	2015 \$:000			2014 \$:000		
	One year or less	One to five years	Total	One year or less	One to five years	Total
<b>Financial assets</b>						
Cash and bank balances	182	□	182	128	□	128
Trade and other receivables	4,229	□	4,229	1,481	□	1,481
Other current assets	208	□	208	249	□	249
Total undiscounted financial assets	4,619	□	4,619	1,858	□	1,858
<b>Financial liabilities</b>						
Trade and other payables	1,205	□	1,205	3,232	□	3,232
Other liabilities	□	□	□	134	□	134
Bills payable	□	□	□	727	□	727
Bank Borrowings	282	73	355	1,224	122	1,346
Total undiscounted financial liabilities	1,487	73	1,560	5,317	122	5,439
Total net undiscounted financial assets/(liabilities)	3,132	(73)	3,059	(3,459)	(122)	(3,581)

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

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

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

	2015 \$'000				2014 \$'000			
	One year or less	One to five Years	Five years and above	Total	One year or less	One to five years	Five years and above	Total
<b>Company</b>								
Corporate guarantee	4,789	402	2,019	7,210	2,743	1,103	1,522	5,368

(e) **Market price risk**

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group does not have exposure to equity price risk and commodity price risk.

The Group's objective is to manage investment returns and equity price risk through investment grade shares with steady dividend yield.

29. **Fair value of financial instruments**

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

**Methods and assumptions used to determine fair values**

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Financial instruments whose carrying amounts are reasonable approximation of fair value**

Management has determined that the carrying amounts of cash and cash equivalents (Note 14), trade and other receivables (Note 12), other current assets (Note 13), trade and other payables (Note 19), bills payable (Note 20) and borrowings (Note 21) at the end of the reporting period, based on their notional amounts, are reasonable approximations of their fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

There are no significant differences between the fair values and the carrying amounts of deposits (non-current), finance lease liabilities and non-current borrowings.

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

**Categories of financial assets and financial liabilities**

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

	<b>Group</b>		<b>Company</b>	
	<b>2015</b> \$'000	<b>2014</b> \$'000	<b>2015</b> \$'000	<b>2014</b> \$'000
<b>Assets</b>				
Cash and bank balances (Note 14)	5,005	4,150	182	128
Trade and other receivables (Note 12)	7,709	4,885	4,229	1,481
Deposits (Note 13)	1,531	1,692	7	177
Other current assets (Note 13)	350	1,990	201	450
	<hr/>			
<b>Loans and receivables</b>	<b>14,595</b>	<b>12,717</b>	<b>4,619</b>	<b>2,236</b>
	<hr/> <hr/>			
<b>Liabilities</b>				
Trade and other payables (Note 19)	5,966	8,391	1,205	3,232
Bills payable (Note 20)	42	766	–	727
Borrowings (Note 21)	7,517	6,715	349	1,386
	<hr/>			
<b>Financial liabilities at amortised cost</b>	<b>13,525</b>	<b>15,872</b>	<b>1,554</b>	<b>5,345</b>
	<hr/> <hr/>			

## 29. Capital management

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

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2015 and 31 March 2014.

An overseas subsidiary in Taiwan appropriates 10% of its net profit after tax according to the subsidiary's Articles of Incorporation as legal reserve. Such appropriations are proposed by the directors for approval by shareholders in the next financial year and given effect in the financial statements of that year. The legal reserve shall be appropriated each year until the accumulated reserve equals the paid-up capital of the subsidiary. This reserve can only be used to offset losses of the subsidiary. When the reserve has reached 50% of the share capital of the subsidiary, up to 50% of the legal reserve may be capitalised. The reserve is not available for dividend distribution. This internally imposed capital requirement has been complied with by the abovementioned subsidiary for the financial year ended 31 March 2015 and 31 March 2014.

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

	Group	
	2015 \$'000	2014 \$'000
Trade and other payables (Note 19)	5,966	8,391
Bills payable (Note 20)	42	766
Borrowings (Note 21)	7,517	6,715
Less: Cash and bank balances (Note 14)	(5,005)	(4,150)
Net debt	8,520	11,722
Equity attributable to equity holders of the Company	37,359	39,291
Less: Legal reserve	(1,280)	(1,207)
Total capital	36,079	38,084
<b>Capital and net debt</b>	<b>44,599</b>	<b>49,806</b>
<b>Gearing ratio</b>	<b>19%</b>	<b>24%</b>

### 30. Segment information

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

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

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

31.3.2015	Singapore and Malaysia \$'000	Hong Kong \$'000	Taiwan \$'000	Adjustments and eliminations \$'000	Total Group \$'000
<b>Revenue:</b>					
External customers	22,024	4,007	21,697	□	47,728
<b>Results:</b>					
Interest income	7	□	8	(7) (a)	8
Dividend income	3,088	□	□	(3,088) (a)	□
Finance costs	(162)	□	(147)	□	(309)
Depreciation of property, plant and equipment	987	81	1,138	□	2,206
Share of results of associated company	□	□	□	(1,384) (a)	(1,384)
Other non-cash expenses	148	□	84	□ (b)	232
Segment (loss)/profit	2,493	(221)	1,716	(5,350) (a)	(1,362)
<b>Assets:</b>					
Investment in associated company	19,069	□	□	□	19,069
Additions to property, plant and equipment	441	4	1,328	□	1,773
Segment assets	35,760	3,755	15,165	(3,043) (c)	51,637
<b>Segment liabilities</b>	6,539	514	9,134	(2,582) (d)	13,605



30. Segment information (cont'd)

31.3.2014	Singapore and Malaysia \$'000	Hong Kong \$'000	Taiwan \$'000	Adjustments and eliminations \$'000	Total Group \$'000
<b>Revenue:</b>					
External customers	29,928	4,154	21,376	□	55,458
<b>Results:</b>					
Interest income	21	□	7	(21) (a)	7
Dividend income	398	□	□	(398) (a)	□
Finance costs	(227)	□	(48)	18 (a)	(257)
Depreciation of property, plant and equipment	1,783	88	975	□	2,846
Changes in fair value of quoted investments	(103)	□	□	□	(103)
Share of results of associated company	□	□	□	(792) (a)	(792)
Other non-cash expenses	2,899	133	113	□ (b)	3,145
Segment (loss)/profit	(8,741)	(317)	162	(253) (a)	(9,149)
<b>Assets:</b>					
Investment in associated company	21,044	□	□	□	21,044
Additions to property, plant and equipment	1,797	4	939	□	2,740
Segment assets	42,516	4,195	12,938	(3,618) (c)	56,031
<b>Segment liabilities</b>	11,178	589	6,515	(2,240) (d)	16,042

### 30. Segment information (cont.d)

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

	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
Dividend income from subsidiaries and associated company	(3,088)	(398)
Share of results of associated company	(1,384)	(792)
Inter-segment (income)/expense	(878)	937
	<hr/>	<hr/>
	(5,350)	(253)
	<hr/> <hr/>	<hr/> <hr/>

- (b) Other non-cash expenses consist of allowance for inventory obsolescence, impairment loss on property, plant and equipment and write-off of property, plant and equipment as presented in the respective notes to the financial statements.

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

	<b>2015</b>	<b>2014</b>
	\$'000	\$'000
Investment in subsidiaries	677	2,517
Other receivables from subsidiaries	2,366	1,101
	<hr/>	<hr/>
	3,043	3,618
	<hr/> <hr/>	<hr/> <hr/>

- (d) The amounts consist of intercompany payables which are eliminated on consolidation to arrive at the segment liabilities.

### 31. Authorisation of financial statements

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

# Statistics of SHAREHOLDINGS

As At 24 June 2015

## DISTRIBUTION OF SHAREHOLDINGS

<u>SIZE OF SHAREHOLDINGS</u>			<u>NO. OF SHAREHOLDERS</u>		<u>NO. OF SHARES</u>	
				%		%
1	-	99	38	1.21	1,937	0.00
100	-	1,000	890	28.38	837,023	0.33
1,001	-	10,000	1,545	49.27	6,715,614	2.66
10,001	-	1,000,000	646	20.60	33,706,194	13.34
1,000,001	AND	ABOVE	17	0.54	211,368,715	83.67
TOTAL			3,136	100.00	252,629,483	100.00

## TWENTY LARGEST SHAREHOLDERS

	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
1	OSSIA HOLDINGS PTE LTD	120,906,696	47.86
2	GOH CHING LAI	31,880,026	12.62
3	GOH CHING WAH	17,052,424	6.75
4	GOH CHING HUAT	17,052,422	6.75
5	GOH LEE CHOO	3,203,700	1.27
6	CHIAM HOCK POH	3,190,900	1.26
7	LEH BEE HOE	2,577,300	1.02
8	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,270,118	0.90
9	MAYBANK NOMINEES (SINGAPORE) PTE LTD	2,097,000	0.83
10	CHAM MOOI TAI	1,917,200	0.76
11	MAYBANK KIM ENG SECURITIES PTE LTD	1,717,984	0.68
12	UOB KAY HIAN PTE LTD	1,412,518	0.56
13	RHB SECURITIES SINGAPORE PTE LTD	1,359,000	0.54
14	CITIBANK NOMINEES SINGAPORE PTE LTD	1,330,001	0.53
15	DBS NOMINEES PTE LTD	1,219,986	0.48
16	PINNACLE INVESTMENTS LIMITED	1,116,900	0.44
17	PHILLIP SECURITIES PTE LTD	1,064,540	0.42
18	LIM & TAN SECURITIES PTE LTD	981,000	0.39
19	CIMB SECURITIES (SINGAPORE) PTE LTD	733,625	0.29
20	OCBC NOMINEES SINGAPORE PTE LTD	689,326	0.27
TOTAL		213,772,666	84.62

# Substantial SHAREHOLDERS

No	Name	Direct Interest	% of Shares	Deemed Interest	% of Shares
1	Ossia Holdings Pte Ltd	120,906,696	47.86	-	-
2	Goh Ching Lai, Joe	32,710,345	12.95	155,157,272*	61.42
3	Goh Ching Wah, George	17,198,154	6.81	170,669,463*	67.56
4	Goh Ching Huat, Steven	17,052,422	6.75	170,815,195*	67.61

Based on the information available to the Company as at 24 June 2015, approximately 24.37% of the issued ordinary shares of the Company is held by the public therefore, Rule 723 of the Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

\* By virtue of the Section 7 of the Companies Act, Cap 50, Goh Ching Lai, Joe, Goh Ching Wah, George and Goh Ching Huat, Steven are deemed to have interests in the shares held by Ossia Holdings Pte. Ltd. in the Company. Goh Ching Lai, Joe, Goh Ching Wah, George and Goh Ching Huat, Steven, who are brothers are also deemed to be interested in each other's shares in Ossia Holdings Pte. Ltd. and Ossia International Limited.

# Notice of Annual GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fourth 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 9.30 a.m. to transact the following business:-

## AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 March 2015 and the Directors' Report and the Auditors Report thereon. (Resolution 1)
2. To re-elect Mr Goh Ching Wah, retiring by rotation, pursuant to Article 89 of the Company's Articles of Association. (Resolution 2)
3. To re-elect Mr Wong King Kheng, retiring by rotation, pursuant to Article 89 of the Company's Articles of Association. (Resolution 3)

Mr Wong King Kheng, if re-elected will remain as an Independent Director as well as a Chairman of the Audit Committee, a Member of the Remuneration and Nominating Committees; and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

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\$184,500/- to Non-Executive Directors for the financial year ended 31 March 2015 (2014: S\$284,500/-). (Resolution 6)

7. Authority to allot and issue shares

(a) "That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

- (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

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

### provided always that

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's issued share capital, of which the aggregate

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

- a) new shares arising from the conversion or exercise of convertible securities, or
  - b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and
  - c) any subsequent consolidation or subdivision of the Company's shares, and
- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

(Resolution 7)

(Please see Explanatory Note 1)

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

#### **BY ORDER OF THE BOARD**

**Lotus Isabella Lim Mei Hua**

**Company Secretary**

**Singapore, 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.

**IMPORTANT**

1. For investors who have used their CPF monies to buy Ossia International 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.

**PROXY FORM**

\* I/We \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

of \_\_\_\_\_ (Address)

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

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

\* and / or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of shareholdings 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 Twenty-Forth 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 9.30 a.m. and at any adjournment thereof.

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

No.	Ordinary Resolutions	For	Against
1	To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 March 2015 and the Directors' Report and Auditors' Report thereon.		
2	To re-elect Mr Goh Ching Wah as Director pursuant to Article 89 of the Company's Articles of Association.		
3	To re-elect Mr Wong King Kheng 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.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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

Total Number of Shares Held



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

**OSSIA INTERNATIONAL LIMITED**

10 Changi South Lane #07-01  
Singapore 486162



**Ferrari**

TRAVEL COLLECTION

台北SOGO 復興館 7F 02-7745-0833 金卡會員募集中

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