OSSIA
INTERNATIONAL LIMITED

ALIGNING RESOURCES MOVING FORWARD TOGETHER

ANNUAL REPORT 2022

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GROUP STRUCTURE

OSSIA
INTERNATIONAL LIMITED

- 100% Great Alps Industry Co., Ltd.
- 100% Ossia World of Golf (M) Sdn. Bhd.
- 40% Harvey Norman Ossia (Asia) Pte. Ltd.
  - 49.4% Pertama Holdings Pte. Ltd.
- 100% Alstyle Marketing Sdn. Bhd.
  - 100% Alstyle International (M) Sdn. Bhd.
  - 100% Alstyle Fashion Sdn. Bhd.
  - 61% Alstyle International Resources Sdn. Bhd.
  - 100% Decorion Sdn. Bhd.

CORPORATE PROFILE

Overview

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

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

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

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

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 2022.
("FY2022").

Below are some highlights of the performance of the Group for the financial year ended 31 March 2022.

Financial Review

The Group's revenue for the year ended 31 March 2022 registered $23.67 million compared to $25.31 million in the corresponding previous financial year, a decrease of 6.5%. The decline in sales is mainly due to COVID-19 pandemic impact on the Group's retail operations.

No major fluctuation for the gross profit margin and other operating income for the year ended 31 March 2022.

Distribution costs decreased from $9.17 million to $8.18 million. The decrease in distribution costs is in line with the decrease in revenue which was the result of lower sales during the financial year due to the COVID-19 pandemic outbreak in Taiwan subsidiary. The lower sales commission and shopping mall leases rental rebate support also contributed to the decrease in distribution costs during the financial year.

No major fluctuation in the administrative expenses.

The Group's share of result of the associated company increased from $4.20 million to $5.54 million due to increase in the sales performance during the financial year.

Balance Sheet Review

No major fluctuation in the inventories.

The Group's current trade and other receivables decrease from $4.95 million to $4.61 million was mainly due to collection from customers and related companies during the financial year.

The Group's non-current trade and other receivables decrease from $2.16 million to $0.96 million were mainly due to collection from related parties during the year.

The Group's property, plant and equipment increased mainly due to new assets acquired and offsetting with the depreciation charged during the financial year.

The Group's right-of-use assets decreased mainly due to depreciation charged during the financial year.

The Group's trade and other payables increased from $2.21 million to $3.62 million mainly due to increase in purchases for the coming spring summer collections after the financial year end.

The Group's bills payable decreased mainly due to the change of the financing facilities from bill payables to bank borrowings during the financial year.

The Group's borrowings decreased from $2.36 million to $1.42 million was mainly due to repayment of bank borrowings by the Taiwan subsidiary.

The Group's lease liabilities decreased due to the lease payment made during the financial year.

Cash flow Review

Net cash from operating activities increased in line with the increase in net operating profit from the Group's Taiwan subsidiary in the current year and the increase in trade and other payables for the new season stock purchased during the financial year.

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

Net cash used in financing activities increased mainly due to repayment for the bill payables, lease liabilities and the dividend paid during the financial year.

Moving Forward

As the economy begins transition to endemic living, the group has undertaken a careful review of its operations and strategies; remain agile, adopt fresh and authentic ways to provide seamless omni-channel buying experiences, resonate and connect with consumers; wherever they are, whenever they are, to ride on the recovery and to stay competitive.

Acknowledgement

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

Goh Ching Wah, George
Group Executive Chairman

EXECUTIVE DIRECTORS

MR GOH CHING WAH

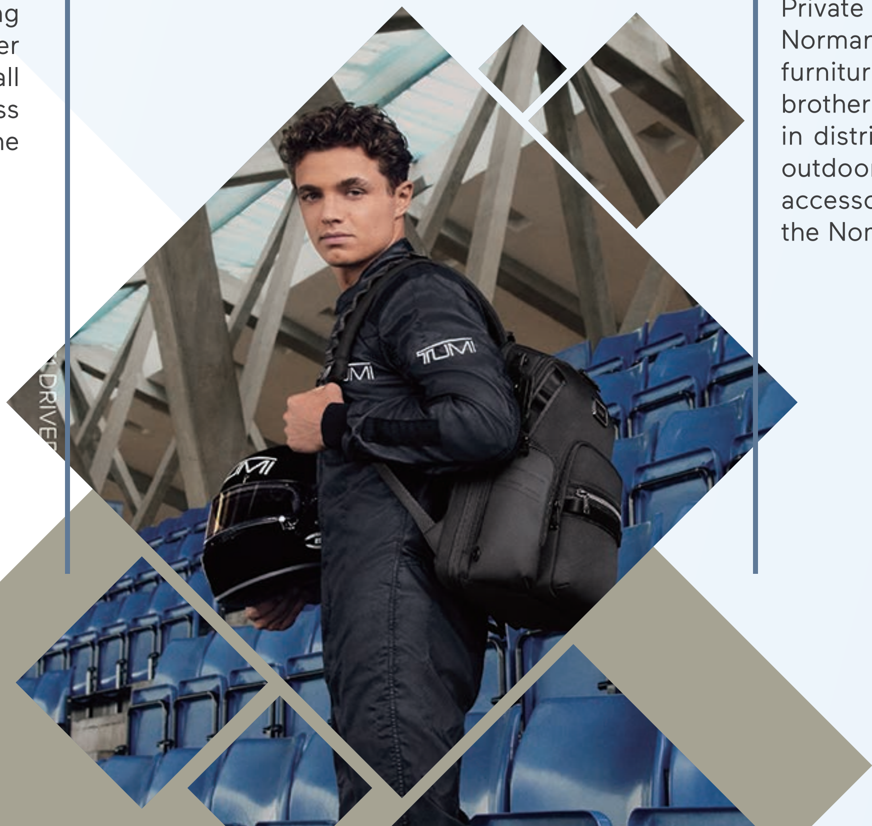
Group Executive Chairman

Mr George Goh (Age: 63) is the Group Executive Chairman of the company. George and his brothers (Messrs Goh Ching Huat, Steven and Goh Ching Lai, Joe) are experienced entrepreneurs who co-founded the Group. George is also the Executive Deputy Chairman of Pertama Holdings Pte Ltd trading under the name of "Harvey Norman", which retails electrical, computer, furniture and household products. George, together with his two brothers, were the winners of the 1994 Rotary-ASME Entrepreneur Award. George and his two brothers have more than 35 years of experience in distribution and retailing of lifestyle/sporting/outdoors products in footwear, apparel, sporting /outdoors goods, bags and accessories under the Group. George is responsible for the overall Group direction, strategic planning and business development. George is also a member of the Nominating Committee for the Group.

MR GOH CHING HUAT

Chief Executive Officer / Executive Director

Mr Steven Goh (Age: 57) was appointed as Director on 1 September 1990 and re-designated as Executive Director on 1 July 2006. Steven and his brothers (Messrs Goh Ching Wah, George and Goh Ching Lai, Joe) were the winners of the 1994 Rotary-ASME Entrepreneur Award. Steven and his two brothers have more than 35 years of experience in distribution and retailing of lifestyle/sporting/outdoors products in footwear, apparel, bags and accessories under the Group. Steven is responsible for the overall management of the Group and businesses.



MR GOH CHING LAI

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

Mr Joe Goh (Age: 63) was appointed as Director on 1 September 1990, re-designated as Non-Executive Director on 1 May 2009 and redesignated as Executive Director on 17 June 2016. On 1 July 2021, Mr Joe Goh was re-designated as Non-Executive Director.

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

NON-EXECUTIVE DIRECTORS

MR WONG KING KHENG

Independent / Non-Executive Director

Mr James Wong (Age: 69) was appointed on 28 October 1996 as an Independent/Non-Executive Director. James is presently the Managing Partner of KK Wong and Associates, a public accounting firm in Singapore which he founded in 2000. In addition, James is also the Managing Director of Soh & Wong Management Consultants Pte Ltd which provides consulting services for regional tax planning, merger and acquisition, strategic business plans and advises on initial public offering services including restructuring, feasibility studies, recruitment, profit forecasts and financial restructuring. James was the founder and Managing Partner of Soh, Wong & Partners, a public accounting firm from 1989 to 2000. Prior to that, James was an audit manager in an international accounting firm which gave him extensive exposure in the fields of auditing, tax planning, management consulting and public listing consulting. James is a member of the Institute of Singapore Chartered Accountants (ISCA), Australian CPA and Malaysian Institute Of Accountant. Besides being the Chairman of the Audit Committee, member of the Remuneration Committee and the Nominating Committee for the Group, James also holds directorships in Tiong Woon Corporation Holding Limited, Hatten Land Limited and JCY International Limited.

MR ANTHONY CLIFFORD BROWN

Independent / Non-Executive Director

Mr Anthony Brown (Age: 82) was appointed on 25 May 2002 as an Independent/Non-Executive Director. Anthony was formerly the Vice President and General Manager of Prince Sports Group of United States of America for the Asia Pacific region. In this capacity, Anthony was responsible for sales and marketing of Prince sports products throughout Asia Pacific. Previously he was the Managing Director of LEGO Australia Pty Ltd, and held senior management position in The Coca-Cola Company in Australia, Japan and Indonesia. Anthony was the winner of a UK State Scholarship and holds an honours degree in Economics from The L.S.E. (London University). Anthony is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

MS MAE HENG SU-LING

Independent / Non-Executive Director

Ms Mae Heng (Age: 51) was appointed on 27 April 2010 as an Independent/Non-Executive Director. Mae is a member of the Audit and Nominating Committees and Chairman of the Remuneration Committee for the Group. Ms Heng spent over 16 years with Ernst and Young Singapore. She is an Independent / Non-Executive Director of HRnetGroup Limited, Chuan Hup Holdings Limited, Grand Venture Technology Limited, Rex International Holding Limited and Novo Tellus Alpha Acquisition, each of which is listed on the SGX-ST, and Apex Healthcare Berhad, which is listed on Bursa Malaysia. She also holds directorships in her family-owned investment holding companies. Ms Heng received her Bachelor of Accountancy from Nanyang Technological University in 1992 and is a Fellow Chartered Accountant of Singapore, and an ASEAN Chartered Professional Accountant.

SENIOR MANAGEMENT

MR HSU CHIN TUNG

Managing Director

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR GOH CHING WAH, GEORGE
Group Executive Chairman

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

MR GOH CHING LAI, JOE
Non-Executive Director w.e.f 1 July 2021

MR WONG KING KHENG
Independent/
Non-Executive Director

MR ANTHONY CLIFFORD BROWN
Independent/
Non-Executive Director

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

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

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

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

COMPANY SECRETARIES

MS LOTUS ISABELLA LIM MEI HUA
MS LEE BEE FONG

REGISTERED OFFICE

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51 CHANGI BUSINESS PARK CENTRAL 2
#08-13 THE SIGNATURE,
SINGAPORE 486066
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SHARE REGISTRAR

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

PRINCIPAL BANKER

THE DEVELOPMENT BANK OF
SINGAPORE LTD

AUDITORS

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

PARTNER-IN-CHARGE

MR PHILIP NG
(APPOINTED SINCE FINANCIAL YEAR 2019)

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 2018 (the 'Code").

This statement on the corporate governance practices of the Company describes the corporate governance policies practiced by the company during the financial year ended 31 March 2022, with specific references made to each of the principles set out in the Code. The Company has complied substantially with the principles and provisions as set out in the Code. Explanations have been provided in the relevant sections below where there have been any deviations from the Code. Where there are deviations from the Code, the Board has taken into consideration the current alternative practices in place and are of the view that these are sufficient to meet the underlying objectives of the Code.

BOARD MATTERS

Principle 1: Board Conduct of its Affairs

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

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

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

The Board conducts scheduled meetings on a half yearly basis to coincide with the announcement of the Group's half yearly results. 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)	2	2
Goh Ching Huat	2	2
Goh Ching Lai	2	2
Wong King Kheng	2	2
Anthony Clifford Brown	2	2
Heng Su-Ling, Mae	2	2

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

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

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

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

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

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

Access to information

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

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

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

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

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

Matters Requiring Board Approval

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

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

- Approval of half yearly 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

Disclosure of Interest

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

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

Principle 2: Board Composition and Balance

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

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

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

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

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

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

The Executive and Independent Directors ensures that key issues and strategies are critically reviewed and constructively challenged. They also scrutinize and monitor the performance of management in meeting agreed goals and objectives, as well as ensure that financial information is accurate and that financial controls and systems are in place. The Executive and Independent Directors set aside time at each scheduled meeting to meet without the presence of management to discuss matters such as board processes, corporate governance initiatives, performance management and remunerations matters.

Principle 3: Chairman and Chief Executive Officer

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

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

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

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

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

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

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

Principle 4: Board Membership

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

The Nominating Committee was established on 25 May 2002. The NC is chaired by Mr Anthony Clifford Brown and its members are Mr Wong King Kheng, Ms Heng Su-Ling, Mae, Mr Goh Ching Lai and Mr Goh Ching Wah. With the exception of Mr Goh Ching Lai, 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 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 2022 were as follows:

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

Mr. Goh Ching Huat and Mr. Goh Ching Lai are due to retire by rotation, at the forthcoming Annual General Meeting, pursuant to the requirements of Article 89 of the Company's Constitution. Both Mr. Goh Ching Huat and Mr. Goh Ching Lai have indicated that they will be seeking re-election at the forthcoming Annual General Meeting.

The NC has reviewed and is satisfied with their contribution and performance as Directors and has recommended the re-appointment of two retiring directors, namely Mr. Goh Ching Huat and Mr. Goh Ching Lai at the Company's forthcoming AGM. The Board has accepted the NC's recommendation and the two retiring directors will be offering themselves for re-election and re-appointment respectively.

The shareholdings of the individual directors of the Company are set out on page 30 of this Annual Report. None of the directors hold shares in the subsidiaries of the Company.

Principle 5: Board Performance

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

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.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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

Principle 7: Level and Mix of Remuneration

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

The Remuneration Committee was formed on 25 May 2002. The RC is chaired by 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 2022 were as follows:

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

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

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

The remuneration of the Independent Directors is in the form of a fixed fee after taking into consideration factors such as effort, time spent and responsibilities of the Directors. Independent Directors' fees are subject to the Shareholders' approval at the annual general meeting.

Principle 8: Disclosure on Remuneration

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

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

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

The Board will be recommending proposed Directors' Fees amounting to S$137,500/-for the financial year ended 31 March 2022 (31 March 2021: S$104,500/-). For competitive reasons, the Company is not disclosing each individual director's remuneration. Instead, the band of remuneration is disclosed in Note 26 (b) to the financial statements.

The following table sets out the names of Directors whose remuneration bands fell (i) within and below S$250,000; and (ii) between S$500,001 and S$750,000 for the financial year ended 31 March 2022, together with a breakdown (in percentage terms) of each directors' remuneration earned through base/fixed salary, variable or performance related income/bonuses, and director fees/attendance fees proposed to be paid to each Director subject to the approval of shareholders at the AGM:

	Below S$250,000			**Between S$500,001 and S$750,000**		
	Percentage (%)			**Percentage (%)**		
	Remuneration earned through:			**Remuneration earned through:**		
	Base/ fixed salary	**Variable or performance related income/ bonuses**	**Director Fees/ Attendance Fees**	**Base/ fixed salary**	**Variable or performance related income/ bonuses**	**Director Fees/ Attendance Fees**
Goh Ching Wah	–	–	–	51%	49%	–
Goh Ching Lai	–	–	100%	–	–	–
Goh Ching Huat	–	–	–	51%	49%	–
Wong King Kheng	–	–	100%	–	–	–
Anthony Clifford Brown	–	–	100%	–	–	–
Heng Su-Ling	–	–	100%	–	–	–

Of the remunerations of the top five management personnel who are not directors or the Chief Executive Officer of the Company for the financial year ended 31 March 2022, the remunerations of 4 executives fell within the remuneration band of $250,000 and below and the remunerations of 2 executives fell within the remuneration band of between $500,001 and $750,000.

The Company has not disclosed exact details of the remuneration of its key management personnel as it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information. The annual aggregate remuneration paid to the top 5 management personnel of the Company (who are not directors or the Chief Executive Officer) for FY 2022 is S$1,313,700.

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 2022.

There is no employee of the Group who is an immediate family member of a director or substantial shareholder and whose remuneration exceeds S$50,000 for the financial year ended 31 March 2022.

Principle 9: Risk Management and Internal Controls

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

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

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

The Board has reviewed the adequacy of the Group's internal controls framework in relation to financial, operational, compliance and information technology controls as well as risk management systems of the Group. The Board, with the concurrence of the Audit Committee, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risk as well as the Group's risk management systems are effective and adequate as at 31 March 2022 to provide reasonable assurance of the integrity, effectiveness and efficiency of the Company in safeguarding its assets and Shareholders' investments. Such framework serves to provide reasonable assurance against material misstatement or loss.

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

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

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

Internal Audit

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

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

The Audit Committee will, at least annually, review the adequacy, effectiveness and independence of the internal audit function. During the financial year under review, an internal audit review was conducted on the operation of one subsidiary within the Group.

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

Whistle-Blowing Policy

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

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

Principle 10: Audit Committee

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

The Audit Committee is chaired by 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 2022 were as follows:

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

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

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

b. review the half yearly 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 and has confirmed that the non-audit services provided by the external auditors would not affect their independence. 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.

The External auditor, Ernst & Young LLP have expressed that they would not be seeking for re-appointment at this Annual General Meeting and the Directors of the Company are of the view that it would be timely to effect a change in Auditors for the cost benefits to the Company. Further announcement will be released in due course once the proposed new appointment has been confirmed.

Pursuant to Rule 1207 (6)(a), the fees payable to auditors is set out in Note 8 on page 64 of this Annual Report.

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

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

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

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

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meeting

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

Principle 12: Engagement with shareholders

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

Principle 13: Engagement with stakeholders

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

The 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 (International);
- half yearly financial statements containing a summary of the financial information and affairs of the Group for the period. These are issued via SGXNET onto the SGX website;
- notices of and explanatory memoranda for AGMs and extraordinary general meetings; and
- disclosure to the SGX-ST and press releases on major development of the Group.

The 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.

A copy of the Notice of Annual General Meeting ("AGM") and Annual Report are despatched to every shareholder of the Company at least 14 clear days before the meeting. The Notice is also advertised in the newspapers and made available on the SGX website. During the AGM, shareholders are given opportunities to speak and seek clarifications concerning the Company and its operations.

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

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

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

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.

Corporate Social Responsibility

Apart from creating long term value for its stakeholders and upholding high standards of governance, the Company recognises the importance of environmental sustainability and social responsibilities. In addition, the Company has identified its stakeholders, the details of which have been set out in the Company's Sustainability Report for the year ended 31 March 2022.

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

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

Dealing in Securities

The Group has adopted an internal code which prohibits the directors and executives of the Company from dealings in the Company's shares while in possession of unpublished price-sensitive information during the periods commencing two weeks prior to the announcement of the Group's half year result, 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 2022 as the format set out in Rule 907 of the Listing Manual are as follows:

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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Goh Ching Lai and Mr. Goh Ching Huat are Directors due for retirement under rotation pursuant to Article 89 of the Constitution of the Company and seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 July 2022 (“**AGM**”) (collectively, the “Retiring Directors” and each a “**Retiring Director**”).

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

	MR. GOH CHING LAI	**MR. GOH CHING HUAT**
Date of Appointment	1 September 1990	1 September 1990
Date of last re-appointment	24 September 2020	26 July 2019
Age	63	57
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Goh Ching Lai for re-appointment as Non-Executive Director of the Company. The Board have reviewed and concluded that Mr. Goh possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“**NC**”) and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Goh Ching Huat for re-appointment as Chief Executive Officer/ Executive Director of the Company. The Board have reviewed and concluded that Mr. Goh possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director	Chief Executive Officer/ Executive Director, Mr. Goh is responsible for overall management of the Group and businesses.
Professional qualifications	NIL	NIL
Working experience and occupation(s) during the past 10 years	More than 35 years of experience in distribution and retailing of lifestyle products in footwear, fashion apparel, sporting goods, golf, bags and accessories.	More than 35 years of experience in distribution of lifestyle products under the Group and retailing sporting goods under World of Sports, Mizuno, Columbia and Salomon.

	MR. GOH CHING LAI	MR. GOH CHING HUAT
Shareholding interest in the listed issuer and its subsidiaries	Direct interest in shares: 75,395,477 Deemed interest in shares: 114,855,040	Direct interest in shares: 57,354,654 Deemed interest in shares: 132,895,863
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr. Goh Ching Lai is brother of Mr. Goh Ching Wah Group Executive Chairman and also brother of Mr. Goh Ching Huat, Chief Executive Officer/Executive Director of the Company.	Mr. Goh Ching Huat is brother of Mr. Goh Ching Wah, Group Executive Chairman and also brother of Mr. Goh Ching Lai, Non-Executive Director of the Company.
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years): Present:	Yes Past: VGO Corporation Limited Present: VGO International Pte. Ltd ITG International Pte Ltd	Yes Past: VGO Corporation Limited Present: VGO International Pte. Ltd. ITG International Pte Ltd
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

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

		MR. GOH CHING LAI	MR. GOH CHING HUAT
f)	WWhether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

		MR. GOH CHING LAI	MR. GOH CHING HUAT
j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No No	No No
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

	MR. GOH CHING LAI	MR. GOH CHING HUAT
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Yes Executive Director, VGO Corporation Limited Executive Director, Internet Technology Group Limited	Yes Executive Director, VGO Corporation Limited Executive Director, Internet Technology Group Limited

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Ossia International Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2022.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(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.

Directors

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

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

Arrangements to enable directors to acquire shares and debentures

Except as described in scrip dividend scheme paragraph below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the 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 1967, (the "Act"), an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

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

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

There was no change in the directors' interests in the share capital of the Company and of related corporations between the end of the financial year and 21 April 2022.

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

Scrip dividend scheme

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

Share options

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

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

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

Audit Committee

The audit committee ("AC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of external auditors of the Group and the Company, and the assistance given by the Group and the Company's management to the external auditors
- Reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2022 before their submission to the Board of Directors, as well as the external auditors' report on the balance sheet of the Company and the consolidated financial statements of the Group
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the external auditor
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- Reviewed the nature and extent of non-audit services provided by the external auditor
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate
- Reviewed the interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

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

Auditor

Ernst & Young LLP will not be seeking re-appointment at the forthcoming Annual General Meeting. Mazars LLP has expressed its willingness to accept appointment as auditor.

On behalf of the board of directors:

Goh Ching Wah
Director

Goh Ching Huat
Director

Singapore

30 June 2022

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ossia International Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Valuation of inventories

As of 31 March 2022, the Group's inventories amounted to $10.5 million. An amount of $0.7 million has been provided for inventory write-downs. The Group's inventories comprise a range of fashion apparel, sports apparel and accessories for sale at its retail stores, wholesale and e-commerce businesses in Taiwan.

The Group records its inventories at lower of cost and net realisable value ("NRV"). Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and NRV. The Group's total inventory balance represents a significant portion of the Group's total assets and inventory write-downs require significant management judgement to estimate the inventories' NRV. The NRV of the Group's inventories is affected by their age, changing consumer demands and fashion trends, prevailing retail market conditions and consumer behaviors in the context of the increased economic uncertainties brought on by the COVID-19 pandemic. Accordingly, we determined this to be a key audit matter.

Key audit matters (cont'd)

Valuation of inventories (cont'd)

As part of our audit procedures, we checked the sales margins achieved for a sample of inventory items to assess if inventories are stated at the lower of cost and NRV. We reviewed management's basis for determining inventory allowances based on the aging, and tested on a sample basis if inventories were categorised appropriately in the relevant aging bracket. We also checked that allowance amounts are in line with the Group's policy for inventory impairment assessment and evaluated management's considerations pertaining to the relevant retail market conditions, consumer behaviors and historical allowance experience that affected their judgement and estimate. We also attended physical counts at selected inventory locations to observe the physical conditions of the inventories on a sample basis. We involved the auditors of the subsidiary in carrying out these procedures and reviewed their working papers to evaluate the nature and extent of the procedures performed and assessed the evidence obtained as a basis for forming our audit opinion on the consolidated financial statements.

We also reviewed the adequacy of the Group's disclosures related to inventories in Note 3.2 *Key sources of estimation uncertainty (a) Allowance for inventories* and Note 11 *Inventories* to the financial statements.

Recoverability of amounts due from related parties

As of 31 March 2022, the Group's amounts due from related parties amounted to $1.6 million and an allowance for expected credit losses ("ECL") of $0.1 million has been provided for the doubtful recovery of long outstanding receivables.

Management has assessed the recoverability of these balances and estimated the ECL allowance as at year end using significant judgement by incorporating various factors such as their assessment of the related parties' credit worthiness based on the aging of the receivables, available credit enhancements, historical repayment, credit loss patterns, and the current and forward-looking factors specific to the related parties and the economic environments where they operate in. Accordingly, we determined this to be a key audit matter.

As part of our audit procedures in evaluating management's assessment of the recoverability of these balances and estimation of the ECL allowance, we reviewed the Group's processes relating to extending credit and settling of amounts due from related parties. We requested debtors' confirmations and reviewed related correspondences between the Group and the related parties. We also reviewed the aging of the receivables, checked to evidence of repayment histories and subsequent receipts after the year end and considered the effects of the available credit enhancements. We evaluated management's assessment of the credit worthiness of the related parties, including related parties providing the credit enhancements and the forward-looking adjustments made by reviewing both internal and external information and key data used by management. We also checked the arithmetic accuracy of the ECL allowance computation. We involved the auditors of the subsidiaries in carrying out these procedures and reviewed their working papers to evaluate the nature and extent of the procedures performed and assessed the evidence obtained as a basis for forming our audit opinion on the consolidated financial statements.

We also reviewed the adequacy of the Group's disclosures in Note 3.2 *Key sources of estimation uncertainty (b) Allowance for expected credit losses of amounts due from related parties,* Note 12 *Trade receivables*, Note 13 *Other receivables*, Note 27 *Financial risk management objectives and policies (c) Credit risk and (d) Liquidity risk* to the financial statements.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Philip Ng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

	Note	2022	2021
		$'000	$'000
Revenue	4	23,668	25,307
Cost of sales	11	(10,224)	(11,606)
Gross profit		13,444	13,701
Other income	5	460	652
Distribution costs		(8,175)	(9,169)
General and administrative expenses		(3,730)	(3,749)
Profit from operations		1,999	1,435
Interest income	6	70	138
Finance costs	7	(77)	(137)
Impairment loss on right-of-use assets	8	–	(68)
Share of results of associated company - net of tax	15	5,536	4,197
Profit before income tax	8	7,528	5,565
Income tax expense	9	(924)	(804)
Profit for the year		6,604	4,761
Profit for the year attributable to:			
Owners of the Company		6,603	4,760
Non-controlling interests		1	1
		6,604	4,761
Earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	10	2.61	1.88

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

	2022	2021
	$'000	$'000
Profit for the year	6,604	4,761
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Share of loss on property revaluation of associated company	(443)	(92)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	(39)	5
Share of foreign currency translation of associated company	(94)	(260)
	(133)	(255)
Other comprehensive income for the year, net of tax	(576)	(347)
Total comprehensive income for the year	6,028	4,414
Total comprehensive income attributable to:		
Owners of the Company	6,029	4,416
Non-controlling interests	(1)	(2)
	6,028	4,414

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

BALANCE SHEETS

As at 31 March 2022

	Note	Group		Company	
		2022	2021	2022	2021
		$'000	$'000	$'000	$'000
Current assets					
Inventories	11	10,509	11,123	–	–
Trade receivables	12	3,828	3,248	–	–
Prepayments		30	45	17	14
Other receivables	13	784	1,700	591	1,642
Cash and bank balances	14	9,322	6,297	6,275	4,524
		24,473	22,413	6,883	6,180
Non-current assets					
Investment in associated company	15	28,793	27,012	13,252	13,252
Investment in subsidiaries	16	–	–	1,399	1,399
Property, plant and equipment	17	629	400	20	6
Right-of-use assets	18	892	1,158	86	154
Trade receivables	12	197	392	–	–
Other receivables	13	766	1,763	520	1,424
Deferred tax assets	19	177	160	–	–
		31,454	30,885	15,277	16,235
Total assets		55,927	53,298	22,160	22,415
Current liabilities					
Trade and other payables	20	3,619	2,205	98	83
Amounts due to directors	23	533	665	517	649
Lease liabilities	18	670	897	78	77
Bills payable	21	–	1,173	–	–
Bank borrowings	22	591	1,653	–	–
Income tax payable		754	425	–	–
		6,167	7,018	693	809

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

BALANCE SHEETS

As at 31 March 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current liabilities					
Other liabilities	20	54	75	–	–
Lease liabilities	18	237	356	16	94
Bank borrowings	22	827	709	–	–
		1,118	1,140	16	94
Total liabilities		7,285	8,158	709	903
Net current assets		18,306	15,395	6,190	5,371
Net assets		48,642	45,140	21,451	21,512
Equity attributable to owners of the Company					
Share capital	24	31,351	31,351	31,351	31,351
Revaluation reserve	25	2,265	2,708	–	–
Legal reserve	25	1,651	1,651	–	–
Translation reserve	25	(231)	(100)	–	–
Accumulated profits/(losses)		13,608	9,531	(9,900)	(9,839)
		48,644	45,141	21,451	21,512
Non-controlling interests		(2)	(1)	–	–
Total equity		48,642	45,140	21,451	21,512

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

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

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

	Attributable to owners of the Company							
2021 **Group**	**Share capital** $'000	**Legal reserve** $'000	**Translation reserve** $'000	**Revaluation reserve** $'000	**Accumulated profits** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total equity** $'000
Balance at 1 April 2020	31,351	1,651	152	2,800	7,045	42,999	1	43,000
Profit for the year	–	–	–	–	4,760	4,760	1	4,761
Other comprehensive income								
Foreign currency translation	–	–	8	–	–	8	(3)	5
Share of loss on property revaluation of associated company	–	–	–	(92)	–	(92)	–	(92)
Share of foreign currency translation of associated company	–	–	(260)	–	–	(260)	–	(260)
Other comprehensive income for the year, net of tax	–	–	(252)	(92)	–	(344)	(3)	(347)
Total comprehensive income for the year	–	–	(252)	(92)	4,760	4,416	(2)	4,414
Contributions by and distributions to owners								
Dividends paid to shareholders	–	–	–	–	(2,274)	(2,274)	–	(2,274)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	–	–	–	–	(2,274)	(2,274)	–	(2,274)
Balance at 31 March 2021	31,351	1,651	(100)	2,708	9,531	45,141	(1)	45,140

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

Company	Share capital $'000	Accumulated Losses $'000	Total equity $'000
2022			
Balance at 1 April 2021	31,351	(9,839)	21,512
Profit for the year	–	2,465	2,465
Total comprehensive income	–	2,465	2,465
Dividends	–	(2,526)	(2,526)
Balance at 31 March 2022	**31,351**	**(9,900)**	**21,451**
2021			
Balance at 1 April 2020	**31,351**	**(10,231)**	**21,120**
Profit for the year	–	2,666	2,666
Total comprehensive income	–	2,666	2,666
Dividends	–	(2,274)	(2,274)
Balance at 31 March 2021	**31,351**	**(9,839)**	**21,512**

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit before income tax		7,528	5,565
Adjustments for:			
Interest income	6	(70)	(138)
Finance costs	7	77	137
Depreciation of property, plant and equipment	8	506	1,078
Depreciation expense of right-of-use assets	8	1,248	1,419
Gain on disposal of property, plant and equipment	5	(3)	–
Inventories written off	8	203	–
Bad debts written off	8	–	25
Impairment loss on right-of-use assets	8	–	68
Allowance/(write-back of allowance) for inventory write-downs, net	11	88	(40)
Share of results of associated company	15	(5,536)	(4,197)
Unrealised foreign exchange gain		(28)	(7)
Operating cash flow before working capital changes		4,013	3,910
Changes in working capital			
Decrease in inventories		328	348
Decrease/(increase) in trade and other receivables		470	(317)
Decrease/(increase) in prepayments		15	(17)
Increase/(decrease) in trade and other payables		1,257	(73)
Net cash flows from operations		6,083	3,851
Income tax paid		(615)	(601)
Interest received		70	72
Interest paid		(51)	(103)
Net cash flows from operating activities		5,487	3,219

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2022

	Note	2022	2021
		$'000	$'000
Cash flows from investing activities			
Dividend received		4,278	1,508
Repayment of advances from a related party		–	736
Purchase of property, plant and equipment	17	(739)	(333)
Proceeds from disposal of property, plant and equipment		3	–
Net cash flows from investing activities		3,542	1,911
Cash flows from financing activities			
Proceeds from bank borrowings	22	7,186	10,418
Repayment of bank borrowings	22	(8,139)	(10,438)
Repayment of lease liabilities		(1,327)	(1,400)
Interest paid on lease liabilities	7	(26)	(34)
Repayment of bills payables	22	1,785	3,832
Repayment of bills payables	22	(2,958)	(6,033)
Decrease in restricted bank deposits	14	78	337
Dividend paid to shareholders		(2,526)	(2,274)
Net cash flows used in financing activities		(5,927)	(5,592)
Net increase/(decrease) in cash and cash equivalents		3,102	(462)
Cash and cash equivalents at beginning of year		5,746	6,206
Effect of exchange rate changes on cash and cash equivalents		1	2
Cash and cash equivalents at end of year	14	8,849	5,746

The accompanying accounting policies and explanatory notes form an integral part of 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 51 Changi Business Park Central 2 #08-13, The Signature, Singapore 486066.

The Company's principal activity is investment holding. The principal activities of the subsidiaries are disclosed in Note 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 balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

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 financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

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

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

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

Description	***Effective for annual periods beginning on or after***
Annual Improvements to SFRS(I) 2018-2020	1 January 2022
Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before intended use	1 January 2022
Amendments to SFRS (I) 3 Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2023
SFRS(I) 17: *Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 17: *Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I)17: *Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information*	1 January 2023
Amendments to SFRS(I) 10 & SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 ***Basis of consolidation***

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.

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

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

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.

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

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

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

2.6 ***Foreign currency***

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

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

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

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

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

(a) ***Transactions and balances (cont'd)***

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

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

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

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

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

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

Leasehold land	-	Over the remaining lease period of 63 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.

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

2.7 ***Property, plant and equipment (cont'd)***

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

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

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

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

Impairment losses are recognised in profit or loss.

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

2.9 ***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 balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 ***Associates***

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

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

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

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

2.10 ***Associates (cont'd)***

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

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

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

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

2.11 ***Financial instruments***

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

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

2.11 ***Financial instruments (cont'd)***

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

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

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 for debt instruments is recognised in profit or loss.

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

2.11 ***Financial instruments (cont'd)***

(b) ***Financial liabilities***

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.12 ***Impairment of financial assets***

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 ***Cash and cash equivalents***

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

2.14 ***Inventories***

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

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

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

2.15 ***Provisions***

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

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

2.16 ***Government grants***

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss under "Other income".

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

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 measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.12 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

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.

2.19 ***Leases***

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

(a) ***As lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

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

2.19 ***Leases (cont'd)***

(a) ***As lessee (cont'd)***

Right-of-use assets (cont'd)

Office premises	-	1-3 years
Warehouse	-	3 years
Retail outlets	-	1-3 years
Motor vehicles	-	3 years

The right-of-use assets are also subject to impairment. Refer to Note 2.8 Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the remaining lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

(b) ***As lessor***

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

2.20 ***Borrowing costs***

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

2.21 ***Revenue***

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

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

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

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective volume discounts based on the aggregate sales over a period of time.

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

The Group recognises the expected volume discounts payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly.

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

(b) ***Rental income***

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

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

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

(c) ***Dividend income***

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

(d) ***Interest income***

Interest income is recognised using the effective interest method.

2.22 ***Taxes***

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

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

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

(b) ***Deferred tax***

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

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

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

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

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

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

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

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

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

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

(c) ***Sales tax***

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

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

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

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

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

2.24 ***Segment reporting***

For management purposes, the Group is organised into operating segments based on their geographical locations which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 ***Contingencies***

A contingent liability is:

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

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

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

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

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

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

3. Significant accounting judgements and estimates

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

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

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

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

3.2 ***Key sources of estimation uncertainty***

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

(a) ***Allowance for inventories***

Allowance for inventories is estimated based on the best available facts and circumstances, including but not limited to, the physical condition of the inventories, their market selling prices, and estimated costs to be incurred for their sales. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amount of the Group's inventories at balance sheet date was $10,509,000 (2021: $11,123,000).

(b) ***Allowance for expected credit losses of amounts due from related parties***

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

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

The carrying amounts of amounts due from related parties are disclosed in Notes 12 and 13 to the financial statements.

4. Revenue

(a) ***Disaggregation of revenue***

Segments	Sale of goods 2022 $'000	2021 $'000
Primary geographical markets		
Taiwan	23,668	25,307
Major product line		
Sales of bags, sporting goods, apparel and accessories	23,668	25,307
Timing of transfer of goods or services		
At a point in time	23,668	25,307

(b) ***Judgement and methods used in estimating revenue***

Estimating variable consideration for sale of goods

In estimating the variable consideration for the sale of goods, the Group uses the most likely method to predict the volume rebates, by the different product types. For existing products, management relies on historical experience with purchasing patterns of customers, analysed by different product types and customers, for the past 2 to 4 years.

Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price. For volume rebates, management has determined that a portion of the estimated variable consideration is subject to the constraint as, based on past experience with the customers, it is highly probable that a significant reversal in the cumulative amount of revenue recognised will occur, and therefore will not be recognised as revenue.

5. Other income

	Group	
	2022	2021
	$'000	$'000
Rental income	73	51
Lease rebates from landlords	79	77
Foreign exchange gain	–	260
Gain on disposal of property, plant and equipment	3	–
Subsidies from principals	83	121
Miscellaneous income	222	143
	460	652

6. Interest income

	Group	
	2022	2021
	$'000	$'000
Interest income from fixed deposits	–	1
Interest income from external parties	4	5
Interest income from associated company	66	132
	70	138

7. Finance costs

	Group 2022 $'000	Group 2021 $'000
Interest expense on bank loans and bills payable	51	103
Interest expense on lease liabilities	26	34
	77	137

8. Profit before income tax

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

	Group 2022 $'000	Group 2021 $'000
Auditor's remuneration		
- Auditors of the Company	62	62
- Other auditors	30	30
Depreciation of property, plant and equipment (Note 17)	506	1,078
Depreciation of right-of-use assets (Note 18)	1,248	1,419
Rental expense:		
- Operating lease rentals (Note 18)	33	20
Employee benefits expense:		
- Wages and salaries	5,100	5,070
- Contribution to defined contribution plans	1,017	1,034
- Other related costs	238	248
Bad debts written off	–	25
Inventories written off	203	–
Foreign exchange loss	9	–
Impairment of right-of-use assets (Note 18)	–	68

9. Income tax

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

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

	Group	
	2022	**2021**
	$'000	$'000
Consolidated statement of comprehensive income		
Current income tax		
- Current income taxation	763	626
Deferred income tax (Note 19)		
- Origination and reversal of temporary differences	(17)	1
Withholding tax	178	177
Income tax expense recognised in the profit or loss	924	804

9. Income tax

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

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the years ended 31 March 2022 and 31 March 2021 is as follows:

	Group	
	2022	**2021**
	$'000	$'000
Profit before tax	7,528	5,565
Tax at the domestic rates applicable to profits in the countries where the Group operates	1,351	1,040
Adjustments:		
Non-deductible expenses	287	334
Income not subject to taxation	–	(31)
Surtax on undistributed retained earnings of the Taiwan subsidiary	72	34
Benefits from previously unrecognised tax losses	(23)	(35)
Benefits from previously unabsorbed capital allowances	–	(2)
Share of results of associated company	(941)	(713)
Withholding tax	178	177
Income tax expense recognised in profit or loss	924	804

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

10. Earnings per share

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

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

10. Earnings per share (cont'd)

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

	Group	
	2022	**2021**
	$'000	$'000
Profit for the year attributable to owners of the Company used in the computation of basic earnings	6,603	4,760
	No of shares	**No of shares**
	'000	'000
Weighted average number of ordinary shares in issue for basic and diluted earnings per share computation	252,629	252,629

There were no dilutive potential ordinary shares as at 31 March 2022 and 2021.

11. Inventories

	Group	
	2022	**2021**
	$'000	$'000
Balance sheet:		
Finished goods	11,169	11,695
Less: Allowance for inventory write-downs	(660)	(572)
	10,509	11,123
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	10,224	11,606
Inclusive of the following charge/(credit):		
- Allowance for inventory write-downs	88	–
- Write-back of allowance for inventory write-downs	–	(40)

The write-back of allowance for inventory write-downs was made when the related inventories were sold above their carrying amounts in 2021.

12. Trade receivables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Current				
Trade receivables – external parties	3,640	3,066	–	–
Less: Allowance for impairment loss	–	(16)	–	–
	3,640	3,050	–	–
Trade receivables – related parties	196	206	–	–
Less: Allowance for impairment loss	(8)	(8)	–	–
Trade receivables (current)	3,828	3,248	–	–
Non-current				
Trade receivables – related parties	247	442	–	–
Less: Allowance for impairment loss	(50)	(50)	–	–
Trade receivables (non-current)	197	392	–	–

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

Trade receivables due from related parties are unsecured, non-interest bearing and are expected to be settled in cash. The current portion is repayable in monthly instalments in 2023 and the non-current portion is repayable in monthly instalments with final repayment in 2025. Certain directors of the Company who are also directors of the related parties have agreed to provide continuing financial support to these related parties to enable them to meet their financial obligations as and when they fall due.

12. Trade receivables (cont'd)

Receivables that are past due but not impaired

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Trade receivables past due but not impaired:				
Less than 30 days	2,050	1,555	–	–
30 to 60 days	–	–	–	–
61 to 90 days	–	–	–	–
91 to 120 days	–	–	–	–
More than 120 days	–	–	–	–
	2,050	1,555	–	–

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2022	**2021**
	$'000	$'000
Movement in allowance accounts:		
At 1 April	74	74
Write off	(16)	–
At 31 March	58	74

13. Other receivables

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current				
Financial assets				
Deposits	1	1	1	1
Sundry debtors	160	86	3	3
Due from related parties	583	448	481	448
Dividend receivable from associated company	–	1,060	–	1,060
Interest receivable from associated company	66	66	66	66
Due from subsidiaries	–	–	57	81
	810	1,661	608	1,659
Less: Allowance for impairment loss	(26)	(26)	(17)	(17)
	784	1,635	591	1,642
Non-financial asset				
Tax recoverable	–	65	–	–
Other receivables (current)	784	1,700	591	1,642
Non-current				
Deposits	271	364	25	25
Due from a related party	539	1,443	539	1,443
	810	1,807	564	1,468
Less: Allowance for impairment loss	(44)	(44)	(44)	(44)
Other receivables (non-current)	766	1,763	520	1,424

The amounts due from related parties are non-trade related, unsecured, non-interest bearing and are expected to be settled in cash. The non-current portion is repayable in monthly instalments with final repayment in 2025.

Related parties relate to companies where certain of its directors are also directors of the Company. These directors have agreed to provide continuing financial support to these related parties to enable them to meet their financial obligations as and when they fall due, including undertaking to repay balances due from these related parties to the Group.

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

13. Other receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of other receivables computed based on lifetime ECL are as follows:

	Group	
	2022	**2021**
	$'000	$'000
Movement in allowance accounts:		
At 1 April and 31 Mar	70	70

14. Cash and bank balances

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Cash at banks and on hand	2,859	5,746	317	4,524
Fixed deposits	6,463	551	5,958	–
Cash and bank balances	9,322	6,297	6,275	4,524
Less:				
Fixed deposits – restricted	(473)	(551)	–	–
Cash and cash equivalents	8,849	5,746	6,275	4,524

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. The fixed deposits with financial institutions mature on varying dates within 3 to 6 months (2021: 1 to 3 months) from the financial year end and can be withdrawn at any time upon demand at the discretion of the Group. The interest rates of the fixed deposits as at 31 March 2022 range from 0.10% to 0.78% (2021: 0.10% to 2.60%) per annum.

14. Cash and bank balances (cont'd)

Cash and cash equivalents denominated in currencies other than the functional currencies of respective entities at 31 March 2022 and 31 March 2021 are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
United States Dollars	1	4	–	–
Hong Kong Dollars	1	2	–	–
Japanese Yen	1	–	–	–
Korean Won	8	–	–	–

15. Investment in associated company

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	13,252	13,252	13,252	13,252
Share of post-acquisition reserves	15,541	13,760	–	–
	28,793	27,012	13,252	13,252

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

	Group	
	2022	**2021**
	$'000	$'000
Revenue reserve	14,932	12,614
Translation reserve	(1,656)	(1,562)
Revaluation reserve	2,265	2,708
	15,541	13,760

15. Investment in associated company (cont'd)

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

	Group	
	2022	**2021**
	$'000	$'000
Assets and liabilities:		
Current assets	45	47
Non-current assets	71,949	67,495
Total assets	71,994	67,542
Current liabilities	11	12
Total liabilities	11	12
Net assets	71,983	67,530
Proportion of the Group's ownership	40%	40%
Carrying amount of the investment	28,793	27,012
Results:		
Revenue	–	–
Profit for the year	13,840	10,492
Other comprehensive income	(1,343)	(880)
Total comprehensive income for the year	12,497	9,612
Group's share of profit for the year	5,536	4,197

15. Investment in associated company (cont'd)

During the financial year ended 31 March 2022, dividends of $4,278,000 (2021: $1,508,000) were received from the Group's associated company, Harvey Norman Ossia (Asia) Pte Ltd.

The following information relates to the associated company:

Name	Principal activities (Country of incorporation and place of business)	Proportion of ownership interest		Cost of Investment	
		2022	2021	2022	2021
		%	%	$'000	$'000
Held by the Company					
Harvey Norman Ossia (Asia) Pte Ltd [1]	Investment holding (Singapore)	40.0	40.0	13,252	13,252
Held by associated company					
Pertama Holdings Pte Ltd [1] [2]	Investment holding (Singapore)	19.8	19.8		

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

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

16. Investment in subsidiaries

	Company	
	2022	2021
	$'000	$'000
Unquoted shares, at cost	2,039	2,039
Less: Impairment loss	(640)	(640)
	1,399	1,399

16. Investment in subsidiaries

The Company has the following subsidiaries as at 31 March 2022 and 31 March 2021:

Name	Principal activities (Country of incorporation and place of business)	Proportion of ownership interest		Cost of investment	
		2022	2021	2022	2021
		%	%	$'000	$'000
Held by the Company					
Alstyle Marketing Sdn. Bhd. [3]	Investment holding (Malaysia)	100.0	100.0	282	282
Ossia World of Golf (M) Sdn. Bhd. [3]	Dormant (Malaysia)	100.0	100.0	1,080	1,080
Great Alps Industry Co., Ltd [1]	Distribution of bags, sporting goods, apparel and accessories (Taiwan)	100.0	100.0	677	677
				2,039	2,039
Held through Alstyle Marketing Sdn. Bhd.					
Alstyle International (M) Sdn. Bhd. [3]	Dormant (Malaysia)	100.0	100.0		
Alstyle Fashion Sdn. Bhd. [3]	Dormant (Malaysia)	100.0	100.0		
Alstyle International Resources Sdn Bhd. [3]	Dormant (Malaysia)	61.0	61.0		
Decorion Sdn. Bhd. [2]	Dormant (Malaysia)	100.0	100.0		

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

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

(3) Audited by KGNP, CPA, Malaysia.

17. Property, plant and equipment

Group	Computer equipment	Furniture, fixtures, fittings and renovations	Motor vehicles	Plant, machinery and office equipment	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 April 2020	194	8,549	23	443	9,209
Additions	29	304	–	–	333
Disposals	(192)	(1,069)	–	–	(1,261)
Exchange differences	–	19	–	–	19
At 31 March 2021 and 1 April 2021	31	7,803	23	443	8,300
Additions	30	689	20	–	739
Disposals	(23)	(1,138)	–	–	(1,161)
Exchange differences	–	17	–	–	17
At 31 March 2022	38	7,371	43	443	7,895
Accumulated depreciation and impairment loss					
At 1 April 2020	184	7,442	16	422	8,064
Depreciation charge for the year	28	1,037	5	8	1,078
Disposals	(192)	(1,069)	–	–	(1,261)
Exchange differences	–	19	–	–	19
At 31 March 2021 and 1 April 2021	20	7,429	21	430	7,900
Depreciation charge for the year	30	466	4	6	506
Disposals	(23)	(1,138)	–	–	(1,161)
Exchange differences	–	21	–	–	21
At 31 March 2022	27	6,778	25	436	7,266
Net carrying amount					
At 31 March 2022	11	593	18	7	629
At 31 March 2021	11	374	2	13	400

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

Company	Computer equipment	Motor Vehicles	Total
	$'000	$'000	$'000
Cost			
At 1 April 2020	–	22	22
Additions	8	–	8
At 31 March 2021 and 1 April 2021	8	22	30
Additions	–	20	20
At 31 March 2022	8	42	50
Accumulated depreciation and impairment loss			
At 1 April 2020	–	16	16
Depreciation charge for the year	3	5	8
At 31 March 2021 and 1 April 2021	3	21	24
Depreciation charge for the year	2	4	6
At 31 March 2022	5	25	30
Net carrying amount			
At 31 March 2022	3	17	20
At 31 March 2021	5	1	6

18. Leases

Group as a lessee

The Group has lease contracts for retail outlets, warehouse, office premises, and motor vehicle used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options which are further discussed below.

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

18. Leases (cont'd)

Group as a lessee (cont'd)

(a) Carrying amounts of right-of-use assets

Group	Retail outlets $'000	Warehouse $'000	Office premises $'000	Motor vehicle $'000	Total $'000
Cost					
At 1 April 2020	1,956	98	353	136	2,543
Additions	267	266	223	262	1,018
De-recognition	–	–	(32)	–	(32)
Exchange differences	7	1	1	1	10
At 31 March 2021 and 1 April 2021	2,230	365	545	399	3,539
Additions	631	–	497	–	1,128
De-recognition	(1,770)	(101)	(329)	(342)	(2,542)
Exchange differences	25	5	(3)	9	36
At 31 March 2022	1,116	269	710	66	2,161
Accumulated depreciation and impairment loss					
At 1 April 2020	599	91	150	78	918
Charge for the year	934	89	230	166	1,419
De-recognition	–	–	(32)	–	(32)
Impairment loss	68	–	–	–	68
Exchange differences	4	1	2	1	8
At 31 March 2021 and 1 April 2021	1,605	181	350	245	2,381
Charge for the year	786	92	234	136	1,248
De-recognition	(1,617)	(101)	(330)	(342)	(2,390)
Exchange differences	20	–	5	5	30
At 31 March 2022	794	172	259	44	1,269
Net carrying amount					
At 31 March 2022	322	97	451	22	892
At 31 March 2021	625	184	195	154	1,158

18. Leases (cont'd)

Group as a lessee (cont'd)

(a) Carrying amounts of right-of-use assets (cont'd)

Company	**Office premise**
	$'000
Cost	
At 1 April 2020	32
Addition	223
De-recognition	(32)
At 31 March 2021 and 31 March 2022	223
Accumulated depreciation	
At 1 April 2020	30
Depreciation charge for the year	71
De-recognition	(32)
At 31 March 2021	69
Depreciation charge for the year	68
At 31 March 2022	137
Net carrying amount	
At 31 March 2022	86
At 31 March 2021	154

18. Leases (cont'd)

Group as a lessee (cont'd)

(b) Lease liabilities

The table below sets out the carrying amount of lease liabilities and the movements during the period:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
At 1 April	1,253	1,634	171	2
Additions	1,128	1,018	–	228
Payments	(1,353)	(1,434)	(79)	(63)
Accretion of interest	26	34	2	4
De-recognition	(152)	–	–	–
Exchange differences	5	1	–	–
As at 31 March	907	1,253	94	171
Current	670	897	78	77
Non-current	237	356	16	94

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

18. Leases (cont'd)

Group as a lessee (cont'd)

(c) *Amounts recognised in profit or loss*

	Group	
	2022	**2021**
	$'000	$'000
Depreciation of right-of-use assets	1,248	1,419
Interest expense on lease liabilities	26	34
Lease expense not capitalised in lease liabilities (included in other expense):		
- Expense relating to short term leases	33	20
- Total rental expense (Note 8)	33	20
Total amount recognised in profit or loss	1,307	1,473

(d) *Total cash outflow*

The Group had total cash outflows for leases of $1,386,000 in 2022 (2021: $1,454,000).

(e) *Extension options*

The Group has a lease contract that includes an extension option. The option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether the extension option is reasonably certain to be exercised.

As at 31 March 2022, potential future (undiscounted) cash outflows of approximately $239,000 (2021: $239,000) have not been included in lease liabilities because it is not reasonably certain that the lease will be extended.

19. Deferred tax

Deferred tax as at 31 March relates to the following:

	Consolidated balance sheet		Consolidated statement of comprehensive income	
	2022	2021	2022	2021
Group	$'000	$'000	$'000	$'000
Deferred tax assets				
Provisions and accruals	171	149	(22)	1
Exchange differences	6	11	5	–
Provisions and accruals	177	160	(17)	1
Deferred tax (credit)/expense (Note 9)			(17)	1

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

At the end of the reporting period, the Group has unabsorbed tax losses and capital allowances of approximately $30,521,000 (2021: $31,551,000) and $253,000 (2021: $259,000), respectively, which are available for offset against future taxable profits of the companies, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operates.

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

At the end of the reporting period, no deferred tax liability (2021: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability has been recognised aggregate to $11,709,000 (2021: $9,918,000).

<u>Tax consequences of proposed dividends</u>

There are no income tax consequences (2021: $Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 31).

20. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current				
Trade payables:				
- external parties	1,698	952	–	–
Other payables:				
- related party	–	10	–	–
Deposits received	9	9	9	9
Accrued operating expenses	1,912	1,234	89	74
	3,619	2,205	98	83
Non-current				
Deposits received	35	43	–	–
Accrued operating expenses	19	32	–	–
	54	75	–	–
Total trade and other payables	3,673	2,280	98	83

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

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

Deposits relate to rental deposits received from tenants and refundable deposits from wholesale customers. Rental deposits received are non-interest bearing and refundable at the expiration of the lease term.

Trade and other payables denominated in currency other than the functional currencies of respective entities at 31 March 2022 and 31 March 2021 is as follows:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
United States Dollars	46	22	–	–

21. Bills payable

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Bills payable	–	1,173	–	–

Bills payable carry interest at rates of 1.60% per annum and are repayable within 1 to 6 months from the previous financial year end.

Bills payable are secured by corporate guarantees from the Group and personal guarantee from a director of a subsidiary.

22. Bank borrowings

		Group		Company	
	Maturity	2022	2021	2022	2021
		$'000	$'000	$'000	$'000
Current					
Bank loans - secured	2022	–	1,101	–	–
Bank loans - unsecured	2023/2022	591	552	–	–
		591	1,653	–	–
Non-current					
Bank loans - secured	2023	–	709	–	–
Bank loans - unsecured	2024	827	–	–	–
		827	709	–	–
Total bank borrowings		1,418	2,362	–	–

22. Bank borrowings (cont'd)

Bank loans

Bank loans are secured by 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	
	2022	2021	2022	2021
	%	%	%	%
Bank loans	0.69	1.45	–	–

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

			Non-cash changes	
	2021	Net cash flows from financing activities	Foreign exchange movement	2022
	$'000	$'000	$'000	$'000
Bank loans				
- current	1,653	(1,063)	1	591
- non-current	709	110	8	827
Bills payable	1,173	(1,173)	–	–
Total	3,535	(2,126)	9	1,418

22. Bank borrowings (cont'd)

Bank loans (cont'd)

			Non-cash changes	
	2020	Net cash flows from financing activities	Foreign exchange movement	2021
	$'000	$'000	$'000	$'000
Bank loans				
- current	2,373	(725)	5	1,653
- non-current	–	705	4	709
Bills payable	3,370	(2,201)	4	1,173
Total	5,743	(2,221)	13	3,535

23. Amounts due to directors

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

24. Share capital

	Group and Company			
	2022	2021	2022	2021
	No. of shares	No. of shares		
	'000	'000	$'000	$'000
Issued and fully paid ordinary shares				
At the beginning and end of the year	252,629	252,629	31,351	31,351

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

25. Reserves

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

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

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

26. Related party transactions

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

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

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

	Group	
	2022	**2021**
	$'000	$'000
Income/(expenses)		
Recharge of rental and office building expenses to related parties	73	51
Rental expenses paid to related parties	–	(20)
Recharge of staff costs and other expenses from related parties	(32)	(79)

26. Related party transactions (cont'd)

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

	Group	
	2022	**2021**
	$'000	$'000
Short-term employee benefits	2,360	2,183
Central Provident Fund contributions	43	46
Other short-term benefits	61	72
	2,464	2,301
Comprise amounts paid to:		
- Directors of the Company	1,150	1,085
- Other key management personnel	1,314	1,216
	2,464	2,301

(c) ***Commitment with related party***

The Company entered into a 12-month agreement ending 14 April 2023 with VGO International Pte Ltd and ITG International Pte Ltd for the rental of the Company's office space. The Group expects the rental income from VGO International Pte Ltd and ITG International Pte Ltd to be $30,000 per year respectively.

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

The Group's principal financial instruments comprise bank borrowings, bills payable 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, lease liabilities and related party balances which arise directly from its operations.

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

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

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

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

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

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

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

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

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

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

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

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

Sensitivity analysis for interest rate risk

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

	Group	
	Basis points (Higher/Lower)	**Effect on profit net of tax (Lower/Higher)**
		$'000
2022		
Loans and borrowings	75	11
2021		
Loans and borrowings	75	18

(c) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

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

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

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

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

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group provides for lifetime expected credit losses for external trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 31 March 2022 and 31 March 2021 is determined as follows, and incorporates forward looking information such as forecast of economic conditions.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

31 March 2022	**Current**	**1 to 30 days past due**	**31 to 60 days past due**	**61 to 90 days past due**	**More than 90 days past due**	**Total**
Gross carrying amount	1,590	2,050	–	–	–	3,640
Loss allowance provision	–	–	–	–	–	–
	1,590	2,050	–	–	–	3,640

31 March 2021	**Current**	**1 to 30 days past due**	**31 to 60 days past due**	**61 to 90 days past due**	**More than 90 days past due**	**Total**
Gross carrying amount	1,495	1,555	–	–	16	3,066
Loss allowance provision	–	–	–	–	(16)	(16)
	1,495	1,555	–	–	–	3,050

Amounts due from related parties

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

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

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

Amounts due from related parties (cont'd)

Summarised below is the information about the credit risk exposure on the Group's amounts due from related parties based on the aging of the receivables:

31 March 2022	**Current**	**1 to 30 days past due**	**31 to 60 days past due**	**61 to 90 days past due**	**More than 90 days past due**	**Total**
Gross carrying amount	1,565	–	–	–	–	1,565
Loss allowance provision	(128)	–	–	–	–	(128)
	1,437	–	–	–	–	1,437

31 March 2021	**Current**	**1 to 30 days past due**	**31 to 60 days past due**	**61 to 90 days past due**	**More than 90 days past due**	**Total**
Gross carrying amount	2,539	–	–	–	–	2,539
Loss allowance provision	(128)	–	–	–	–	(128)
	2,411	–	–	–	–	2,411

Information regarding loss allowance movement of trade and other receivables are disclosed in Notes 12 and 13.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each financial assets in the balance sheets.

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

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

Credit risk concentration profile

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

	Group			
	2022		**2021**	
	$'000	% of total	$'000	% of total
By country:				
Singapore	1,126	21%	2,994	42%
Malaysia	478	9%	610	9%
Taiwan	3,783	70%	3,434	49%
	5,387	100%	7,038	100%

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 12 and 13.

(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.

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

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

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

Group	One year or less	One to five years	Total
	$000	$'000	$'000
2022			
Financial assets			
Cash and bank balances	9,322	–	9,322
Trade receivables	3,640	197	3,837
Other receivables	784	766	1,550
Total undiscounted financial assets	13,746	963	14,709
Financial liabilities			
Trade and other payables	3,619	54	3,673
Amounts due to directors	533	–	533
Bank borrowings	595	838	1,433
Lease liabilities	680	239	919
Total undiscounted financial liabilities	5,427	1,131	6,558
Total net undiscounted financial assets/(liabilities)	8,319	(168)	8,151

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

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

Group	One year or less	One to five years	Total
	$000	$'000	$'000
2021			
Financial assets			
Cash and bank balances	6,297	–	6,297
Trade receivables	3,248	392	3,640
Other receivables	1,635	1,763	3,398
Total undiscounted financial assets	11,180	2,155	13,335
Financial liabilities			
Trade and other payables	2,205	75	2,280
Amounts due to directors	665	–	665
Bills payable	1,190	–	1,190
Bank borrowings	1,676	729	2,405
Lease liabilities	912	359	1,271
Total undiscounted financial liabilities	6,648	1,163	7,811
Total net undiscounted financial assets	4,532	992	5,524

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

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

Company	**One year or less**	**One to five years**	**Total**
	$'000	$'000	$'000
2022			
Financial assets			
Cash and bank balances	6,275	–	6,275
Other receivables	591	520	1,111
Total undiscounted financial assets	6,866	520	7,386
Financial liabilities			
Trade and other payables	98	–	98
Amounts due to directors	517	–	517
Lease liabilities	80	16	96
Total undiscounted financial liabilities	695	16	711
Total net undiscounted financial assets	6,171	504	6,675
2021			
Financial assets			
Cash and bank balances	4,524	–	4,524
Other receivables	1,642	1,424	3,066
Total undiscounted financial assets	6,166	1,424	7,590
Financial liabilities			
Trade and other payables	83	–	83
Amounts due to directors	649	–	649
Lease liabilities	80	95	175
Total undiscounted financial liabilities	812	95	907
Total net undiscounted financial assets	5,354	1,329	6,683

28. Fair value of financial instruments

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

Financial instruments whose carrying amounts are reasonable approximation of fair value

Management has determined that the carrying amounts of cash and bank balances (Note 14), trade receivables (Note 12), other receivables (Note 13), trade and other payables (Note 20), bills payable (Note 21), lease liabilities (Note 18) and bank borrowings (Note 22) at the end of the reporting period, based on their notional amounts, are reasonable approximations of their fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

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

Categories of financial assets and financial liabilities

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Assets				
Cash and bank balances (Note 14)	9,322	6,297	6,275	4,524
Trade receivables (Note 12)	4,025	3,640	–	–
Other receivables (Note 13)	1,550	3,398	1,111	3,066
Total financial assets carried at amortised cost	14,897	13,335	7,386	7,590
Liabilities				
Trade and other payables (Note 20)	3,673	2,280	98	83
Amounts due to directors	533	665	517	649
Bills payable (Note 21)	–	1,173	–	–
Bank borrowings (Note 22)	1,418	2,362	–	–
Lease liabilities (Note 18)	907	1,253	94	171
Total financial liabilities carried at amortised cost	6,531	7,733	709	903

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 2022 and 31 March 2021.

An overseas subsidiary in Taiwan appropriates 10% of its net profit after tax according to the subsidiary's Articles of Incorporation as legal reserve. Such appropriations are proposed by the directors for approval by shareholders in the next financial year and given effect in the financial statements of that year. The legal reserve shall be appropriated each year until the accumulated reserve equals the paid-up capital of the subsidiary. This reserve can only be used to offset losses of the subsidiary. When the reserve has reached 50% of the share capital of the subsidiary, up to 50% of the legal reserve may be capitalised. The reserve is not available for dividend distribution. This internally imposed capital requirement has been complied with by the abovementioned subsidiary for the financial years ended 31 March 2022 and 31 March 2021.

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

	Group	
	2022	**2021**
	$'000	$'000
Trade and other payables (Note 20)	3,673	2,280
Bills payable (Note 21)	–	1,173
Bank borrowings (Note 22)	1,418	2,362
Amounts due to directors (Note 23)	533	665
Lease liabilities (Note 18)	907	1,253
Less: Cash and bank balances (Note 14)	(9,322)	(6,297)
Net (cash)/debt	(2,791)	1,436
Equity attributable to equity holders of the Company	48,644	45,141
Less: Legal reserve	(1,651)	(1,651)
Total capital	46,993	43,490
Capital and net debt	44,202	44,926
Gearing ratio	(6%)	3%

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 Taiwan.

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

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

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

30. Segment information (cont'd)

	Singapore and Malaysia $'000	Taiwan $'000	Adjustments and eliminations $'000		Total Group $'000
2021					
Revenue:					
External customers	–	25,307	–		25,307
Results:					
Interest income	132	6	–		138
Dividend income	4,130	–	(4,130)	(a)	–
Finance costs	(4)	(133)	–		(137)
Depreciation of property, plant and equipment	8	1,070	–		1,078
Depreciation of right-of-use assets	71	1,348	–		1,419
Share of results of associated company	4,197	–	–		4,197
Other non-cash expenses	25	68	–	(b)	93
Income tax expense	(176)	(628)	–		(804)
Segment profit	6,864	2,027	(4,130)	(a)	4,761
Assets:					
Investment in associated company	27,012	–	–		27,012
Additions to property, plant and equipment	8	325	–		333
Segment assets	37,004	17,774	(1,480)	(c)	53,298
Segment liabilities	1,021	7,218	(81)	(d)	8,158
Cash flows from:					
Operating activities	(1,104)	4,323	–		3,219
Investing activities	2,237	(326)	–		1,911
Financing activities	(2,332)	(3,260)	–		(5,592)
Total cash flows	(1,199)	737	–		(462)

30. Segment information (cont'd)

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

	2022	2021
	$'000	$'000
Dividend income from subsidiaries and associated company	3,950	4,130
	3,950	4,130

(b) Other non-cash expenses consist of allowance for impairment loss on trade and other receivables, bad debts written off, property, plant and equipment written-off, inventories written off, allowance for inventory write-downs, impairment of right-of-use assets and de-recognition of leases 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:

	2022	2021
	$'000	$'000
Investment in subsidiaries	1,399	1,399
Inter-segment receivables	138	81
	1,537	1,480

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

	2022	2021
	$'000	$'000
Inter-segment payables	138	81
	138	81

31. Dividends

	Group and Company	
	2022	**2021**
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2021: 1.0 cents (2020: 0.90 cents) per share	2,526	2,274
Proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final exempt (one-tier) dividend for 2022: 0.90 cents (2021: 1.0 cents) per share	2,274	2,526

32. Authorisation of financial statements

The financial statements for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 30 June 2022.

STATISTICS OF SHAREHOLDINGS

As at 17 June 2022

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	63	2.24	2,849	0.00
100 - 1,000	821	29.25	765,896	0.30
1,001 - 10,000	1,349	48.06	5,648,993	2.24
10,001 - 1,000,000	562	20.02	32,717,181	12.95
1,000,001 and above	12	0.43	213,494,564	84.51
Total	**2,807**	**100.00**	**252,629,483**	**100.00**

LIST OF 22 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	RAFFLES NOMINEES (PTE) LIMITED	97,703,554	38.67
2	CITIBANK NOMINEES SINGAPORE PTE LTD	77,208,393	30.56
3	GOH CHING WAH	17,354,656	6.87
4	PHILLIP SECURITIES PTE LTD	5,842,187	2.31
5	GOH LEE CHOO	3,203,700	1.27
6	LEH BEE HOE	3,042,200	1.20
7	LEW WING KIT	1,832,800	0.73
8	CHONG SIEN THYE ALBERT	1,745,569	0.69
9	CHIAM HOCK POH	1,500,600	0.59
10	DBS NOMINEES PTE LTD	1,379,276	0.55
11	CHEW AH KONG	1,350,000	0.53
12	UOB KAY HIAN PTE LTD	1,331,629	0.53
13	GOH BAK HENG	986,200	0.39
14	LIM AND TAN SECURITIES PTE LTD	876,000	0.35
15	GU JIAN LIN	850,000	0.34
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	845,782	0.33
17	LAI TET WOON	679,300	0.27
18	GUAT SENG HONG	641,000	0.25
19	ESTATE OF KHOO KWANG MENG, DECEASED	540,000	0.21
20	HARRIC LOW KIM HENG	500,000	0.20
21	LIU YANJUAN	500,000	0.20
22	YAP MUI CHENG,ANGELA	500,000	0.20
	Total:	**220,412,846**	**87.24**

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

Based on the information available to the Company as at 17 June 2022, approximately 24.70% of the issued ordinary shares of the Company is held by the public therefore, Rule 723 of the Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-First Annual General Meeting of the Company will be held by way of electronic means on Friday, 29 July 2022 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 2022 and the Directors' Report and the Auditors Report thereon. **(Resolution 1)**

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

3. To re-elect Mr Goh Ching Lai, retiring by rotation, pursuant to Article 89 of the Company's Constitution. **(Resolution 3)**

4. To approve the payment of a Final tax-exempt one-tier dividend of 0.90 cents per ordinary share for the year ended 31 March 2022. **(Resolution 4)**

5. To appoint Mazars 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$137,500/- to Non-Executive Directors for the financial year ended 31 March 2022 (2021: S$104,500/-). **(Resolution 6)**

7. Authority to allot and issue shares

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

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

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

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

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

provided always that

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

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

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

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

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." **(Resolution 7)**
(Please see Explanatory Note 1)

BY ORDER OF THE BOARD

Lotus Isabella Lim Mei Hua
Company Secretary

Singapore, 14 July 2022

Explanatory Notes:-

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

Important Notes:

1. Pre-Registration:

The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this notice of AGM. This notice of AGM may be accessed at the URLs https://www.sgx.com/securities/equities/O08#Company%20Announcements.

Members will not be able to attend the AGM physically. Members who wish to participate at the AGM may watch the AGM proceedings via a live audio-visual webcast or live audio-only stream ("**Live Webcast**"). To do so, members must pre-register their details including full name, NRIC/Passport/Company Registration No., contact number and email address on the Company's AGM pre-registration website at the URL https://tinyurl.com/OssiaAGM2022 before **9.30am on Tuesday, 26 July 2022** ("**Registration Deadline**") for the Company to verify their status as members.

Verified members will receive an email by **Thursday, 28 July 2022** containing instructions to access the Live Webcast. Members must not forward the link or their log-in details to third persons who are not members or who are not entitled to attend the AGM proceedings.

Members who do not receive an email by **9.30am on Thursday, 28 July 2022** but have registered before the Registration Deadline should contact ***Frederick Ng*** by email to *frederick.ng@ossia.com.sg*.

2. Submission of Questions:

The Company will not be addressing any questions raised by the members during the Meeting. Members who have any substantial and relevant questions in relation to any agenda item of this notice, shall send their queries to the Company in advance, by **Tuesday, 26 July 2022** via email to contact@ossia.com.sg.

The Company will endeavor to upload the Company's responses to substantial and relevant queries from members on the SGXNet by **Thursday, 28 July 2022**.

3. Submission of Proxy Form:

Members will not be able to vote through the Live Webcast and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which, the appointment of Chairman of the Meeting as proxy for that resolution will be treated as invalid.

The accompanying proxy form for the AGM can be accessed and is made available with this notice of AGM on the SGXNet at the URL https://www.sgx.com/securities/equities/O08#Company%20Announcements on the same day.

For CPF or SRS investors who wish to appoint Chairman of the Meeting as their proxy, they should approach their CPF and/or SRS Approved Nominees to submit their votes at least seven (7) working days before the AGM, i.e. by **5.00 p.m. on Wednesday, 20 July 2022**.

The instrument appointing Chairman of the Meeting as proxy must be:

(a) deposited at the office of the Company's Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services, 80 Robinson Road, #11-02, Singapore 068898 ; or

(b) emailed to sg.is.proxy@sg.tricorglobal.com

in either case, not less than 48 hours before the time appointed for holding the AGM, i.e. by **9.30 a.m. on Wednesday, 27 July 2022**.

Any incomplete/improperly completed proxy form (including proxy form which is not appointing "Chairman of the Meeting" as proxy) will be rejected by the Company.

A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

The Company shall be entitled to reject the instrument appointing Chairman of the Meeting as proxy 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 Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

4. Annual Report and other documents:

The annual report for the financial year ended 31 March 2022 which was issued on 14 July 2022 can be accessed from the SGXNet at the URL https://www.sgx.com/securities/equities/O08#Company%20Announcements. No printed copy will be sent to members.

PERSONAL DATA POLICY

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

OSSIA INTERNATIONAL LIMITED

Registration Number : 199004330K
(Incorporated in the Republic of Singapore)

IMPORTANT

1. The Annual General Meeting ("AGM") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 14 July 2022.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on is/her/its behalf at the AGM if such member wishes to exercise his/her/ its voting rights at the AGM.**
4. For investors who have used their CPF/SRS monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. CPF/SRS investors are requested to contact their respective Agent Banks for any queries they may have with regard to the appointment of the Chairman of the Meeting as the proxy.

Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

PROXY FORM
ANNUAL GENERAL MEETING

*I / We, ______________________________ (Name) ______________________ (NRIC/Passport no.)

of ____ (Address)

being *a member/members of Ossia International Limited (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us at the Annual General Meeting of Ossia International Limited (the "Company") to be held by electronic means on Friday, 29 July 2022 at 9.30 a.m., and at any adjournment thereof.

We have indicated with an "X" in the appropriate box against each item below how I/we wish the Chairman of the Meeting as my/our proxy to vote, or to abstain from voting.

PROXY FORM

No.	Ordinary Resolutions	For	Against	Abstain**
1.	To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 March 2022 and the Directors' Statement and Auditors' Report thereon.			
2.	To re-elect Mr Goh Ching Huat as a Director pursuant to Article 89 of the Company's Constitution.			
3.	To re-elect Mr. Goh Ching Lai as a Director, pursuant to Article 89 of the Company's Constitution.			
4.	To approve the payment of a Final tax-exempt one-tier dividend of 0.90 cents per ordinary share for the year ended 31 March 2022.			
5.	To appoint Mazars LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
6.	Approval of Non-Executive Directors' Fees.			
7.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act 1967 of Singapore.			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this __________ day of ____________________ , 2022

Total number of Shares in :	No. of Shares held
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/ Common Seal

IMPORTANT: Please Read Notes before Completing this Proxy Form

Notes:-

1. This instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

2. **A member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**

3. 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, may be

   (a) deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898, or

   (b) submitted by email to sg.is.proxy@sg.tricorglobal.com (recommended)

   not later than 48 hours before the time set for the Annual General Meeting.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf 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 of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

5. The Company shall be entitled to reject the instrument appointing the Chairman as proxy 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.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 July 2022.

AFFIX
STAMP

The Share Registrar of
OSSIA INTERNATIONAL LIMITED
c/o Tricor Barbinder Share Registration Services
80 Robinson Road, #11-02
Singapore 068898

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