Annual Report
2020/2021

MOG
EYEWEAR
METRO OPTICAL GROUP

MOG Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1942

HELP THE WORLD SEE BETTER
改變視界，讓世界更清晰

__Dato' Frankie Ng__

Chairman/Executive Director

__拿督 Frankie Ng__

主席 / 執行董事

Our Vision is TO HELP THE WORLD SEE BETTER. We believe everyone deserves to see the best of the world. We aspire to be the one that TRANSFORMS you as a whole, helping you see, feel, and look better! Thus, our main focus lies in providing an exemplary eye care experience through continuous innovation in both product and service.

In eye care, we care more.

改變視界，讓世界更清晰！我們深信每個人都應該看見世界最美好的一面。我們渴望參與您的蛻變，讓您看見世界美好的同時，也讓世界看見您的美麗與時尚！因此，我們致力於持續創新產品及服務的素質。

我們在您的視界，關心您的視力。

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dato' Ng Kwang Hua *(Chairman)*
Datin Low Lay Choo *(Chief Executive Officer)*
Dato' Ng Chin Kee

Independent Non-Executive Directors

Mr. Ng Kuan Hua
Mr. Ng Chee Hoong
Ms. Jiao Jie
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah
(appointed on 1 April 2021)

AUDIT COMMITTEE

Mr. Ng Chee Hoong *(Chairman of the Committee)*
Mr. Ng Kuan Hua
Ms. Jiao Jie

REMUNERATION COMMITTEE

Mr. Ng Kuan Hua *(Chairman of the Committee)*
Dato' Ng Kwang Hua
Mr. Ng Chee Hoong

NOMINATION COMMITTEE

Dato' Ng Kwang Hua *(Chairman of the Committee)*
Mr. Ng Kuan Hua
Mr. Ng Chee Hoong

AUTHORIZED REPRESENTATIVES

Dato' Ng Kwang Hua
Mr. Lau Wai Piu Patrick

COMPANY SECRETARY

Mr. Lau Wai Piu Patrick

JOINT AUDITORS

Mazars CPA Limited
Certified Public Accountants
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Wanchai
Hong Kong

Grant Thornton Malaysia PLT
Chartered Accountants
Level 11
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50250 Kuala Lumpur
Malaysia

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Cayman Islands

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Selangor
Malaysia

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 13th Floor
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Wanchai
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Wanchai
Hong Kong

PRINCIPAL BANKERS

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Kuala Lumpur
Malaysia

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43000 Kajang
Selangor
Malaysia

COMPLIANCE ADVISER

Zhongtai International Capital Limited
19/F, Li Po Chun Chambers
189 Des Voeux Road Central
Central
Hong Kong

STOCK CODE

1942

WEBSITE

www.mog.com.my

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of MOG Holdings Limited (the "**Company**"), I am pleased to present the second annual report of the Company and its subsidiaries (collectively referred to as the "**Group**").

The year of 2020 marked a significant milestone for our Group as we successfully listed the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 15 April 2020 (the "**Listing**"). It was a momentous milestone in our history and we are elated of the listing status of our Company in Hong Kong.

The Group is one of the largest retailers of optical products in Malaysia in terms of revenue. The Group offers a wide range of optical products which generally include lenses, frames, contact lenses and sunglasses from international brands, the Group's own brands and manufacturers' brands.

The Group adopts a multi-brand strategy to cater to different demographics within the eyewear retail market. For the financial year ended 31 March 2021, the Group had 10 retail brands covering the high-end, mid-end and mass market segments of the Malaysian eyewear retail market and one retail brand which focuses on the sales of contact lenses. As at 31 March 2021, the Group's retail network comprised 79 self-owned and 7 franchised retail stores located across Central, Southern, Northern and Eastern Peninsula Malaysia.

The COVID-19 pandemic was unexpected at a global level affecting many parts of the world including Malaysia and creates disruption for our business in terms of our revenue channels and operational procedures. COVID-19 developments remain key in influencing Malaysia's growth trajectory in 2021, particularly the extent and duration of containment measures and the rollout of vaccines. Malaysia entered the year with the tightening of containment measures in most states with a resurgence in cases since late last year. The corresponding restrictions and weakness in sentiments amid the uncertain progress of the pandemic will likely weigh further on spending in 2021. While we face with this uncertain situation, we will continue to monitor the situation in order to plan our response and maximise our business potential during this challenging time.

I would like to express our sincere appreciation and gratitude to stakeholders, including our valued customers, shareholders, business partners and suppliers for their confidence in the Group and look forward to their continuous support in the future. To the management team of the Group (the "**Management**") and members of our staff, the Board would like to thank you for your hard work, loyalty and dedication.

Dato' Ng Kwang Hua
Chairman of the Board

29 June 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is one of the largest retailers of optical products in Malaysia in terms of revenue. The Group offers a wide range of optical products which generally include lenses, frames, contact lenses and sunglasses from International Brands (being the brands of optical products generally from or which generally carry the trademarks of (i) international luxury fashion and optical brands; and (ii) international high-street fashion and optical brands), the Group's Own Brands (being the brands of optical products which carry the Group's trademarks and are manufactured by third party manufacturers) and Manufacturers' Brands (being the brands of optical products which are designed and manufactured by third party manufacturers).

The Group adopts a multi-brand strategy to cater to different demographics within the eyewear retail market. For the financial year ended 31 March 2021 (the "**Reporting Period**"), the Group had 10 retail brands covering the high-end, mid-end and mass market segments of the Malaysian eyewear retail market and one retail brand which focuses on the sales of contact lenses.

As at 31 March 2021, the Group's retail network, which comprised 79 self-owned and 7 franchised retail stores, were located across Central, Southern, Northern and Eastern Peninsula Malaysia. During the Reporting Period, 4 self-owned retail stores, 3 franchised and 2 licensed retail stores ceased operation.

We believe that the increasing awareness of eye care has consistently driven the market development of the eyewear retail market in Malaysia. In addition, the increase in the population with visual impairment, particularly the condition of myopia in children and teenagers could be attributed to the increasing use of technological devices, such as smartphones, tablets and computers from a young age, will increase the demand for optical products, particularly prescription glasses and contact lenses to correct their vision.

COVID-19 PANDEMIC

On 16 March 2020, the Malaysian Government announced a Movement Control Order ("**MCO**"). MCO took effect from 18 March 2020 and extended to 9 June 2020. Certain business sectors were allowed to gradually resume operations, including the optical retail industry. The Group closed all its self-owned retail stores since 18 March 2020. From 5 May 2020, the Group gradually resumed its business operation, and all the self-owned retail stores resumed business by 13 May 2020. Although the Malaysian Government then implemented a recovery MCO from 10 June 2020 to 31 August 2020, with fewer restrictions on daily activities, the COVID-19 pandemic impacts on consumer confidence, and the social distancing measures further decreased pedestrian footfall in shopping complexes, therefore the Group's retail stores throughout peninsular Malaysia have been affected.

Malaysia's border remains closed, including travels to and from Singapore with the exceptions of essential work, business and official travels. This has resulted in the decrease in sales in the Group's retail stores located in Johor Bahru which primarily targets tourists from Singapore. The Management is unsure as to how long it will take to resume cross-border travel between the two countries and how stringent the health checks and quarantine policies on both sides of the border will be.

On 12 October 2020, the Malaysian Government had enforced the Conditional Movement Control Order (the "**CMCO**") in Selangor, Kuala Lumpur and Putrajaya effective from 14 October 2020 to 27 October 2020 in view of the increasing cases of COVID-19 in these areas. Schools and higher learning institutions are closed temporarily during this period, and inter district travel is not allowed unless a letter is provided by employer for workplace travel. On 26 October 2020, the CMCO had been extended for another 14 days until 9 November 2020 after the Malaysian health authorities found that the risk of COVID-19 infection was not abated despite the CMCO in the previous 14 days. On 7 November 2020, the Malaysian Government announced that all states in Peninsular Malaysia except for Perlis, Pahang and Kelantan will be placed under the CMCO for four weeks from 9 November 2020 to 6 December 2020. On 20 November 2020, the Malaysian Government announced that the CMCO in four states, namely Kedah, Melaka, Johor and Terengganu will be lifted effective 21 November 2020, following a reduction in the number of COVID-19 cases. However, Kelantan has become the latest state to be placed under the CMCO, effective from 21 November 2020 until 6 December 2020, following an increase in the number of COVID-19 positive cases there. Although all of the Group's retail stores are allowed to operate as usual, most of which are located in the states where the CMCO are implemented. The various restrictions of the CMCO are shorter operating hours for businesses, closure of entertainment and recreational outlets and restricted inter district travel.

The Malaysian Government announced a second round of MCO which took effective on 13 January 2021 until 26 January 2021 for Penang, Selangor, Kuala Lumpur, Putrajaya, Labuan, Melaka, Johor and Sabah while Pahang, Perak, Negeri Sembilan, Kedah, Terengganu and Kelantan will be under CMCO and Perlis and Sarawak will be under recovery MCO. Thereafter, a third round of MCO was implemented starting from 12 May 2021 to 7 June 2021 nationwide following increases in the number of COVID-19 cases. The control measures implemented in these areas included, amongst others, restriction on or prohibition of interstate and/or inter-district travel and social gatherings. On 28 May 2021, the Malaysian Government subsequently announced a full MCO, also known as total lockdown ("**FMCO**") starting from 1 June 2021 to 14 June 2021 where all economic activities and social activities are prohibited, with the exception of 17 essential service sectors. On 11 June 2021, the Malaysian Government announced the extension of the FMCO to 28 June 2021. On 15 June 2021, the Malaysian Government introduced a four-phase National Recovery Plan with three specific threshold indicators that will decide whether and when certain COVID-19 pandemic restrictions will be lifted. Each of these phases will be based on thresholds that will look at (i) the average number of daily COVID-19 cases; (ii) the capacity of the public health system; and (iii) the vaccination rate of the general population. The four-phase approach begins with Phase One which is the implementation of a nationwide MCO which is in effect at the moment, due to the high number of COVID-19 cases, the public health system is currently at a critical status, and a low vaccination rate amongst the general population. Restrictions towards economic activities and the social sector will ease up as the National Recovery Plan progresses through its phases, which largely depend on whether the three specific thresholds reach satisfactory levels, with the fourth and final phase expected to be implemented towards the end of the year. The Group's operations are allowed to operate as usual provided that the standard operating procedures are followed. Although the duration of the COVID-19 pandemic remains uncertain, the Group will continue to closely monitor the market conditions and will make timely adjustments in its business strategies when necessary.

As such, the recovery of the Malaysian economy, as well as the return to our normal social and spending behaviour will require more time and efforts from all stakeholders.

Despite the decrease in the Group's revenue and net profit for the Reporting Period, the Board is of the view that the overall operation and financial position of the Group remains healthy and sound.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately RM47.9 million or 32.6% from approximately RM147.1 million for the year ended 31 March 2020 to approximately RM99.2 million for the Reporting Period. The decrease was mainly driven by the Group's Retailing Business (being the sales of optical products through the self-owned retail stores and online sales platform of the Group to retail customers) which decreased from approximately RM144.6 million for the year ended 31 March 2020 to approximately RM98.2 million for the Reporting Period, representing an decrease of approximately 32.1%. Such decrease in the Group's Retailing Business was primarily due to the decrease in the sales volume of various categories of the Group's optical products resulting from the COVID-19 pandemic impact whereby Malaysia has gone through various MCO and has since extended numerous times. The Group's self-owned retail stores decreased from 83 retail stores as at 31 March 2020 to 79 retail stores as at 31 March 2021. The revenue derived from Franchising and Licensing Business (being the franchising and licensing of the Group's retail brands to franchisees and licensees) decreased from approximately RM2.5 million for the year ended 31 March 2020 to approximately RM1.0 million for the Reporting Period. Such decrease was mainly contributed by the decrease in sales of optical products to franchisees which was in turn due to closure of three franchised and two licensed retail stores.

Other income

The Group's other income increased by approximately RM6.9 million or 363.2% from approximately RM1.9 million for the year ended 31 March 2020 to approximately RM8.8 million for the Reporting Period. The increase was mainly contributed by the combined effects of the (i) rent concessions of approximately RM2.9 million received from shopping malls; (ii) wage subsidy programme of approximately RM2.6 million received from the Malaysian Ministry of Human Resources; and (iii) gain on disposal of assets classified as held for sale of approximately RM1.4 million.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately RM28.5 million or 29.3% from approximately RM97.3 million for the year ended 31 March 2020 to approximately RM68.8 million for the Reporting Period. Such decrease was mainly contributed by the decrease in the Group's revenue. The Group's gross profit margin increased from approximately 66.1% for the year ended 31 March 2020 to approximately 69.4% for the Reporting Period, primarily due to the higher proportion of sales contribution from frames and lenses, which have higher gross profit margin.

Selling and distribution costs

The Group's selling and distribution costs decreased by approximately RM9.7 million or 17.0% from approximately RM56.9 million for the year ended 31 March 2020 to approximately RM47.2 million for the Reporting Period, primarily attributable to the decrease in (i) staff costs of approximately RM6.4 million resulting from the decrease in sales commission and allowances to the sales and marketing staff; and (ii) other rental and related expenses for retail stores of approximately RM1.9 million as a result of decrease in turnover rent.

Administrative expenses

The Group's administrative expenses increased by approximately RM0.5 million or 4.8% from approximately RM10.5 million for the year ended 31 March 2020 to approximately RM11.0 million for the Reporting Period, primarily due to the increase in legal and professional fees of approximately RM0.5 million in relation to compliance with the Listing Rules after the Listing.

Finance costs

The Group's finance costs decreased by approximately RM0.3 million or 30.0% from approximately RM1.0 million for the year ended 31 March 2020 to approximately RM0.7 million for the Reporting Period, primarily due to decrease in finance charges on lease liabilities as a result of the combined effect of lower interest rate for the lease liabilities and closure of certain outlets during the Reporting Period.

Listing expenses

The listing expenses amounted to approximately RM1.4 million for the Reporting Period and approximately RM9.8 million for the year ended 31 March 2020 which was directly attributable to the issue of new shares and recognised in profit or loss in accordance with the relevant accounting standards.

Income tax expense

The Group's income tax expense decreased by approximately RM1.8 million or 25.7% from approximately RM7.0 million for the year ended 31 March 2020 to approximately RM5.2 million for the Reporting Period. The effective tax rate for the Reporting Period was approximately 29.9% which was lower than the effective tax rate of approximately 33.5% for the year ended 31 March 2020. Such decrease was mainly due to the higher listing expenses incurred during the year ended 31 March 2020, which were not tax deductible.

Net profit and net profit margin

As a result of the foregoing, the Group's net profit decreased by approximately RM1.5 million or 10.9% from approximately RM13.8 million for the year ended 31 March 2020 to approximately RM12.3 million for the Reporting Period. The Group's net profit margin increased from approximately 9.4% for the year ended 31 March 2020 to approximately 12.4% for the Reporting Period. Such increase was mainly attributable to the higher one-off listing expenses incurred during the year ended 31 March 2020 amounting to approximately RM9.8 million.

However, excluding the one-off listing expenses amounting to approximately RM9.8 million for the year ended 31 March 2020 and approximately RM1.4 million for the Reporting Period, the net profit will be approximately RM23.6 million for the year ended 31 March 2020 and approximately RM13.7 million for the Reporting Period. This will represent a decrease of approximately 41.9% in the net profit.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Financial resources

The Group generally finances its operations with internally generated funds and banking facilities. As at 31 March 2021, the Group's bank balances and cash (excluding fixed deposits with licensed banks) amounted to approximately RM68.3 million *(2020: approximately RM34.1 million)*. As at 31 March 2021, approximately 80.8% *(2020: approximately 91.5%)* was denominated in RM, approximately 3.5% *(2020: approximately 6.5%)* was denominated in United States dollar ("**USD**") and approximately 15.7% *(2020: approximately 2.0%)* was denominated in Hong Kong dollar ("**HKD**").

For the Reporting Period, the Group generated net cash inflow from operating activities of approximately RM28.1 million *(2020: approximately RM27.9 million)*. The Group was able to fulfill its repayment obligations when they became due.

Banking facilities and lease facilities

As at 31 March 2021, the Group had interest bearing borrowing of approximately RM1.3 million *(2020: approximately RM1.4 million).* The Group's interest bearing borrowing carried weighted average effective interest rates of approximately 3.40% *(2020: approximately 4.88%)* per annum. The carrying amount of the interest-bearing borrowing was denominated in RM.

The Group's lease liabilities primarily represented payment obligations under the tenancy agreements the Group had entered into in respect of outlets for its self-owned retail stores, leasehold improvements and motor vehicles under hire purchase. The total lease liabilities as at 31 March 2021 was approximately RM19.2 million *(2020: approximately RM17.8 million)*, all denominated in RM. The weighted average effective interest rate for the lease liabilities of the Group was 4.73% *(2020: 4.79%)* per annum as at 31 March 2021.

Capital structure

As at 31 March 2021, the Group's total equity and liabilities amounted to approximately RM126.5 million and approximately RM38.7 million respectively *(2020: approximately RM63.6 million and approximately RM45.5 million respectively)*.

Gearing ratio

The Group's gearing ratio decreased from approximately 0.30 times as at 31 March 2020 to approximately 0.16 times as at 31 March 2021, primarily due to the increase in share capital and share premium pursuant to the Listing and continued increase in total equity as a result of accumulation of profit during the Reporting Period.

Current ratio

The Group's current ratio increased from approximately 2.20 times as at 31 March 2020 to approximately 4.65 times as at 31 March 2021, mainly due to the increase in fixed deposits with licensed banks and bank balances and cash.

Return on equity

The Group's return on equity decreased from approximately 21.7% for the year ended 31 March 2020 to approximately 9.7% for the Reporting Period, mainly contributed by the decrease in the Group's profit for the year and higher total equity as a result of the increase in share capital and share premium pursuant to the Listing.

Return on asset

The Group's return on assets decreased from approximately 12.7% for the year ended 31 March 2020 to approximately 7.4% for the Reporting Period, mainly contributed by the decrease in the Group's profit for the year and higher total assets as a result of the increase in bank balances and cash and fixed deposits with licensed banks.

Pledge of assets

As at 31 March 2021, the Group's bank borrowing, all denominated in RM, was secured by:

(i) personal guarantees provided by Dato' Ng Chin Kee and Dato' Ng Kwang Hua; and

(ii) investment properties with aggregate net carrying amount of approximately RM1.3 million *(2020: approximately RM1.3 million)* at 31 March 2021.

As at 31 March 2021, fixed deposits with licensed banks of approximately RM1.4 million *(2020: approximately RM1.3 million)* are pledged as securities for a banking facility granted to the Group. None of such facility was utilised by the Group as at 31 March 2021.

Capital commitments

The Group did not have any material commitments as at 31 March 2021 *(2020: Nil)*.

Contingent liabilities

As at 31 March 2021, the Group did not have any significant contingent liabilities *(2020: Nil)*.

Employees and remuneration policies

The Group's business is highly service-oriented; therefore, it is crucial for the Group to attract, motivate and retain qualified employees. The Group's staff costs have been and will continue to be one of the major components affecting its results of operations. For the year ended 31 March 2021, the Group incurred staff costs of approximately RM30.4 million *(2020: approximately RM36.6 million)*. The decrease in staff costs was mainly due to the lower number of employees employed and lower sales commission, allowances to the sales and marketing staff. As at 31 March 2021, the Group's total number of staff was 500 *(2020: 567)*.

Foreign currency exposure

Save for certain bank balances were denominated in HKD, Singapore dollar and USD, the Group has minimal exposure to foreign currency risk because most of the business transactions, assets and liabilities are principally denominated in the functional currency of the Group, RM. The Group currently does not have a hedging policy in respect of foreign currency transactions, assets and liabilities. The Management monitors the foreign currency exposure from time to time and will consider hedging significant foreign currency exposure should the need arise.

Significant investment held

As at 31 March 2021, the Group did not hold any significant investments *(2020: Nil)*.

Material acquisitions or disposals

The Group did not have any material acquisition or disposals of subsidiaries or associated companies for the Reporting Period.

DIVIDENDS

On 28 September 2020, the Board announced that it had resolved the declaration and payment of a special dividend of HK$0.025 per ordinary share of the Company, amounting to HK$12,500,000 (equivalent to approximately RM6,715,000) in total (the "**Special Dividend**"). The Special Dividend was paid to the Shareholders whose names appear on the Company's register of members at the close of business on Monday, 19 October 2020 and was distributed in November 2020.

The Board does not recommend to declare any final dividend for the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed on pages 5 and 6 of this report in relation to the COVID-19 Pandemic, there was no significant events after the Reporting Period and up to the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The occurrence of a contagious disease or any other serious public health concerns in Malaysia could affect the Group's supply chain, business, financial condition, results of operations, performance and prospects.

As the outbreak of the COVID-19 Pandemic in Malaysia continues, various MCO have been implemented with the recent FMCO, being from 1 June to 28 June 2021. On 15 June 2021, the Malaysian Government introduced a four-phase National Recovery Plan with three specific threshold indicators that will decide if and when COVID-19 pandemic restrictions are lifted in stages. Each of these phases, will be based on thresholds that will look at the daily COVID-19 case average numbers, the capacity of the public health system, and the vaccination rate of the general population. This phased approach begins with Phase One which is the implementation of a nationwide movement control order that is in effect now with COVID-19 cases numbers that are still high, the public health system which is at a critical level, and a vaccination rate which is still low. Each phase will see more restrictions towards economic activities and the social sector ease up as each of these thresholds reach a more satisfactory level, with the fourth and final phase expected to be imposed only towards the end of the year. As a result, the customer traffic may be significantly reduced for a significant period of time. Even if the restrictions are lifted upon the expiry of the aforementioned period, the Management cannot assure that the customer traffic will resume to the level prior to the outbreak of the COVID-19 Pandemic in the short run.

Further, the outbreak of any contagious diseases, in particular COVID-19, in countries where the Group's products are manufactured may also affect the Group's supply chain. There may be material disruptions or delay in the production of the Group's optical products due to quarantine of employees of the Group's suppliers and suspension of operations of the manufacturing plants. If the Group cannot secure optical products of similar quality and volume at prices and terms acceptable to the Group from other suppliers, the Group may experience shortage or delay in the supply of optical products and this in turn may materially and adversely affect the Group's business, financial condition and results of operations.

As the Group did not generally enter into long-term supply agreements with its suppliers during the reporting period and as purchases were made on an order-by-order basis with the prices of the Group's optical products being determined by the relevant suppliers from time-to-time, the prices of the optical products supplied to the Group are subject to increases as determined by its suppliers. Where the Group's purchase costs increase and the Group is unable to pass its increased costs on to its customers, the Group's profitability, financial condition and results of operations may be materially and adversely affected.

Please refer to the "Risk Factor" section of the prospectus of the Company dated 28 March 2020 (the "**Prospectus**") for more details about the risks and uncertainties that the Group is subject to.

OUTLOOK AND FUTURE PROSPECTS

Malaysia's gross domestic product (the "**GDP**") is expected to grow between 6.5% and 7.5% in 2021, after a 4.5% contraction in 2020 owing to the COVID-19 pandemic. The strong rebound in GDP growth will be driven by the anticipated improvement in global growth and international trade. In addition, the impact of the stimulus packages implemented by the government is expected to have spill over effects and provide an additional boost to the economy in 2021, according to the Malaysia Ministry of Finance's Economic Outlook 2021 report. However, the report pointed out that the upbeat outlook hinges on two major factors — the successful containment of the pandemic and sustained recovery in external demand.

For the year ending 31 March 2022, the Management is unable to reliably estimate the financial impact of COVID-19 as the pandemic has yet to run its full course. Overall, the Board remains positive given the Group's sufficient working capital, extensive retail network, established reputation and diversified portfolio of optical products.

The Management will continue to monitor and implement its business strategies when the economic situation improves. The following are the business strategies disclosed in the section headed "Business — Business Strategies" on pages 104 to 111 of the Prospectus:

— Continue to expand the Group's retail network;

— Upgrade and renovate the self-owned retail stores;

— Continue to promote recognition of the Group's 11 retail brands and to further develop and market the Group's own brands optical products;

— Enhance the Group's production capabilities with regards to customized lenses; and

— Upgrade the Group's information technology systems and enhance its operational efficiency.

In addition, please refer to the "Use of Proceeds" section of this report for progress of the utilisation of the proceeds.

USE OF PROCEEDS

The shares of the Company were listed on the Main Board of the Stock Exchange on 15 April 2020 with a total of 500,000,000 offer shares issued based on the final offer price of HKD1.00 per offer share, the aggregate net proceeds, after deducting the related underwriting fee, incentive and estimated expenses paid and payable by the Company in relation to the Listing, received by the Company were approximately HKD91.1 million or RM50.3 million (based on exchange rate of RM0.5517:HKD1). There was no change in the intended use of net proceeds as previously disclosed in the Prospectus. As at the date of this report, the net proceeds had been utilised as follows:

	Net proceeds RM million	**Amount utilised (up to 31 March 2021)** RM million	**Amount Unutilised (up to 31 March 2021)** RM million	**Amount to be applied in the 6 months period ending 30 September 2021** RM million (Note 3)	**Expected time frame for utilisation** (Note 4)
Set up 36 self-owned retail stores (Note 1)	28.1	—	28.1	12.2	31 March 2022
Upgrade and renovate 25 self-owned retail stores	5.1	—	5.1	2.2	31 March 2022
Promote recognition of the Group's 11 retail brands and to further market the Group's Own Brands optical products	4.7	(0.5)	4.2	1.3	31 March 2022
Develop optical lab for the production of lenses (Note 2)	5.5	—	5.5	—	31 March 2022
Upgrade the Group's information technology systems and acquire an RMS and upgrade its POS systems	4.3	(1.4)	2.9	0.8	31 March 2022
General working capital	2.6	(2.6)	—	—	Fully utilised as of the date of this report
Total	50.3	(4.5)	45.8	16.5	

Notes:

1. In view of the uncertainty heightened by the COVID-19 pandemic, there is a delay in this regard, and the Management is unable to reliably estimate the time frame for the opening of these retail stores at this point in time.

2. in view of the uncertainty heightened by the COVID-19 pandemic, there is a delay in this regard, and the Management is unable to reliably estimate the time frame for the commencement of the development of the optical lab at this point in time.

3. In view of the uncertainty heightened by the COVID-19 pandemic, the figures are subject to change in relation to the timing depending on the market conditions and market developments.

4. The expected time frame for utilisation is determined based on the Group's estimate of future market conditions at this point in time, but the Management is unable to provide a reliable estimation due to the COVID-19 pandemic, and is subject to change depending on the market conditions and market developments.

As disclosed above, the actual application of the net proceeds was slower than expected and such delay was mainly due to the impact of the COVID-19 pandemic, which has caused obstacles, closures and movement restrictions to the retail industry to a very large extent. The Group strives to minimise the impact on its operation caused thereby and will adopt a prudent approach for utilising the net proceeds effectively and efficiently for the long term benefit and development of the Group.

Please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus for details.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the interest of the Company and its shareholders of the Company (the "**Shareholders**").

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Main Board Listing Rules (the "**Listing Rules**") which is released by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

In the opinion of the directors of the Company (the "**Directors**"), the Company has complied, to the extent applicable and permissible with the code provisions as set out in the CG Code during the period from 15 April 2020 (the "**Listing Date**") to 31 March 2021 and up to the date of this annual report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the period from the Listing Date to 31 March 2021.

BOARD OF DIRECTORS

Composition

The Directors who held office during the Reporting Period and as at the date of this annual report are as follows:

Executive Directors
Dato' Ng Kwang Hua[1,2] *(Chairman)*
Datin Low Lay Choo[1,2] *(Chief Executive Officer)*
Dato' Ng Chin Kee[2]

Independent Non-Executive Directors
Mr. Ng Chee Hoong
Mr. Ng Kuan Hua
Ms. Jiao Jie
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah (appointed on 1 April 2021)

Notes:

1. Dato' Ng Kwang Hua is the spouse of Datin Low Lay Choo

2. Dato' Ng Chin Kee is the brother of Dato' Ng Kwang Hua and brother-in-law of Datin Low Lay Choo

The biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 29 to 33 of this annual report. Apart from the above, there is no relationship (including financial, business, family or other material or relevant relationships) amongst members of the Board.

Since the Listing Date, the Board has all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise, and independent non-executive Directors representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

Chairman and Chief Executive Officer

The Chairman of the Company, Dato' Ng Kwang Hua, is responsible for the overall strategic planning and corporate polices as well as overseeing the operation of the Group.

The Chief Executive Officer of the Company, Datin Low Lay Choo, is responsible for overall management and operation of the Group.

Board Meetings and General Meetings

The Board should meet regularly and Board meetings should be held at least four times a year. At least 14 days' notice of all regular Board meetings is given to the Directors who are given the opportunity to include other matters in the agenda of meetings.

Minutes of meetings are kept by the company secretary of the Company (the "**Company Secretary**") with copies circulated to all Directors or Board Committee members for information and records. Directors who have conflicts of interest in a board resolution have abstained from voting for that resolution.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and Board Committee meetings. In compliance with the code provision A.1.5 of the CG Code, minutes of Board meetings and meetings of Board Committees were recorded in sufficient detail covering the matters considered by the Board and decisions reached, including any concerns raised by the Directors, or dissenting views expressed. Draft and final versions of minutes of Board meetings were sent to all the Directors for their comment and record respectively, in both cases within a reasonable time after the Board meeting was held.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

The Company was listed on the Main Board of the Stock Exchange on the Listing Date. During the Reporting Period, the Company held four Board meetings in which all the executive Directors and independent non-executive Directors had attended and discussed various matters and affairs of the Company. One annual general meeting was held during the Reporting Period.

On 29 June 2021, a Board meeting was held to approve, among others, the annual results of the Group for the Reporting Period.

Appointment, Re-election and Removal of Directors

Each of the Directors (including independent non-executive Directors) has entered into a service contract or letter of appointment with the Company for a term of three years.

The articles of association of the Company (the "**Articles of Association**") provides that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting (the "**AGM**") and shall then be eligible for re-election.

In accordance with the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least every three years. A retiring Director shall be eligible for re-election.

Directors' Responsibilities for Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Company are published in a timely manner.

The Directors, having made appropriate enquiries, considered the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The reporting responsibilities of the Company's external auditor on the financial statements of the Company are set out in the section headed "Independent Joint Auditors' Report" in this annual report.

Responsibilities of and Delegation by the Board

The major powers and functions of the Board include, but are not limited to, convening the general meetings, presenting reports to the general meetings, implementing the resolutions passed at the general meetings, determining the operational plans and investment plans of the Group, determining the annual financial budgets and final accounts of the Group, determining the fundamental management system of the Group, formulating profit distribution plans and loss recovery plans of the Group, and exercising other powers and functions as conferred by the Articles of Association.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective function.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation of the Group and management of the Company are delegated to the management of the Company.

The Board and the management have clearly defined their authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or the management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its function.

DIRECTORS' TRAINING

Revised Code Provision A.6.5 of the CG Code provides that Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remain informed and relevant.

All Directors are encouraged to participate in continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities. A summary of professional trainings received by the Directors for the Reporting Period according to the records provided by the Directors is as follows:

	Attending training session and/or reading materials relevant to the business or directors' duties
Dato' Ng Kwang Hua	✓
Datin Low Lay Choo	✓
Dato' Ng Chin Kee	✓
Mr. Ng Chee Hoong	✓
Mr. Ng Kuan Hua	✓
Ms. Jiao Jie	✓
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah[1]	N/A

Note 1: appointed on 1 April 2021

Corporate Governance Functions

The Board recognises that sound corporate governance should be the collective responsibility of Directors and their CG duties include:

a. to approve and review the Company's policies and practices on corporate governance;

b. to review and monitor the training and continuous professional development of Directors and senior management;

c. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

d. to review and monitor the code of conduct and compliance (if any) applicable to the Directors and employees; and

e. to review the Company's compliance with the code provisions of the CG Code and disclosure in the CG Report under the Listing Rules.

BOARD COMMITTEES

The Board has established three Board committees in accordance with the relevant laws and regulations and the corporate governance practice under the Listing Rules, which comprise the audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**") and nomination committee (the "**Nomination Committee**").

Audit Committee

The Audit Committee consists of three independent non-executive directors, namely Mr. Ng Chee Hoong, Mr. Ng Kuan Hua and Ms. Jiao Jie. Mr. Ng Chee Hoong who possess the appropriate professional accounting qualification and financial management expertise as required under Rule 3.10(2) of the Listing Rules, currently serves as the chairman of the Audit Committee.

The terms of reference of the Audit Committee are in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee include but are not limited to, make recommendation to the Board on the appointment, re-appointment and removal of the external auditor; and to assist the Board in fulfilling its oversight responsibilities in relation to the Group's financial reporting, internal control procedure, risk management processes and external audit functions, and corporate governance responsibilities. The full version of the terms of reference of the Audit Committee is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "www.mog.com.my".

The Audit Committee held three meetings during the Reporting Period. Details of attendance of the meetings of the Audit Committee are set out in the below sub-section headed "Attendance Records of Directors and Committee Members".

The following matters were dealt with at the said meetings or by way of written resolutions:

— reviewing the consolidated financial statements for the year ended 31 March 2020 and the annual results announcement;

— reviewing the interim consolidated financial statements for the six months ended 30 September 2020 and the interim results announcement;

— reviewing the significant audit and accounting issues arising from the external auditor's audit;

— considering the appointment of the external auditor and their audit fees;

— meeting with the external auditor without the presence of management to discuss issues arising from the audits and any other matters the auditor might wish to raise;

— reviewing the development in accounting standards and the Group's response, including the preparation for adoption of International Financial Reporting Standards; and

— reviewing the effectiveness of the internal control and risk management system.

The annual results for the Reporting Period have been reviewed by the Audit Committee before submission to the Board for approval.

Nomination Committee

The Nomination Committee consists of two independent non-executive Directors, namely Mr. Ng Chee Hoong and Mr. Ng Kuan Hua and one executive Director, namely Dato' Ng Kwang Hua. Dato' Ng Kwang Hua currently serves as the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Nomination Committee include but are not limited to (i) review the structure, size and composition (including skills, knowledge and experience) of the Board on a regular basis (at least annually) and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) to assess the independence of independent non-executive directors and (iv) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive officer. The full version of the terms of reference of the Nomination Committee is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "www.mog.com.my".

During the Reporting Period, the Nomination Committee held one meeting. Details of attendance of the meetings of the Nomination Committee are set out in the below sub-section headed "Attendance Records of Directors and Committee Members".

The following matters were dealt with at the said meeting or by way of written resolutions:

— to consider the proposed appointment of Directors;

— to assess the independence of the independent non-executive Directors;

— to consider the re-election of Directors; and

— to review the composition of the Board.

No member took part in voting on his/her re-election of Director at the meeting.

Remuneration Committee

The Remuneration Committee consists of two independent non-executive Directors, namely, Mr. Ng Chee Hoong and Mr. Ng Kuan Hua and one executive Director, namely, Dato' Ng Kwang Hua. Mr. Ng Kuan Hua currently serves as the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Remuneration Committee include but are not limited to (i) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing such policy; (ii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; (iii) making recommendations to the Board on the remuneration of non-executive Directors; (iv) reviewing and approving the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and (v) ensuring that no Director or any of his associates is involved in deciding his own remuneration. The full version of the terms of reference of the Remuneration Committee is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "www.mog.com.my".

During the Reporting Period, the Remuneration Committee held one meeting. Details of attendance of the meetings of the Remuneration Committee are set out in the below sub-section headed "Attendance Records of Directors and Committee Members". The following matters were dealt with at the said meeting or by way of written resolutions:

— to review and discuss the remuneration packages for the Directors and senior management of the Company; and

— to consider and approve the remuneration packages for the proposed Directors.

No member took part in voting on his own remuneration at the meeting.

Attendance Records of Directors and Committee Members

The attendance records of each Director at the Board and Board Committee meetings of the Company held during the Reporting Period are set out in the table below:

	Meeting attended				
	Board	Audit committee	Remuneration committee	Nomination committee	Annual general meeting
Number of meetings held	4	3	1	1	1
Executive Directors					
Dato' Ng Kwang Hua	4	N/A	1	1	1
Datin Low Lay Choo	4	N/A	N/A	N/A	1
Dato' Ng Chin Kee	4	N/A	N/A	N/A	1
Independent Non-executive Directors					
Mr. Ng Chee Hoong	4	3	1	1	1
Mr. Ng Kuan Hua	4	3	1	1	1
Ms. Jiao Jie	4	3	N/A	N/A	1
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah[1]	N/A	N/A	N/A	N/A	N/A

Note 1: appointed on 1 April 2021

BOARD DIVERSITY POLICY

The Group adopted a board diversity policy (the "**Board Diversity Policy**") on 23 March 2020. A summary of this policy is as follows:

The purpose of the Board Diversity Policy is to achieve diversity of the Board. The Company recognises and seizes the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this annual report, the Company had a total of seven Directors. The Directors have a balanced mix of experiences, including overall management and strategic development, quality assurance and control, business and risk management, and finance and accounting experiences in addition to corporate legal affair experiences.

NOMINATION POLICY

The Company adopted a policy for nomination on 23 March 2020, pursuant to which, the Nomination Committee shall assist the Board in making recommendations to the Board on the appointment of directors; and succession planning for directors.

1. Selection criteria

1.1 The Nomination Committee shall consider the following factors, which are not exhaustive and the Board has discretion if it considers appropriate, in assessing the suitability of the proposed candidate regarding the appointment of directors or re-appointment of any existing Board member(s):

(a) Reputation for integrity;

(b) Accomplishment, experience and reputation in the business and industry;

(c) Commitment in respect of sufficient time, interest and attention to the business of the Company and its subsidiaries;

(d) Diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge and experience;

(e) Compliance with the criteria of independence, in case for the appointment of an independent non-executive director, as prescribed under Rule 3.13 of the Listing Rules; and

(f) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time as appropriate.

1.2 The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Articles of Association and other applicable rules and regulations.

2. Nomination Procedures

2.1 The proposed candidates will be asked to submit the necessary personal information in a prescribed form by the Nomination Committee.

2.2 The secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Committee. The Committee may also nominate candidates for its consideration.

2.3 For the appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.

2.4 For the re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

2.5 If a shareholder wants to propose a candidate to the Board for consideration, he/she shall refer to the "Procedures for a Shareholder to Propose a Person for Election as a Director", which is available on the Company's website.

2.6 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has undertaken the overall responsibility for overseeing the Group's risk management and internal control systems on an on-going basis and reviewing their effectiveness at least annually in order to safeguard the interests of the shareholders and the assets of the Group.

The Board acknowledges its responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and ensuring that the Group has established and maintained appropriate and effective risk management and internal control systems. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated to the Audit Committee to review the effectiveness of the risk management and internal controls of the Group. Based on its review, the Audit Committee advises the Board on the effectiveness of the Group's risk management and internal control systems, including the identification and monitoring of the risks, the adequacy of resources, staff qualifications and experience, training programmes and the Company's accounting and financial reporting functions. The management has also been delegated to design, implement and maintain the appropriate and effective risk management and internal control systems of the Group.

To further strengthen the risk management and internal control of the Group, the Company has appointed external advisers to undertake the internal audit function and perform the ongoing monitoring of the internal control systems of the Group. The external advisers evaluate the Group's risk management and internal control systems by reviewing the material controls, including financial, operation and compliance. The rotation basis would be applied to operations with similar risk associated so as to enhance the efficiency and effectiveness of the internal audit function. Review results and the recommendations in the form of written report are submitted to the Audit Committee for discussion and review. Follow up actions will be taken up by the management of the Group to ensure all significant control activities are properly in place within the Group and findings previously identified have been properly resolved.

The Company is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed from time to time. The Company has conducted a review on the effectiveness and efficiency of the Groups risk management and internal control systems during the Reporting Period and the management has confirmed that there is no significant deficiency and weakness on the internal control system has been identified by the external advisers. The Board satisfied and confirmed that the Group's risk management and internal control systems were effective and adequate.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group strictly follows the requirements of the Securities and Futures Ordinance of Hong Kong (the "**SFO**") and the Listing Rules and ensures that inside information is disclosed to the public as soon as reasonably practicable unless the information falls within any of the safe harbours of the SFO. Before inside information is fully disclose to the public, such information is kept strictly confidential. In addition, the Group adopted the policy of disclosing relevant information only to appropriate staff within the Group and will establish written guidelines regarding employees' securities transactions on terms no less exacting than the standard set out on the Model Code for the compliance by its relevant staff in respect of their dealings in the Company's securities.

JOINT AUDITORS' REMUNERATION

The remunerations paid or payable to the external joint auditors of the Company, Mazars CPA Limited ("**Mazars**") and Grant Thornton Malaysia PLT ("**GT**"), in respect of audit and non-audit services provided to the Group for the Reporting Period are set out below.

	RM'000
Annual audit for the Reporting Period	1,004
Professional services as joint reporting accountants in relation to the initial Listing for the Reporting Period (Note 1)	641
Non-audit services:	
— agreed-upon procedures on the Group's interim report for the six months ended 30 September 2020 (Note 2)	102
— tax compliance services for the Reporting Period (Note 3)	160

Notes:

(1) The total fee of the entire professional services as joint reporting accountants for the Listing was approximately RM2,449,000. Professional service fees of approximately RM1,808,000 have been recognised for the year ended 31 March 2020.

(2) The non-audit service was rendered by Mazars.

(3) The non-audit service was rendered by GT.

SHAREHOLDERS' RIGHTS

The Company encourages the Shareholders to attend the general meetings of the Company. To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at general meeting, including the election of individual Director(s). All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

A shareholder may send an enquiry to the principal place of business of the Company at Unit B, 13th Floor, Winsan Tower, 98 Thomson Road, Wanchai, Hong Kong for the attention of the Board in written form, which shall state the nature of the enquiry and the reason for making the enquiry.

The Procedures for Shareholders to Convene an Extraordinary General Meeting ("EGM") and for Putting Forward Proposals at General Meeting

Pursuant to Article 58 of the Articles of Association, extraordinary general meeting of the Company shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary at the Company's head office or principal place of business in Hong Kong, for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition and signed by the requisitionist(s) (the "**Requisitionists**").

Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) of the Company.

Procedures for putting forward proposals at Shareholders' meeting

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law. However, Shareholders may request the Company to convene an extraordinary general meeting following the procedures as set out above.

The Procedures for Shareholders to Propose a Person for Election as a Director of the Company

Article 85 of the Articles of Association provides that no person, other than a retiring director of the Company, shall, unless recommended by the board of directors of the Company for election, be eligible for election to the office of director of the Company (the "**Director**") at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodging the notices as required under the Articles of Association will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Accordingly, if a shareholder wishes to nominate a person to stand for election as a director of the Company at the general meeting, the following documents must be validly served at the Company's head office in Hong Kong or the Branch Share Registration and Transfer Office, namely (1) his/her notice of intention to propose a resolution at the general meeting; (2) a notice signed by the nominated candidate of his/her willingness to be elected; (3) the nominated candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (4) the nominated candidate's written consent to the publication of his/her personal data, contact address and contact telephone number.

Investor Relations and Communication with Shareholders

The Board established a Shareholders' communication policy to ensure that Shareholders and potential investors are provided with ready, equal and timely access to information of the Company.

The Company has maintained a corporate website at www.mog.com.my through which the Company's updated financial information, business development, announcements, circulars, notices of meetings, press releases and contact details can be accessed by the Shareholders and potential investors.

Shareholders should direct their questions about their shareholdings, share transfer, registration and payment of dividends to the Company's branch share registrar in Hong Kong, details of which are as follows:

Computershare Hong Kong Investor Services Limited

Address:
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

DIVIDEND POLICY

The Company does not have a fixed dividend policy, however the Directors expect the Group's dividend payout ratio will be not less than 30% of its annual distribution net profit. Notwithstanding the aforesaid, the Board shall have the discretion with regards to any recommendation as to the declaration, amount and means of payment of any dividends and the amount of any actual dividends will depend on the Group's earnings and financial conditions, operating and capital requirements and any other factors deemed relevant. Further, such declaration will also be subject to the applicable laws and regulations including the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, Articles of Association and, other than payment of an interim dividend, the approval of Shareholders.

COMPANY SECRETARY

Mr. Lau Wai Piu Patrick ("**Mr. Lau**") was appointed as the Company Secretary on 2 July 2019 and Mr. Ooi Guan Hoe, the Chief Financial Officer of the Group is the main contact of Mr. Lau in the Company. Mr. Lau has confirmed that he received not less than 15 hours of relevant professional training during the Reporting Period.

CONSTITUTIONAL DOCUMENTS

The Articles of Association were approved on 23 March 2020 by special resolution and amended and restated with effect from the Listing Date. Save as disclosed therein, there were no significant changes in the constitutional documents of the Company during the Reporting Period and up to the date of this annual report.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed in the section headed "Biographical Details of Directors and Senior Management" in this annual report, there were no other changes to the Directors' information that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Dato' Ng Kwang Hua ("Dato' Frankie Ng"), aged 50, is the founder of the Group, one of the controlling shareholders of the Company, the chairman of the Board and the Nomination Committee, a member of the Remuneration Committee and an executive Director. He is responsible for the overall strategic planning and corporate policies as well as overseeing the operations of the Group. Dato' Frankie Ng is also a director of several subsidiaries of the Company.

Dato' Frankie Ng attended high school in Sekolah Menengah Yu Hua Kajang (Yu Hua Kajang High School*), Selangor and left in July 1988. After that, he worked as a branch manager of Brilliant Optical Sdn. Bhd., an eyewear retailer, from April 1989 to December 1990 and from June 1992 to April 1995. Between January 1991 and May 1992, he was a branch manager of another eyewear retailer, England Optical Sdn. Bhd. Dato' Frankie Ng became a registered optician in Malaysia in June 1996. He became a director of Metro Designer Eyewear Sdn. Bhd. in September 1997. Dato' Frankie Ng has more than 30 years of experience in the eyewear retail industry. He was conferred Darjah Indera Mahkota Pahang (D.I.M.P.) which carries the honourary title "Dato" by His Majesty Sultan Haji Ahmad of Pahang Darul Makmur in 2016. Dato' Frankie Ng is the spouse of Datin Low Lay Choo and the brother of Dato' Ng Chin Kee.

Dato' Ng Chin Kee ("Dato' Henry Ng"), aged 54, is an executive Director of the Group. He is responsible for management and operation of the Group with focus on purchasing and merchandising. He is currently a director of several subsidiaries of the Company. Prior to joining the Group, Dato' Henry Ng ran family business of a grocery store from 1988 to 1991. He then invested in and managed a Chinese restaurant from 1992 to 1995. His first directorship within the Group was in Metro Designer Eyewear Sdn. Bhd. in June 1997. Dato' Henry Ng has more than 23 years of experience in the eyewear retail industry. He was conferred Darjah Indera Mahkota Pahang (D.I.M.P.) which carries the honourary title "Dato" by His Majesty Sultan Haji Ahmad of Pahang Darul Makmur in 2014. Dato' Henry Ng became a registered optician in Malaysia in May 1999. Dato' Henry Ng is the brother of Dato' Frankie Ng and the brother in law of Datin Low Lay Choo.

Datin Low Lay Choo ("Datin Low"), aged 50, is the chief executive officer and an executive Director. She is responsible for the overall management and operation of the Group. She joined the Group on 1 April 1999. She also holds directorship in several subsidiaries of the Company. Datin Low has more than 21 years of experience in the eyewear retail industry. Prior to joining the Group, she worked as a customer support supervisor in Upha Corporation (M) Sdn. Bhd. from September 1990 to March 1999 and was mainly responsible for supervising the customer service team. Upha Corporation (M) Sdn. Bhd. is currently known as CCM Pharmaceuticals Sdn. Bhd. and it is a related company of Chemical Company of Malaysia Berhad, a company listed on Kuala Lumpur Stock Exchange (stock code: 2879). Ms. Low became a registered optician in Malaysia in March 2000. Datin Low graduated from Sekolah Menengah Yu Hua Kajang (Yu Hua Kajang High School), Selangor in November 1988. Datin Low is the spouse of Dato' Frankie Ng and the sister in law of Dato' Henry Ng.

Independent Non-Executive Directors

Mr. Ng Kuan Hua ("Mr. Ng"), aged 42, was appointed as an independent non-executive Director on 23 March 2020, and is mainly responsible for providing independent opinion and judgement to the Board. Mr. Ng is the chairman of the Remuneration Committee, as well as a member of the Audit and Nomination committees. Mr. Ng does not hold any other position with the members of the Group.

Mr. Ng has approximately 18 years of experience in accounting and finance fields. Prior to joining the Group, he was a business analyst in CIMB Bank Berhad from October 2001 to October 2003, being responsible for evaluating the loan applications. He then started to work as a senior auditor and later was promoted to business consultant in Anuarul Azizan Chew Consulting Sdn. Bhd., which provides business management consultancy services, from November 2003 to June 2005, being responsible for auditing for the company that attempts to be listed. He then joined Perdana Petroleum Berhad, a provider of offshore marine services and served as a senior corporate executive from July 2005 to October 2007, being responsible for assisting on financial reporting and all corporate exercises. Between November 2007 and July 2008, he worked as a finance and operation manager in Fortune Laboratories Sdn. Bhd., a personal care products manufacturer, where he was responsible for handling day-to-day operation and financial matters. Subsequently, he joined World Equipment Sdn. Bhd. (a related company of Only World Group Holdings Berhad mentioned below) as a corporate finance manager from October 2008 to September 2010 prior to joining Nextnation Network Sdn. Bhd. as a corporate finance manager from October 2010 to September 2011, where he was responsible for all the corporate exercises. He re-joined World Equipment Sdn. Bhd. as a corporate finance manager from October 2011 to June 2013. Mr. Ng was then appointed as an executive director of Only World Group Holdings Berhad, a company listed on Kuala Lumpur Stock Exchange (stock code: 5260) and held the role from June 2013 to February 2019, being responsible for day-to-day operation and financial matters. He was an executive director of Goodway Integrated Industries Berhad, a company listed on Kuala Lumpur Stock Exchange (stock code: 7192) from 24 October 2019 to 30 December 2019.

Mr. Ng obtained his higher diploma in business administration from Inti College Malaysia in Malaysia in December 1998. After that, he obtained his bachelor's degree in accounting from the University of Hertfordshire in United Kingdom and his master's degree in commerce (applied finance) in the University of Queensland in Australia in September 1999 and in August 2001, respectively.

Mr. Ng Chee Hoong ("Mr. NCH"), aged 54, was appointed as an independent non-executive Director on 23 March 2020, and is mainly responsible for providing independent opinion and judgement to the Board. Mr. NCH is the chairman of the Audit Committee, as well as a member of the Nomination and Remuneration committees. Mr. NCH does not hold any other position with the members of the Group.

Mr. NCH has more than 30 years of experience in accounting and auditing. Prior to joining the Group, he was a partner in BDO PLT, PKF and Grant Thornton Malaysia (currently known as Grant Thornton Malaysia PLT), all accounting firms, from June 1990 to February 2009, from March 2009 to September 2010 and from October 2010 to February 2017, respectively. He was responsible for auditing and assurance engagements during all of these different periods. He then joined Tradewinds Plantation Berhad, an oil and rubber plantation company and served as a chief financial officer from March 2017 to February 2019, being responsible for overseeing finance functions and supporting the chief executive officer. In March 2019, Mr. NCH rejoined PKF, where he worked as an audit director, being responsible for auditing and assurance engagements. Mr. NCH has been appointed as an independent non-executive director of Tan Chong Motor Holdings Berhad (stock code: 4405) and Pestech International Berhad (stock code: 5219) on 3 November 2020 and 1 April 2021, respectively. The shares of both companies are listed on the Main Market of Bursa Malaysia Securities Berhad.

Mr. NCH obtained his diploma in commerce (financial accounting) from Tunku Abdul Rahman College (currently known as Tunku Abdul Rahman University College) in Malaysia in July 1990. Mr. NCH was qualified as a chartered accountant by the Association of Chartered Certified Accountants in January 1999.

Ms. Jiao Jie ("Ms. Jiao"), aged 40, was appointed as an independent non-executive Director on 23 March 2020, and is mainly responsible for providing independent opinion and judgement to the Board. Ms. Jiao is also a member of the audit committee. Ms. Jiao does not hold any other position with the members of the Group.

Ms. Jiao has over 12 years of experience in initial public offerings, private equity financing and corporate legal affairs. Ms. Jiao worked as a legal assistant at Beijing Jingtian & Gongcheng* Attorneys at Law (北京市競天公誠律師事務所) from November 2004 to February 2007. Thereafter, she joined China Sunshine Paper Holdings Company Limited (stock code: 2002) ("**China Sunshine**"), the shares of which are listed on the Main Board of the Stock Exchange, as the board secretary and special assistant to the chairman of China Sunshine from March 2007 to January 2010. From January 2010 to February 2012, Ms. Jiao worked as chief counsel and head of investor relations in Beijing Soufun Network Technology Company Limited* (北京搜房網絡技術有限公司), a subsidiary of Fang Holdings Limited, a company listed on the NYSE (stock code: SFUN). She then joined Huijin Stone (Xiamen) Co. Ltd.* (滙金石(廈門)有限公司), a subsidiary of ArtGo Holdings Limited (formerly known as ArtGo Mining Holdings Limited) (stock code: 3313), the shares of which are listed on the Main Board of the Stock Exchange, as vice president and general counsel from March 2012 to June 2014. She was appointed to the position of joint company secretary of ArtGo Holdings Limited in December 2013 and resigned in May 2014. Ms. Jiao served as the chief financial officer at iClick Interactive Asia Group Limited, a company listed on the NASDAQ (stock code: ICLK), from June 2014 to December 2018. Ms. Jiao has been an independent non-executive director of China Sunshine since January 2014 and TradeGo FinTech Limited (捷利交易寶金融科技有限公司) (stock code: 8017) since August 2018, the shares of which are listed on GEM of the Stock Exchange, and an independent director of China Index Holdings Limited (stock code: CIH) and Quhuo Limited (stock code: QH) since May 2019 and July 2020, the shares of both companies are listed on the NASDAQ. Save as being independent director/non-executive director, Ms. Jiao has also served as the supervisor of Beijing OptAim Network Technology Co., Ltd.* (北京智雲眾網絡科技有限公司) since April 2017.

Ms. Jiao obtained the degrees of Laws and Economics from Peking University in July 2003. She further obtained the degree of Magister Juris from University of Oxford in July 2005. In addition, she obtained the Legal Professional Qualification Certificate* (法律職業資格證書) from the Ministry of Justice of the PRC in March 2010. She has also obtained the Registered Qualification Certificate of Enterprise Legal Adviser (企業法律顧問執業資格證書) accredited jointly by the Ministry of Human Resources and Social Security of the PRC, the State-owned Assets Supervision and Administration Commission of the State Council of the PRC and the Ministry of Justice of the PRC in October 2011. Ms. Jiao has been a chartered financial analyst accredited by the CFA Institute since September 2014.

Puan Sri Datuk Seri Rohani Parkash Binti Abdullah ("Puan Sri Datuk Seri Rohani"), aged 65, was appointed as an independent non-executive Director on 1 April 2021.

Puan Sri Datuk Seri Rohani obtained her Master of Business Administration from Oklahoma State University, United States of America in 1995, and her Bachelor of Arts (Hons) from Universiti Kebangsaan Malaysia in 1979.

Puan Sri Datuk Seri Rohani's career was primarily in the civil service and spanned the land and regional development, communication and multimedia, human resources and higher education sectors. She was extensively involved in international and policy aspects of these sectors and left the government service in 2012 as the Deputy Secretary General Ministry of Higher Education (Malaysia). She concluded her career in the public sector as a Senior Fellow at the University Teknologi Malaysia. During the period from June 2012 to August 2018, she was the President of PUSPANITA Kebangsaan (Association of Women Civil Servants and Wives of Civil Servants) which is a charitable and volunteering organization.

Puan Sri Datuk Seri Rohani was appointed as the independent non-executive director of 7-Eleven Malaysia Holdings Berhad (stock code: 5250) and Symphony Life Berhad (stock code: 1538) on 10 February 2017 and 1 December 2017 respectively. Besides, she was an independent non-executive director of Duopharma Biotech Bhd (stock code: 7148) and Nylex Malaysia Berhad (stock code: 4944) during the period from 2 August 2016 to 31 May 2019 and 1 November 2016 to 31 May 2018, respectively. The shares of the above companies are listed on the Main Market of Bursa Malaysia Securities Berhad.

Senior Management

Mr. Ooi Guan Hoe ("Mr. Ooi"), aged 45, has been the chief financial officer of the Group since 1 January 2019, being responsible for the overall finance function.

Mr. Ooi has more than 14 years of experience in the accounting and finance fields. Prior to joining the Group, he began his career in May 1999 when he joined Arthur Andersen & Co, an accounting firm in Malaysia, as an audit assistant, being responsible for statutory audit. He was promoted several times and his last role with Arthur Andersen & Co (which merged into Ernst & Young in April 2002) was senior associate before he left in October 2002. He then worked as an executive and was gradually promoted to senior manager in CIMB Investment Bank Berhad from November 2002 to October 2009, being responsible for corporate finance work including initial public offering, merger and acquisition, privatisation, etc. He undertook the role as the chief financial officer and member of management in Decheng Technology AG, a company listed on the Frankfurt Stock Exchange (stock code: 333) in January 2015 and May 2016, respectively, where he was responsible for the initial public offering process and finance function before he left in July 2017. Mr. Ooi has been an independent non-executive director of Only World Holdings Berhad since June 2013, Revenue Group Berhad since December 2017, Techbond Group Berhad since January 2018 and TCS Group Holdings Berhad since May 2019, all of which are listed on Kuala Lumpur Stock Exchange with stock code being 5260, 0200, 5289 and 0221 respectively.

Mr. Ooi obtained his bachelor's degree in accounting from University Putra Malaysia in Malaysia in August 1999. He has been a member of Malaysia Institute of Accountant since July 2002. In June 2011, Mr. Ooi completed an executive education programme co-organised by Harvard Business School and Tsinghua University and obtained a certificate in private equity and venture capital-China.

Mr. Lee Ben Keong ("Mr. Lee"), aged 46, was the head of business development and marketing department of the Group from May 2015 to January 2017, and has been the general manager (marketing communication and business development) of the Group since February 2017, being responsible for marketing communication and business development. Furthermore, Mr. Lee has been redesignated as a General Manager, Business Growth and Development since September 2020.

Mr. Lee has more than 13 years of managerial experience in the business development and retail fields. Prior to joining the Group, he was a general manager (group business development, franchise and marketing) and then brand general manager of Classic Bonita Sdn. Bhd. a skin care cosmetics and fashion accessories retailer, from March 2007 to March 2008. He joined Good Response Sdn. Bhd. a skin care cosmetics retailer, and served as a senior manager (business administration) from April 2008 to March 2010. Mr. Lee then took the position of senior manager and later as store portfolio manager in Courts (Malaysia) Sdn. Bhd., a retailer of electronic and electrical appliances, as well as household furniture, from December 2010 to March 2015.

Mr. Lee obtained his diploma in computer studies from Informatics Colleges in Malaysia in March 1996. Thereafter, he obtained the diploma in computer graphic design from A.R.T Direction Design Education in Malaysia in October 1998 and obtained his master's degree in business administration (MBA) from American Liberty University in America through long distance learning in December 2009.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Seow Ai Ting ("Ms. Seow"), aged 39, was the senior accountant and administration executive from July 2011 to January 2015 and has been the finance manager of the Group since February 2015, being responsible for the full spectrum of the financial and management account functions of the Group.

Ms. Seow has more than 18 years of experience in accounting. Prior to joining the Group, she was an account executive in Innovate Community Trading Sdn. Bhd., a construction company, from January 2003 to May 2005. She joined LB Aluminium Berhad, a manufacturer of Aluminium Extrusion and took the role as a senior accounts executive from May 2005 to November 2007. She joined Fujihome Global Berhad, a kitchen products distributor in November 2007 as an accounts and administration executive, and was later promoted to head of accounts, a position which she held from around 2009 to June 2011. Ms. Seow was responsible for reviewing and handling full sets of accounts of that company during each period aforementioned.

Ms. Seow obtained her diploma in financial accounting from Systematic Education Group Berhad ("**SEGB**") in Malaysia and diploma in business, issued in association with SEGB by Cambridge International Examinations in September 2000. She then successively completed the professional part 1 and part 2 of the ACCA examinations in June 2002 and December 2003, respectively.

Ms. Goh Seat Yuin ("Ms. Goh"), aged 34, was the assistant human resources manager of the Group from February 2016 to 31 January 2017 and has been the corporate affairs manager of the Group since 1 February 2017, being responsible for human resources.

Ms. Goh has more than ten years of experience in human resources field. Prior to joining the Group, she was an assistant human resources manager in Megaduct Technology Sdn. Bhd., a manufacturer of electric busbar trunking systems, from December 2010 to November 2012 and in Miwaki Sdn. Bhd., a trader in garments and accessories, from November 2012 to July 2014, being responsible for HR related matters. She then joined Wong and Partners, a law firm where she worked as a talent management specialist and responsible for HR related matters from July 2014 to January 2016.

She obtained her bachelor's degree in business administration from Universiti Tunku Abdul Rahman in June 2008. After that, she completed courses "Problem Solving and Decision Making Skills" and "Quality Leadership Skills" held at AE Technology Sdn. Bhd. in December 2008 and June 2009 respectively.

COMPANY SECRETARY

Mr. Lau Wai Piu Patrick ("Mr. Lau"), aged 47, was appointed as the company secretary of the Company on 2 July 2019.

Mr. Lau has over 20 years of experience in aspect of financial reporting, accounting and auditing. He obtained a higher diploma in accountancy from the City University of Hong Kong in November 1997 and a master's degree of arts in international accounting from the same university in November 2002. He was admitted as a fellow of the Association of Chartered Certified Accountants in July 2005 and a fellow of the Hong Kong Institute of Certified Public Accountants in September 2007.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to long term sustainability of the environment and communities in which it operates. Acting in an environmental responsible manner, the Group endeavours to comply with the laws and regulations on environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

ABOUT THIS REPORT

This is the second environmental, social and corporate governance report (the "**ESG Report**") issued by the Group since the Listing Date, which discloses the relevant environmental, social and corporate governance initiatives adopted by and performance of the Group during the period from 1 April 2020 to 31 March 2021 (the "**Reporting Period**"), in accordance with the "Environmental, Social and Governance Reporting Guide" (the "**ESG Reporting Guide**") as set out in Appendix 27 under the Rules Governing the Listing of Securities on Main Board of the Stock Exchange. For corporate governance related information of the Group, please refer to the section of Corporate Governance Report disclosed on pages 16 to 28 of this annual report.

The board of directors of the Company (the "**Board**") has the overall responsibility for the Company's ESG strategy and reporting. The management is responsible for evaluating, determining, monitoring and managing of the ESG-related risks and the effectiveness of the ESG management system.

PREPARATION BASIS AND SCOPE

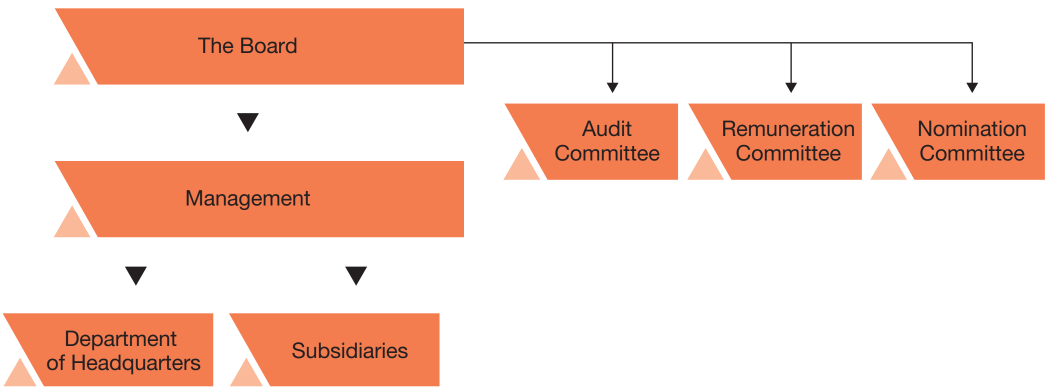
The preparation of this ESG Report is based on the four reporting principles as stipulated in the ESG Reporting Guide:

Materiality	The Board determined the ESG issues based on its significant impacts level resulting from the Group business activities.
Quantitative	The Group recorded and collected measurable data used for setting its KPIs to evaluate the effectiveness of its established policies and management system that has significant impacts to the ESG issue.
Balance	The Group adopted unbiased and fair presentation in this ESG Report to report its performances.
Consistency	The Group used consistent methodologies in presenting its data for comparison over time. Since it is the first ESG Report being issued by the Group, some of the historical data may or may not be available for comparison.

The ESG Report also includes the measurement of its key performance of its sustainability issue that are considered most material to the Group's stakeholders. Our stakeholders include shareholders, suppliers, customers, regulatory bodies and employees. The key to identify the material aspect is to assessing the stakeholder's needs with alignment to the Group's vision that are of significant importance to them. The material aspects were evaluated for its potential impact on the environment and society, its influence on the stakeholders and its impact on the Group's operations.

ESG MANAGEMENT SYSTEM

In the process of fulfilling its corporate social responsibility, the Group strives to move towards the goal of achieving sustainable development of the eyewear retail industry. In order to actively strengthen the overall ESG management of the Group and effectively implement the principal responsibilities of each department, the Group has established relevant departments such as the board of directors, management and functional departments.



Organisational structure of the Group for ESG

STAKEHOLDERS ENGAGEMENT

The Group understands the success of the Group's business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the outcomes within the Group; and (c) are interested in or affected by or have the potential to be affected by the impact of the Group's activities, products, services and relationships. It allows the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment. Moreover, the Group acknowledges the importance of information and feedback gained from the stakeholders' insights, inquiries and continuous interest in the Group's business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication are used to reach, listen and respond.

Stakeholders	Engagement Channels	Issues of Concerns
Government and Market Regulator	• Annual reports and announcements • Company website • Supervision and inspection	• Compliance with the laws and regulations • Proper tax payment • Disclosure of information
Shareholders and Investors	• Annual reports, interim reports and announcements • Company website	• Information disclosure and transparency • Protection of interests and fair treatment of shareholders • Reputation
Employees	• Training, seminars, briefing sessions • Cultural and sports activities • Emails • Employee survey	• Occupational health and safety • Working environment • Career development opportunities • Self-actualisation • Remuneration and benefits
Customers	• Company website, brochures, annual reports and announcements • Retail stores • Customer service hotline • Social media platform	• Safe and high-quality products • Good customer service • Product pricing and promotion
Suppliers and Business Partners	• Business meetings, supplier conferences, phone calls	• Long-term partnership • Honest cooperation • Product and service quality • Pricing and discount • Stable and sustainability
Public and Community	• Charity and social investment • Environmental responsibilities	• Contribution to community development • Social responsibilities • Protection of environment

MATERIALITY ASSESSMENT

Through general communication with stakeholders, the Group understands the expectations and concerns from stakeholders. The feedback obtained allows the Group to make more informed decisions, and to better assess and manage the resulting impact.

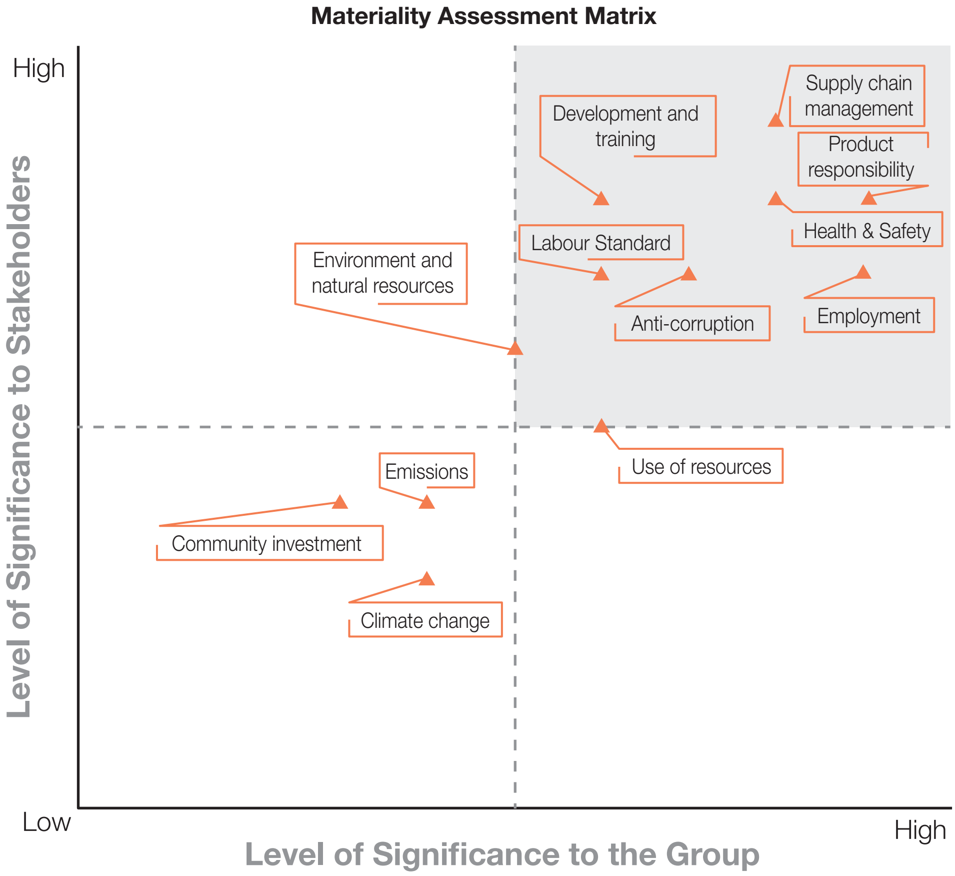
The Group has adopted the principle of materiality in the Report by understanding the key ESG issues that are important to the business of the Group. All the key ESG issues and key performance indicators (KPIs) are reported in the Report according to recommendations of the ESG Reporting Guide (Appendix 27 of the Listing Rules).

The Group has evaluated the materiality and importance in ESG aspects through the following steps:

Step 1 Identification	Step 2 Prioritisation	Step 3 Validation and Review
Identify ESG areas through the review of industry peers, and considering both business and stakeholder's perperctive	Assess material topics in term of their influence on decisions and the significance of their impacts	Validate the results internally
Determine the ESG areas based on the important of each ESG area to the Group through internal discussion and refering to the ESG Reporting Guide	Rank the topics based on materiality	Identify the gaps for further improvement

As a result of this process being carried out, those significance and material ESG areas to the Group were identified and the outcomes are shown as follows:

Material Issue Assessment Matrix



ENVIRONMENT

The Group operates in the eyewear retail industry with low energy consumption and insignificant pollution. The main impacts on the environments in the ordinary course of business of the Group are the consumption of plastic, paper, electricity, etc.

The Group is committed to comply with all applicable laws and regulations that we considered that have significant impact on the environment arising from our operation. We believe it is our responsibility to save energy with an optimum balance of cost, resource efficiency and environmental friendliness.

A1: Emissions

Due to the Group's business nature, the Group does not directly generate any hazardous emissions and waste in the course of its operations. However, there was minor non-hazardous waste, such as plastic and paper packing material of which scheduled waste collector would be arranged for disposal or recycle regularly.

During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations in relation to environmental emissions.

Air Pollutants Emission

Air pollutants emission control is essential to mitigate the impact on the environment and to protect the health of employees. No substantial air pollutants emissions were generated from any type of fuels in daily operation as the Group is not engaged in any industrial production.

Greenhouse Gas ("GHG") Emission

Purchased electricity is considered the most significant source of indirect GHG emissions of the Group.

Below summarises the data of the GHG emission:

Scope 2	Unit (kWh)	Carbon Emission (CO_2-e in tonne)	Intensity per employee (CO_2-e in tonne)
Purchased Electricity			
2021	1,089,460	776.79	1.55
2020	1,341,962	956.82	1.69
Increase/(Decrease)	(252,502)	(180.03)	(0.14)

In an effort to reduce the Group's carbon footprint, the Group has adopted several initiatives to mitigate and control the usage by:

- turning off all electronic appliances when leaving their desk or office for long hours;
- switching off light and air-conditioner during lunch hour;
- promoting the culture of energy saving; and
- power usage statistic notification and awareness.

The emission compared to last financial year was dropped by 19%. Although the Group had achieved the reduction target of up to 5%, the reduction was mainly due to the temporary closure of retail stores and other restrictive measures enforced on public venues implemented by the Malaysian Government via the MCO during the Reporting Period.

The Group will continue to monitor its consumption and review the existing measures to minimise the current emission by meeting the next reduction target of not less than 5% for the coming year.

Waste Management

Hazardous waste

The Group's main operational activities are not involved directly in the generation of hazardous waste. The hazardous waste that the Group considered most material was the ink cartridges that we used for printing. To comply with applicable laws and regulations, the Group engaged a licensed waste collector approved by the local authority for scheduled waste disposal.

During the Reporting Period, the waste disposal amount and its intensity were as follows:

Hazardous waste generated	**Unit**	**FY2021**	FY2020
Ink Cartridge	tones	**0.121**	0.153
Intensity	tonnes/employee	**0.0002**	0.0003

Non-hazardous waste

The generation of non-hazardous wastes mainly came from office operation, such as paper and packing material. The Group has implemented measures for effective waste management and encourages recycling in our operations with the intention to minimise its impact on the environment.

During the Reporting Period, the waste disposal amount and its intensity were as follows:

Non-hazardous waste generated	**Unit**	**FY2021**	FY2020
Non-hazardous waste generated	tonnes	**9.64**	21.18
Intensity	tonnes/employee	**0.019**	0.037

The following initiatives have been implemented for promoting and encouraging our employees to minimise the generation of waste:

- Use double-sided printing;
- Utilise electronic media for communication;
- Recycle one-sided printed paper; and
- Avoid single-use of disposable item.

With these initiatives, the awareness among the employees on waste management has been enhanced.

The Group had met its target of up to 5% reduction of waste produced in the Reporting Period which was mainly due to the temporary closure of retail stores and other restrictive measures enforced on public venues implemented by the Malaysian Government via the MCO during the Reporting Period. The Group will continue to assess, record and monitor its waste generation and evaluate the effectiveness of the existing measures by setting next reduction target of not less than 5% of the current waste produced.

A2: Use of Resources

In the Group's daily operation, energy and water are the major sources of resource consumption. The management of the Group consistently aims to minimise the operation cost by optimising the usage of resources. Moreover, we promote the culture of reuse, reduce and recycle in our Group and set annual budget to control the usage of energy and water and other resources such as printing materials to ensure excessive use are avoided.

Energy Consumption

The Group recognises the importance of properly managing and regulating energy consumption so as to keep operational costs low and help to reduce the impact on the environment. An assessment of our operating procedures was initiated to identify energy saving opportunities in all our retail stores. Light switches and other equipment were labelled with zoning and operating schedules to facilitate our electricity consumption to be more precise and effective. Where available or applicable, we have also replaced our conventional lightings options to light-emitting diodes ("**LED**"). Furthermore, we formulate next year's energy saving targets and implementation plans according to the electricity consumption in the previous year which effectively reduce energy consumption and control operating costs. The administrative department shall record the data of electricity usage and compare the annual consumption over the corresponding period for energy consumption analysis.

The Group had targeted to reduce the current energy consumption per employee of up to 5% for the current Reporting Period was achieved.

The energy consumption for FY2020 and during the Reporting Period are as follows:

Year	Unit (kWh)	Intensity per employee (kWh)
2021	1,089,460	2,179
2020	1,341,962	2,367
Increase/(Decrease)	(252,502)	(188)

During the Reporting Period, electricity consumption showed a significant reduction in its usage by 19%, and it had met the reduction target being set for the last financial year of up to 5%. The significant reduction in electricity consumption was mainly due to temporary closure of retail stores and other restrictive measures enforced on public venues implemented by the Malaysian Government via the MCO during the Reporting Period.

Water Consumption

Water is one of the most important natural resources for the daily operation. The Group still actively seeks ways to mitigate water consumption by raising employees' awareness on water saving, such as encouraging our staff to conserve water by placing reminder sticker or signboard around the washroom and pantry, reminding staff to turn faucet off tightly and conducting regular inspection and maintenance of water facilities. The Group's consumption of water across all our outlets, warehouse and headquarters are relatively low. Also, there were no major issues with the water supply as the water sources are directly supplied from the relevant government agency.

The water consumption for FY2020 and during the Reporting Period are as follows:

Year	Unit (M^3)	Intensity per employee (M^3)
2021	8,367	16.7
2020	10,328	18.2
Increase/(Decrease)	(1,961)	(1.5)

During the Reporting Period, water consumption showed a significant reduction in its usage by 19%. The decrease in water consumption were mainly due to the temporary closure of retail stores and other restrictive measures enforced on public venues implemented by the Malaysian government via the MCO during the Reporting Period.

The Group had achieved the target to reduce the current water consumption per employee of up to 5% for the reporting period and setting the same target of up to 5% to be achieved for the next financial year.

Packaging Material

The Group does not consume significant amount of packaging materials in our operations as the Group does not have business activities concerning industrial production or any manufacturing facilities. The packaging material generally used for packing finished goods are paper bags, paper boxes and bubble wrappers. The usage for the Reporting Period was about 5.0 tonnes, an average of 0.05kg per RM1,000 revenue generated by the Group.

The Group will monitor the usage in term of sales volume and schedule delivery with multiple orders to optimise the usage of minimum packing size hence reduce the overall packing and distribution cost.

Resources	Consumption			Intensity		
	2021	2020		2021	2020	
Water	8,367	10,328	M^3	16.7	18.2	M^3/employee
Electricity	1,089,460	1,341,962	kWh	2,179	2,367	kWh/employee
Packaging Material	5,025	9,529	kg	0.05	0.02	kg/RM1,000 Revenue

The Group had assigned a specific department to collect and maintain the data of consumption of the above resources on monthly basis and monthly analysis report will be generated for evaluation. In the event any significant fluctuations are found, investigation will be initiated and remedial action will be taken up.

A3: The Environment and Natural Resources

Due to the nature of our office-based operation, our activities have minimal impacts on the environment and the natural resources. In addition, the Group complies with relevant environmental laws and regulations to properly preserve the natural environment by implementing several resources saving initiatives to further reduce the environmental impacts. The initiatives include the following:

- reusable office supplies and cutleries;
- recycling bins for paper, metal, and plastic waste;
- double-sided printing on papers for internal documents; and
- promote softcopy reading.

We regularly monitor and report the resources usage to reduce their consumption, and thereby our carbon footprint. The Group will continue to implement environment-friendly practices and initiatives in order to enhance environmental sustainability.

A4: Climate Change

The effects of global climate change from greenhouse gas emissions (GHGs) are diverse and has created the serious long-term environmental issues currently the world is facing. Changes in the atmosphere and oceans have an impact on the earth's hydrological cycle, which can alter the local weather patterns. Pollution is causing higher emissions of greenhouse gases such as carbon dioxide and methane into the atmosphere which, in turn, cause temperatures to rise near the earth's surface. Global warming is causing the melting of glaciers in the polar regions, leading to a rise in sea levels. The impact of climate change is not only affecting the flow of rivers for cities located near coasts, increase the risk of serious flooding that may cause huge loss to the human-being and their properties.

Malaysia has a long history of devastating flood events happen every year, causing by adverse weather conditions, worsened by man-made environmental changes and poor hydraulic management. Flash flood had caused the substantial damages across a vast area, including Kuala Lumpur and stretches of the Klang River Valley.

Flash flood is considered the most significant issue by the Group arising from climate change that may interrupt the operation and business's activities. During the Reporting Period, there was no report of any incident caused by flood.

EMPLOYMENT AND LABOUR PRACTICES

B1: Employment

The Group considers that the employees of the Group are invaluable assets and one of the key factors to its continued success. The Group has always used its best endeavours to attract and retain the best talent and its approach is to enhance its employees' potential and contribution to the Group through providing training, competitive compensation and opportunities to become business partners of the Group's retail stores, and to promote employee health, satisfaction and general well-being.

The staff handbook covers the Group's standard in respect of compensation and dismissal, recruitment and promotion, working hours, diversity, anti-discrimination, rest periods and other benefits and welfare.

During the Reporting Period, the Group was not aware of any material non-compliance with the Employment Act and other labour related laws and regulations relating to employee compensation and dismissal, recruitment and promotion, working hours, rest periods, and other benefits and welfare which are stated in the Letter of Employment signed and agreed by the employees.

As at 31 March 2021, the Group had 500 (2020: 567) full-time employees under its employment in Malaysia. Below is the employee breakdown by gender and age group:

		FY2021	FY2020
By Gender	Male	**45%**	45%
	Female	**55%**	55%
By Age Group	Age 30 or below	**59%**	60%
	Age 31–50	**38%**	37%
	Age 51 or above	**3%**	3%

Employee Turnover Rate

The turnover of staff is relatively higher in retail stores compared to the headquarters, given the different nature of job title and responsibilities. The Group offers attractive remuneration packages to attract potential candidates and retain existing staff by increasing their job satisfaction through internal motivation and training programs.

During the Reporting Period, the Group recorded a turnover rate of approximately 34.7% which was higher than last year by 7.2%.

The total employee turnover rate by gender, age group and geographical region are summarised as follows:

Turnover Rate		FY2021	FY2020
By Gender	Male	12.4%	9.8%
	Female	22.3%	17.7%
By Age Group	Age 30 or below	23.8%	18.9%
	Age 31–50	8.4%	6.6%
	Age 51 or above	2.5%	2.0%
By Geographical Region	Malaysia	34.7%	27.5%
Overall		34.7%	27.5%

General Employment Policies

The Group has its Human Resources Management policy outlining the employee recruitment processes and procedure for manpower requisition. The policy upholds the value of equal opportunities, diversity and anti-discrimination in the process of hiring.

Remuneration is an important tool to attract, retain and motivate talents in achieving key goals of the Group. We provide competitive remuneration for our employees according to their performance, experience and relevant skill set in recognition of their invaluable contribution to the Group.

The Group strives to create a competitive welfare system for employees. Employees can enjoy healthcare welfare, staff discount, festival welfare and other allowances. We advocate our employees to maintain a work-life balance, hence, we have organised a range of leisure activities for our employees, for example, festival gathering and annual dinner, to promote a healthy working style and strengthen employees' sense of belonging.

We are an equal opportunities employer who endeavours to create a diverse and inclusive workplace where all our employees are treated with dignity and respect. The principle of equal opportunities is applied in all employment policies, in particular to recruitment, training, career development and promotion of employees. The Group promotes fair competition and prohibits discrimination or harassment against any employee on their gender, age, marital status, religion, race, nationality, disability or any status protected by law. Employees are hired, appointed, promoted and remunerated on a fair scale and in accordance to objective measures such as their qualifications, experiences, hardships, competencies and contributions.

The Group offers fair promotion opportunities which serve as a motivation for employees to continue learning and improving work performance. We conduct performance appraisal regularly on employees' working ability, behaviour and development potential to rank and adjust job positions. We are devoted to helping our employees to demonstrate their capabilities in line with their own career ambitions and the business objectives of the Group. Furthermore, in rewards for their contribution, several incentive schemes are in place to promote and encourage employees to achieve goals of the business hence increasing their job satisfaction.

B2: Health and Safety

The Group promotes occupational health and safety measures to ensure that it is in compliance with the applicable laws and regulations in Malaysia, through establishing and implementing workplace safety guidelines for its employees. When accidents do occur, it is the Group's policy to report to the corporate affairs department and handled accordingly.

The Group continues to raise health and safety standards and awareness in the workplace so as to achieve zero or minimal reportable serious work-related injuries cases. We are committed and have well-established policies to provide a safe working environment for its employees to safeguard their health and safety.

Safe Working Environment Policy

The Group has its own set of Health and Safety policy in place to provide a safe working environment for all employees. The Group has purchased adequate insurances for all employees to protect them in the event of any work-related accidents or injuries as well as general medical insurance. The policy is reviewed by the management annually to evaluate the adequacy and sufficiency of the coverage.

The Group was not aware of any non-compliance with relevant laws and regulations that had significant impact on the Group in providing a safe and healthy work environment and protecting employees from occupational hazards during the Reporting Period. With the measures implemented, neither work-related injuries and fatalities nor lost day due to these injuries were recorded during the Reporting Period.

Measures Implemented in relation to the COVID-19 Pandemic

As the COVID-19 pandemic is expected to remain uncertain in the foreseeable future, the Group has adopted the following measures and will continue to closely monitor and implement the measures or Standard Operating Procedures (the "**SOP**") imposed by the Malaysian government, relevant authorities and local councils:

- all employees must wear face mask at all times, regularly sanitise their hands and practise social distancing;
- measuring and recording temperature of our employees, customers and visitors daily, and ensuring hand sanitiser is provided in the retail stores;
- Disinfection of workplace is required for office and retail stores every day;
- employees who have travelled overseas and are subject to quarantine are required to inform the Group's human resources department;
- employees who developed any respiratory infection symptoms are required to seek medical treatment, abstain from attending their workplace and inform their supervisors;
- employees will be reminded of the importance of maintaining good personal health and hygiene; and
- the Group will coordinate with the management of the shopping complexes where the retail stores are located to implement their measures in response to the COVID-19 pandemic.

All the employees are always be reminded to strictly follow the above measures to minimise the exposure to the infection of the COVID-19.

B3: Development and Training

The Group aims at fostering a learning environment and ensuring all employees are provided with growth opportunities. We continue to promote a learning and sharing culture by providing outstanding and all-round trainings in various channels, including face-to-face training, department sharing, internal and external training to ensure employees at all levels are well-equipped to excel in work and in life.

In order to better respond to employees' needs, the Group always seeks improvements on the effectiveness of trainings by conducting assessment. These can help the Group to continuously improve the training programs offered at all levels so as to enhance the personal performance of employees.

The following charts highlighted the percentage of employee being trained and the average training hours completed, by employee category and gender:

Percentage of Employee Trained	2021	2020
By Gender		
Male	100%	79%
Female	100%	83%
By Employee Category		
Senior Management	100%	80%
Middle Management	100%	87%
Non-executive	100%	83%

Average Training Completed	2021	2020
By Gender		
Male	110 hours	22 hours
Female	100 hours	24 hours
By Employee Category		
Senior Management	40 hours	20 hours
Middle Management	150 hours	26 hours
Non-executive	125 hours	23 hours

The overall employee being trained during the Reporting Period had shown a significant increase compared to the previous year. The increase was mainly due to the transformation of in-person training into engaging the virtual training. With this transformation, it allows more staff participation without concerning about the time, date and venue of the training being conducted. The Group had also set up an e-learning platform with our main suppliers to obtain an update of their latest product development and gaining the knowledge of its application.

Performance Management System ("PMS")

During the Reporting Period, the Group has initiated the PMS with the aim to enhance the staff development and to promote the fairness and transparency within the Group.

With the introduction of the PMS, the staff are provided with:

- Clarity about opportunities for development and advancement;
- An opportunity for managers and staff to deepen alignment around expectations;
- Insight for leadership on how the Group is doing as a team towards meeting our organisation's missions and goals.

B4: Labour Standards

The Group attaches great importance to, and strictly abides by all applicable labour laws and regulations on employment in Malaysia including those mentioned in section "B1: Employment" of this Report. During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations related to recruitment of child labour or forced labour practices.

Child and Forced Labour

The Group is firmly against the hiring of any child labour and forced labour and strictly adhered to the local Labour Laws and Employment Act on staff recruitment. Our policy clearly stated the minimum age of recruitment according to the Employment Act in Malaysia and all the job applicants will be gone through a verification process for their personal information. The Group strongly promotes the culture of self-actualisation whereby the work to be performed shall be voluntarily and shall not be involving any forced act.

During the Reporting Period, the Group was not aware of any non-compliance with the relevant laws and regulations related to recruitment of child or forced labour. In the event any misconduct is found, a thorough investigation will be carried out and stern action will be taken up by the Group to avoid such occurrences.

Labour Practice

For maintaining a good practice of labour standard, the Group has its owned developed employee handbook to ensure that the rights of each employee are being treated equally and fairly. The Group will review this handbook annually to ensure that it's aligned and complied with the applicable law and regulation.

We maintain an open, fair and equal environment for all our employees. Employment policies in respect of salary, compensation, working hours, overtime, performance evaluation, recruitment, reimbursement and statutory holidays are listed in the Employee Handbook. Equal opportunity and anti-discrimination policies are implemented to ensure no one is discriminated against due to gender, age, disability or ethnicity, etc. In addition, we have a whistle-blowing policy for anyone including the employees to voice any grievances, file a complaint against the Group or to report on unethical and illegal behaviour. This will be described in detail in section "B7: Anti-corruption".

OPERATING PRACTICES

B5: Supply Chain Management

The Group understands the importance of maintaining good relationship with its suppliers to meet its immediate and long-term business goals. We have established our own procurement policy by outlining the processes and procedures in term of selection of suppliers, product planning, ordering, receiving and payment. The executive Directors are fully responsible for the overall supervision and administration of the policy while the Head of Merchandising shall ensure that the policy is being complied with.

Besides the products that we directly purchased from overseas, most of our imported products were purchased through local agents in Malaysia.

The number of trade suppliers by country/territory where our products were originated or purchased from during the Reporting Period are summarised as follows:

Country/Territory	2021	2020
Malaysia	55	58
Mainland China	11	18
Hong Kong	5	8
United States	1	1
Singapore	1	1
South Korea	1	1
Taiwan	1	1

Internal Approved List of Suppliers

All suppliers being selected are required to meet the Group's internal selection criteria before being eligible to be placed on the internal approved list. All approved suppliers had been verified through our procurement process on selection to ensure the source of products that we purchased are from the brand owner or authorised supplier and meet the approved quality standard as declared. Moreover, we integrate sustainability into the supply chain by purchasing products from reputable enterprises that uphold high corporate standards.

With the principles of fairness and impartiality, the Group makes comprehensive appraisals on suppliers based on factors such as suppliers' quality of the goods and services, efficiency, qualifications and experience to determine the internal approved list. To ensure the product quality of the Group, disqualified suppliers will be removed from the internal approved list.

The Group also emphasises on the selection of products that cause minimal impact on the environment.

B6: Product Responsibility

With an aim to maintain good quality of product and service, the Group ensures all qualified optometrists and opticians are well trained to serve our customers in a professional manner. In addition, the Group constantly seeks to improve the services rendered to customers by upgrading existing equipment and machineries with the latest technology.

During the Reporting Period, there were no products sold or shipped that were subject to recall for safety or health reasons being reported by the Group. Moreover, there were no material complaints or claims nor any investigation concerning our products by any government authorities, and that the Group was not aware of any non-compliance with the relevant laws and regulations regarding product responsibility.

Product Responsibility	Company's duties and responsibilities
Health & safety on product quality	We ensure our products are genuine and the quality is meeting the required standard. Certain optical products are assured with product warranty in the event any damages or defectives were found. The Group's policy to only source its International Brands optical products from their brand owners or authorised suppliers.
Advertising	We have a passionate marketing team assigned especially in dealing with the Group's promotion and advertising.
Labelling	All our products are labelled with barcode scanning feature for product identification and traceability.
Data Privacy	The Group has its own privacy data policy to safeguard customers' privacy. We are committed to protecting the privacy of the personal data we hold by outlining our practices on how the data is maintained and being used in the policy.
Intellectual Property	The Group has registered its own trademarks with the Intellectual Property Corporation of Malaysia to protect its right of usage to avoid any infringement by others. For the optical products under the Group's own Brands and the manufacturers' brands, it has been the Group's policy to review the designs of the optical products against those sourced from the International Brands to ensure that there is no infringement on their intellectual property rights and the Group may also request the relevant supplier to warrant that the optical products supplied do not infringe upon the intellectual property rights of others.

Quality Control

The Group follows stringent quality control procedures on the products sold by the Group. After the products have been delivered to the central warehouse of the Group or the retail stores, employees from the merchandising department or the retail stores will conduct visual inspections to ensure that none of the products are damaged and that the quantity and product type matches the purchase order details. Where the products are found to be damaged or the quantity and the product type do not match the purchase order details, the Group will inform the relevant supplier and arrange for return or replacement.

During the Reporting Period, there was no case of product recall being reported due to safety and health reasons. In case any defective products are found that needs to be recalled from customer, the Group will evaluate the affected batches and contact the relevant customer for return or replacement.

Customer Feedback

We appreciate the positive customer reviews and comments but at the same time we are more concerned with negative feedback and complaints from our customers, which might affect the Group's overall reputation. Complaints received against the frontline retail store employees will generally be dealt with by the relevant branch manager or assistant branch manager and may be reported to the marketing department of the Group for further review. Customers may also make complaints through other channels, such as emails and social platform of the Group which will be reviewed by the marketing manager. Where certain complaints are prevalent, the Group may devise additional training and guidelines for front-line employees so as to prevent recurrences.

All personal information relating to the customer's feedback will be kept strictly confidential according to our privacy policy.

B7: Anti-Corruption

The Group has zero tolerance on corruption or bribery. All employees or persons representing the Group are prohibited from offering or accepting any bribes in any form, extortion, fraud, and money laundering during the course of business. The Group is committed to achieving the highest possible standards of openness and integrity through adopting good corporate governance systems and effective anti-corruption measures which involve all levels of employees.

During the Reporting Period, the Group had conducted a full spectrum of Anti-Corruption training to all employees within the Group and their acknowledgements were being sought for understanding and compliance.

The Group complied with the relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering. During the Reporting Period, there were no concluded and pending legal cases regarding bribery, extortion, fraud and money laundering brought against the Group and its employees.

Whistleblowing Policy

The Group facilitates whistleblowing by establishing a communication channel for employees to raise concerns over misconduct, malpractices or irregularities in any matters related to the Group. Any staff member who becomes aware of any suspected misconduct is encouraged to report the same to the Chairman of the Audit Committee via a written report. The Group will make every effort to keep the complainant's identity confidential. Any cases or matters suggested to be related to criminal offence, corruption or bribery are subject to disciplinary actions including termination of employment and are reported to the relevant authority.

During the Reporting Period, there was no report of any corruption or bribery cases received by the Group.

COMMUNITY

B8: Community Investment

The Group strongly believes in the quote of "giving back to society", and takes pride in contributing towards long-term improvement in the quality of life in our community. We are constantly looking into areas that will benefit the community as a whole in terms of employment opportunity, environmental awareness and social responsibility. In the future, the Group will continue to focus on community care and staff development, with the aim to improve the society through community involvement.

Employment Opportunity
As at 31 March 2021, the Group's total number of staff was reduced to 500 *(2020: 567)*, representing a drop of approximately 11.8% compared to the previous financial year. The reduction of the staff was mainly due to the closure of a few outlets and no replacement of resigned and contracted staff for certain positions in order to align with the Group's strategy for cost saving measure.

Due to the COVID-19 pandemic, no candidates were being invited to join the internship program during the Reporting Period. In the future, the Group will continue to offer various kind of internship program in different fields for students to gain valuable practical experience and industry knowledge to enhance their competitiveness and marketability in their future career path.

Environmental Awareness
To support the environmental friendly campaign, the Group had completed the exercise of replacing the packaging material from plastic bags to paper bags across the Group's retail stores during the Reporting Period.

Social Responsibility
The Group is constantly looking for opportunities to assist and support the community by participating and supporting them with various kind of activities being held. During the Reporting Period, the Group made the following sponsorships and donations toward the welfare and benefit of the society.

- Sponsorship of RM1,000 to the Foundation of Malaysian Retail Chain Association;
- Food donation of RM900 to a local old folk home; and
- Contribution of RM5,000 to SME Corp. Malaysia or "PERSATUAN PENGUSAHA KECIL DAN SEDERHANA MALAYSIA".

On top of the above, the Group also organised social projects like "Project Thank You" to frontliners, Free Spectacles to 2019 SPM Candidate, etc. for the goodness of the society.

A group picture with the team wearing the Protective Glasses led by one of the Founders of the Group, Dato' Henry Ng (front-second left) and Timbalan Pengarah Perubatan 1 Hospital Kajang, Dr Mardiah binti Masharuddin (front-middle)

Front-second left: ACP Mohd Zaid Hassan, Chief Police IPD Kajang and one of the Founders of the Group, Dato' Henry, during the handover session of Polo Exchange Multi-Functional Protective Glasses for the police officers

Free spectacles for 2019 SPM candidates.

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIs

A. Environmental

Aspects	General Disclosure/KPIs	Index/reference
Aspect A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Environment P.38–41
KPI A1.1	The types of emissions and respective emissions data.	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	

Aspects		General Disclosure/KPIs	Index/reference
Aspect A2: Use of Resources		General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources P.41–42
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) and steps taken to achieve them.	
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	
Aspect A3: The Environment and Natural Resources		General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources P.43
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change		General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change P.43
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	

B. Social

Employment and Labour Practices

Aspects	General Disclosure/KPIs	Index/reference
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment P.44–45
KPI B1.1	Total workforce by gender, employment type (for example full- or part-time), age group and geographical region.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety P.46–47
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	

Aspects	General Disclosure/KPIs	Index/reference
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training P.47–48
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
KPI B3.2	The average training hours completed per employee by gender and employee category.	
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards P.48–49
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	

Operating Practices

Aspects	General Disclosure/KPIs	Index/reference
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management P.49–50
KPI B5.1	Number of suppliers by geographical region.	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	
KPI B5.3	Description of practices used to identify environmentally and social risks along with the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility P.50–51
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	
KPI B6.4	Description of quality assurance process and recall procedures.	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	

Aspects	General Disclosure/KPIs	Index/reference
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption P.51
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	

Community

Aspects	General Disclosure/KPIs	Index/reference
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment P.52
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Employment Opportunity & Environmental Awareness P.52
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Responsibility P.52–53

REPORT OF THE DIRECTORS

The Directors are pleased to present to the shareholders of the Company (the “**Shareholders**”) their report together with the audited consolidated financial statements of the Group for the year ended 31 March 2021 (the “**Reporting Period**”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is an investment holding and together with its subsidiaries engage in retailing of optical products and franchise and license management. An analysis of the Group’s revenue and results by principal operating segments is set out in note 4 to the consolidated financial statements. Particulars of the Company’s principal subsidiaries are set out in note 13 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 79 of this annual report.

The Directors do not recommend the payment of final dividend for the Reporting Period.

BUSINESS REVIEW

A fair review of the business of the Group during the Reporting Period and a discussion on the Group’s future business development are set out in the section headed “Chairman’s Statement” and “Management Discussion and Analysis” on pages 4 to 15 of this annual report.

The above discussions form part of this directors’ report.

PRINCIPAL RISKS AND UNCERTAINTY

In addition to the relevant discussion set out in the section headed “Management Discussion and Analysis” on pages 5 to 15 of this annual report, the principal risks and uncertainty also include the following:

Risk associated with financial instruments of the group

The financial risk management objectives and policies of the Group are set out in note 34 to the consolidated financial statements.

Key sources of estimation uncertainty

Details of the key sources of estimation uncertainty as at 31 March 2021 are set out in note 2 to the consolidated financial statements.

ANALYSIS USING FINANCIAL KEY PERFORMANCE INDICATORS

The analysis of the Group's performance for the Reporting Period with key financial performance indicators is set out under the paragraphs headed "Financial Review" and "Liquidity, Financial Resources and Capital Structure" in the section headed "Management Discussion and Analysis" of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board and the Management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of or non-compliance with the applicable of relevant laws and regulations by the Group.

RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND EMPLOYEES

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. The Group offers comprehensive compensation to its employees and provide on-the-job training to the employees. The employees' compensation is based on their qualification, position, seniority and performance. During the Reporting Period, there was no material and significant dispute between the Group and its employees, customers and suppliers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to long term sustainability of the environment and communities in which it operates. Acting in an environmental responsible manner, the Group endeavors to comply with the laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in Note 28 to the consolidated financial statements and in the consolidated statement of changes in equity on page 82 of this annual report, respectively.

DONATIONS

Charitable and other donations made by the Group during the Reporting Period amounted to approximately RM1,900.

MATERIAL INVESTMENT AND ACQUISITION

The Group had no significant investment and acquisition activities during the Reporting Period.

INTEREST-BEARING BORROWING

Details of the interest-bearing borrowing of the Group as at 31 March 2021 are set out in note 23 to the consolidated financial statements.

PLANT AND EQUIPMENT

Movements in plant and equipment during the year and details of the Group's plant and equipment are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 27 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report relating to the "Share Option Scheme", no equity-linked agreements were entered into during the Reporting Period or subsisted at the end of the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company has an appropriate insurance cover in respect of potential legal actions against its Directors and officers during the period from the Listing Date to 31 March 2021 and remained in force as of the date of this annual report. The insurance coverage will be reviewed on an annual basis.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were:

Executive Directors

Dato' Ng Kwang Hua ("**Dato Frankie Ng**") *(Chairman)*
Datin Low Lay Choo ("**Datin Bernice Low**") *(Chief Executive Officer)*
Dato' Ng Chin Kee ("**Dato' Henry Ng**")

Independent Non-Executive Directors

Mr. Ng Chee Hoong
Mr. Ng Kuan Hua
Ms. Jiao Jie
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah[1]

Note:

1. appointed on 1 April 2021

In accordance with Article 84(1) and 84(2) of the articles of association of the Company (the "**Articles of Association**"), Dato' Frankie Ng and Dato' Henry Ng shall retire by rotation at the forthcoming annual general meeting of the Company (the "**AGM**") and, being eligible, have offered themselves for re-election.

In accordance with Article 83(3) of the Articles of Association, Puan Sri Datuk Seri Rohani Parkash Binti Abdullah shall hold office until the forthcoming AGM and, being eligible, has offered herself for re-election.

None of the Directors offering themselves for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of the date of this annual report, the interests and short positions of each Director and CEO in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

The Company:

Name of Directors	Capacity	Number of ordinary shares interested (L)[(1)]	Approximate percentage of the issued shares
Dato' Frankie Ng[(Notes 2 and 3)]	Interest in a controlled corporation and interest of spouse	375,000,000	75%
Datin Bernice Low[(Notes 2 and 4)]	Interest in a controlled corporation and interest of spouse	375,000,000	75%
Dato' Henry Ng[(Notes 2 and 5)]	Interest in a controlled corporation	375,000,000	75%

Notes:

(1) The letter "L" denotes long position in the shares of the Company.

(2) The issued shares of Alliance Vision Limited ("**Alliance Vision**"), Sky Pleasure Limited ("**Sky Pleasure**") and Delightful Fortune Limited ("**Delightful Fortune**"), are wholly-owned by Dato' Frankie Ng, Dato' Henry Ng and Datin Bernice Low, respectively (together, the "**Controlling Shareholders**"). On 20 September 2019, the Controlling Shareholders executed the deed of confirmation pursuant to which they confirmed that they had been acting in concert with one another in respect of all relevant activities concerning Metro Eyewear Holdings Sdn. Bhd. and its subsidiaries since 17 May 2001 through Metro Eyewear Holdings Sdn. Bhd., and further confirmed that they would maintain the arrangements. Therefore, the Controlling Shareholders are regarded as acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 75% of the issued share capital of the Company.

(3) The Company is held as to 33.75% by Alliance Vision, a company incorporated in the British Virgin Islands ("**BVI**") on 8 May 2019 and is wholly owned by Dato' Frankie Ng. Dato' Frankie Ng is the spouse of Datin Bernice Low and thus he is deemed to be interested in the shares in which Datin Bernice Low is interested for the purpose of the SFO.

(4) The Company is held as to 7.5% by Delightful Fortune, a company incorporated in the BVI on 8 May 2019 and is wholly owned by Datin Bernice Low. Datin Bernice Low is the spouse of Dato' Frankie Ng and thus she is deemed to be interested in the shares in which Dato' Frankie Ng is interested for the purpose of the SFO.

(5) The Company is held as to 33.75% by Sky Pleasure, a company incorporated in the BVI on 8 May 2019 and is wholly owned by Dato' Henry Ng.

Save as disclosed above and to the best knowledge of the Directors, as at the date of this annual report, none of the Directors or the chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Reporting Period, was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or other body corporate.

SHARE OPTION SCHEME

The Company has approved the share option scheme on 23 March 2020 (the "**Share Option Scheme**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The Share Option Scheme is designed to motivate executives and key employees and other persons who make a contribution to the Group and enable the Group to attract and retain individuals with experience and ability and to reward them for their past contributions. The following is a summary of the principal terms of the Share Option Scheme:

(A) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide an incentive or a reward to eligible persons for their contribution to the Group.

(B) Participants of the Share Option Scheme

The participants of the Share Option Scheme shall be:

(1) any employee (whether full-time or part-time) of the Company, and any of the subsidiaries;

(2) any director (including executive and independent non-executive directors) of the Company and any of the subsidiaries; and

(3) any consultant, advisers of the Company and any of the subsidiaries.

(C) Total number of Shares available for issue under the Share Option Scheme

Under the Share Option Scheme, the total number of Shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the number of issued shares on the Listing Date unless the Company obtains a fresh approval from the Shareholders.

As at the date of this annual report, a total of 50,000,000 Shares, representing 10% of the issued share capital of the Company, are available for issue under the Share Option Scheme.

(D) Maximum entitlement of each participant under the Share Option Scheme

The maximum entitlement of each participant under the Share Option Scheme in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue.

Each grant of share options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, is subject to approval in advance by the independent non-executive Directors. In addition, any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their associates, resulting in the Shares issued and to be granted (including options exercised, cancelled and outstanding) to such person, in a 12-month period up to and including the date of such grant in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK$5 million, is subject to Shareholders' approval in advance in a general meeting of the Company.

(E) The period within which the Shares must be taken up under an option

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant.

(F) The minimum period for which an option must be held before it can be exercised

As determined by the Board upon the grant of an option.

(G) The amount payable an acceptance of an option and the period within which payments shall be made

A consideration of HK$1 is payable on acceptance of the offer of grant of an option where the grantee should accept or decline the offer of grant of an option within the date as specified in the offer letter issued by the Company, being a date within 28 days from the date of the offer.

(H) The basis of determining the exercise price

The exercise price of a share in respect of any particular option granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an eligible person, and shall be at least the higher of: (1) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, (2) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the date of grant, and (3) the nominal value of a share on the date of grant.

(I) The remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from 15 April 2020 until 14 April 2030.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption, and there is no outstanding share option as at 31 March 2021 and as at the date of this annual report.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As of the date of this annual report, according to the register kept by the Company under Section 336 of the SFO, the corporations or persons (other than a Director or CEO) had interests of 5% or more in the Shares or underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity	Number of class of securities[1]	Approximate percentage of the issued shares
Alliance Vision[2,3]	Beneficial owner	375,000,000 ordinary shares	75%
Sky Pleasure[2,4]	Beneficial owner	375,000,000 ordinary shares	75%
Delightful Fortune[2,5]	Beneficial owner	375,000,000 ordinary shares	75%
Datin Lee Kwai Fah[6]	Interest of spouse	375,000,000 ordinary shares	75%

Notes:

(1) Interests in shares stated above represent long positions.

(2) Please refer to note (2) under the heading of "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures".

(3) Please refer to note (3) under the heading of "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures".

(4) Please refer to note (5) under the heading of "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures".

(5) Please refer to note (4) under the heading of "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures".

(6) Datin Lee Kwai Fah is the spouse of Dato' Henry Ng and thus she is deemed to be interested in the shares of the Company in which Dato' Henry Ng is interested for the purpose of the SFO.

Save as disclosed above, as of the date of this annual report, no other person (other than a Director or CEO) had registered an interest or short position in the Shares, underlying Shares and debentures of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 32 to the consolidated financial statements and in the paragraph headed "Continuing Connected Transactions", there is no contract of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONTRACTS OF SIGNIFICANT WITH CONTROLLING SHAREHOLDERS

Save as disclosed under the section headed "Related Party Transactions" stated in note 32 to the consolidated financial statements and the paragraph headed "Continuing Connected Transactions" in the Prospectus, there was no contract of significance entered into between the Company, or any of its subsidiaries, and controlling Shareholders of the Company, or any of its subsidiaries, during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

RELATED PARTY TRANSACTIONS

Save as disclosed in the paragraph headed "Continuing Connected Transactions", the significant related party transactions that did not constitute connected transactions under the Listing Rules made during the Reporting Period were disclosed in note 32 to the consolidated financial statements.

COMPETING INTEREST

During the period from the Listing Date to 31 March 2021 and up to the date of this annual report, none of the Directors or their respective associates (as defined in the Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

REMUNERATION POLICY

During the Reporting Period, the remuneration policy of the Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprise salary, contribution to pension schemes and discretionary bonus related to the profit of the relevant company.

The remuneration policy of the Group is set up by the Remuneration Committee on the basis of market trends and the individuals' merit, qualifications and competence upon and after Listing.

The Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, made recommendations to the Board for all remuneration of the executive Directors and senior management of the Company.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in the heading under "Share Option Scheme".

EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, chief executive and the five highest paid individuals of the Group are set out in notes 8 and 9 to the consolidated financial statements.

RETIREMENT SCHEME

The Group enrolls all of its eligible employees in the employees provident fund and makes the relevant contributions in Malaysia.

As required by the relevant laws and regulations in Malaysia, the amount of contribution is calculated based on the monthly salary of an employee. For employees aged up to 60 years old and receives monthly salary of RM5,000 and below, the portion of employee's contribution is 11% of their monthly salary while the employer contributes 13%. For employees aged up to 60 years old and receives monthly salary exceeding RM5,000, the employee's contribution of 11% remains, while the employer's contribution is 12%. For employees aged above 60 and receives monthly salary of RM5,000 and below, the portion of employee's contribution is 5.5% of their monthly salary while the employer contributes 6.5%. For employees aged above 60 and receives monthly salary exceeding RM5,000, the employee's contribution of 5.5% remains, while the employer's contribution is 6%.

There was no forfeited contribution available to reduce the contribution payable under the defined contribution retirement scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the period from the Listing Date to 31 March 2021 and up to the date of this annual report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association although there is no restriction against such rights under the laws in the Cayman Islands.

CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Group conducted the following continuing connected transactions:

As disclosed in the prospectus of the Company dated 28 March 2020 (the "**Prospectus**"), the following transactions of the Group constituted continuing connected transactions for the Company. For further details of the continuing connected transactions, please refer to the section headed "Connected Transactions" on pages 167 to 170 of the Prospectus.

The Tenancy agreements with Dato' Frankie Ng and Dato' Henry Ng

On 15 November 2017, Metro Eyewear Holdings Sdn. Bhd. ("**Metro Eyewear Holdings**" and as lessee) and Dato' Frankie Ng and Dato' Henry Ng (as lessors) entered into a tenancy agreement (the "**Tenancy Agreement 1A**") in respect of the leasing of the premises located at No. 1-1 & 1-2, Jalan Kajang Indah 1, Taman Kajang Indah, Sg Chua, 43000 Kajang, Selangor, Malaysia (the "**Premises A**") for a period commencing from 1 January 2018 to 31 March 2021, at a rent of RM3,000 per month. Tenancy Agreement 1A was terminated on 22 July 2019 and superseded by Tenancy Agreement 1B (as defined in the next paragraph).

On 22 July 2019, Metro Eyewear Holdings, Dato' Frankie Ng and Dato' Henry Ng renewed the Tenancy Agreement 1A (the "**Tenancy Agreement 1B**") in respect of the leasing of the Premises A commencing from 1 April 2019 and expiring on 31 March 2021, at a rent of RM3,000 per month. Metro Eyewear Holdings currently uses Premises A as an office of the Group.

On 9 February 2021, Metro Eyewear Holdings, Dato' Frankie Ng and Dato' Henry Ng renewed the Tenancy Agreement 1A (the "**Tenancy Agreement 1C**") in respect of the leasing of the Premises A commencing from 1 April 2021 and expiring on 31 March 2022, at a rent of RM6,000 per month. Metro Eyewear Holdings currently uses Premises A as an office of the Group.

Dato' Frankie Ng and Dato' Henry Ng are the Directors, and therefore each of them is a connected person of the Company. As such, the transaction contemplated under the Tenancy Agreement 1B & 1C constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

During the Reporting Period, the amount of transaction conducted under the Tenancy Agreement 1A and Tenancy Agreement 1B was RM33,000.

The tenancy agreements with Ng Mui Quee ("Ms. Ng")

On 13 November 2018, Metro Eyewear Holdings (as lessee) and Ms. Ng (as lessor) entered into a tenancy agreement (the "**Tenancy Agreement II**") in respect of the leasing of the premises located at No. 3-G (Ground Floor), 3-1 (1st Floor) & 3-2 (2nd Floor), Jalan Kajang Indah 1, Taman Kajang Indah, Sg Chua, 43000 Kajang, Selangor, Malaysia (the "**Premises B**") for a period from commencing 1 April 2019 and expiring on 31 March 2021 (with an option to renew for a further term of 2 years), at a rent of RM4,400 per month.

On 15 February 2021, Metro Eyewear Holdings and Ms. Ng renewed the Tenancy Agreement II in respect of the leasing of the Premises B for a period from commencing 1 April 2021 and expiring on 31 March 2023, at a rent of RM4,400 per month. Metro Eyewear Holdings currently uses the Premises B as an office of the Group.

On 13 November 2018, M Optic Project & Event Sdn. Bhd. ("**M Optic Project & Event**" and as lessee) and Ms. Ng (as lessor) entered into a tenancy agreement (the "**Tenancy Agreement III**") in respect of the leasing of the premises located at No.29, Jalan Bidara 5, Taman Bidara Kajang, Sg Chua, 43000 Kajang Selangor, Malaysia (the "**Premises C**") for a period commencing from 1 April 2019 and expiring on 31 March 2021 (with an option to renew for a further term of 2 years), at a rent of RM500 per month.

On 15 February 2021, M Optic Project & Event and Ms. Ng renewed the Tenancy Agreement III in respect of the leasing of the Premises C for a period commencing from 1 April 2021 and expiring on 31 March 2023, at a rent of RM500 per month. M Optic Project & Event currently uses the Premises C as a place of residence for its employee.

Ms. Ng is a sister of Dato' Frankie Ng and Dato' Henry Ng, and therefore Ms. Ng is an associate of Dato' Frankie Ng and Dato' Henry Ng. As such, the transactions contemplated under the Tenancy Agreement II and Tenancy Agreement III constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

During the Reporting Period, the amount of transaction conducted under the Tenancy Agreement II and Tenancy Agreement III was RM54,150.

The license agreements with MOG Bangkok Company Limited ("MOG Bangkok") and MOG Holdings Company Limited ("MOG Holdings")

On 1 September 2019, MOG Bangkok (as licensee) and Dato' Frankie Ng and MOG Management Sdn. Bhd. (as licensors) entered into a license agreement (the "**License Agreement 1**"), in respect of the grant of license to use the trademark "OOPPA" (registered in Malaysia by Dato' Frankie Ng and assigned to MOG Management Sdn. Bhd.) in Thailand, for a management fee of a sum equivalent to five per cent of the monthly turnover for the particular retail outlet in the territory, payable by MOG Bangkok and commencing from 1 September 2019 for a period of thirty six months and shall extend to such a period by way of mutual agreement between the parties, which are expected to be RM72,000, RM119,000 and RM174,000, respectively, for each of the three financial years ended 31 March 2020 and 31 March 2021, and year ending 31 March 2022.

On 1 September 2019, MOG Holdings (as licensee) and Dato' Frankie Ng and MOG Management Sdn. Bhd. (as licensors) entered into a license agreement (the "**License Agreement II**"), together with License Agreement 1, the "**License Agreements**") in respect of the grant of license to use the trademark "OOPPA" in Thailand, for a management fee of a sum equivalent to five per cent of the monthly turnover for the particular retail outlet in the territory, payable by MOG Holdings and commencing from 1 September 2019 for a period of thirty six months and shall extend to such a period by way of mutual agreement between the parties, which are expected to be RM12,000, RM27,000 and RM44,000, respectively, for each of the three financial year ended 31 March 2020 and 31 March 2021, and year ending 31 March 2022.

For the reason of protecting the Group's trademark right in Thailand, the Group entered into the License Agreements with MOG Bangkok and MOG Holdings. During the term of the License Agreements, MOG Bangkok and MOG Holdings shall not (i) dispute or contest, directly or indirectly, the exclusive right of MOG Management Sdn. Bhd. and title to the trademark or the validity thereof or warranty with respect to the validity of any trademark be granted; and (ii) register, or apply for registration of, the trademark or any mark that is similar to the trademark under any class in Thailand or any other jurisdiction.

As MOG Bangkok and MOG Holdings are 30% controlled company held by Dato' Frankie Ng (49% for MOG Bangkok and 34% for MOG Holdings), both MOG Bangkok and MOG Holdings are associate of Dato' Frankie Ng. As such, the transactions contemplated under the License Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. During the Reporting Period, revenue derived from the License Agreements was nil.

The above transactions constituted continuing connected transaction which is fully exempt from the relevant reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements for those related party transactions which constituted connected transactions in accordance with Chapter 14A of the Listing Rules.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's securities.

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period, revenue from the Group's five largest customers accounted for less than 30% of the Group's total revenue. For the Reporting Period, the aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 53.4% of the Group's purchases and the purchases attributable to the Group's largest supplier accounted for approximately 15.9% of the Group's purchases.

None of the Directors, their respective close associates nor any shareholder (who or which to the best knowledge of the Directors owns more than 5% of the issued share capital of the Company) has any interest in the top five customers and top five suppliers of the Group during the Reporting Period.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 162 of this annual report. This summary does not form part of the audited consolidated financial statements.

USE OF PROCEEDS FROM LISTING

Please refer to the paragraph headed "Use of proceeds" under the section "Management Discussion and Analysis" on page 14 of this annual report.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

ANNUAL GENERAL MEETING

The AGM will be held on 28 September 2021 ("**2021 AGM**") and the notice of 2021 AGM will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are entitled to attend and vote at the 2021 AGM, the register of members of our Company will be closed from 23 September 2021 to 28 September 2021, both days inclusive, during which period no transfer of shares of our Company will be registered.

In order to qualify for attending the 2021 AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 21 September 2021.

JOINT AUDITORS

The consolidated financial statements for the year ended 31 March 2021 have been audited by Mazars CPA Limited ("**Mazars**"), *Certified Public Accountants, Hong Kong* and Grant Thornton Malaysia PLT ("**GT**"), *Chartered Accountants, Malaysia*. Mazars and GT will retire, and being eligible, offer themselves for re-appointment. A resolution for their re-appointment as the joint auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

From the incorporation of the Company and up to the date of this annual report, there has been no change in the Company's auditors.

On behalf of the Board

Dato' Frankie Ng
Chairman
Hong Kong, 29 June 2021

INDEPENDENT JOINT AUDITORS' REPORT

mazars
中审众环

Grant Thornton

To the members of
MOG Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of MOG Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 79 to 161, which comprise the consolidated statement of financial position at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 March 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the "Joint Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Provision for impairment of inventories	
The Group had net inventories of approximately RM20.5 million at 31 March 2021, which represented approximately 12.4% of the Group's total assets. Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses. The management of the Group estimates the provision for inventories based upon a detailed analysis of ageing, specifications and design of inventories. We focused on this area because of the significance of the balance and the estimation of the net realisable value of inventories involved a significant degree of management judgement. Related disclosure is included in Notes 2 and 17 to the consolidated financial statements.	Our key audit procedures, among others, included: (a) obtaining and understanding the procedures and controls in relation to the assessment by the management on the identification and write down of slow-moving and obsolete inventories; (b) testing, on sample basis, the accuracy of inventory ageing; (c) performing analysis on inventory ageing report as at the year end and movement data during the year and subsequent to the year end to identify slow-moving inventories; (d) comparing, on a sample basis, the carrying amount of inventory items against its selling price during the year and subsequent to the year end to identify inventories with net realisable value lower than its carrying amount; (e) evaluating management's basis for inventory provision calculation and discussing with management on the latest market trend and the Group's future sales plans; and (f) testing the mathematical accuracy of the inventory provision calculation.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2021 annual report of the Company but does not include the consolidated financial statements and our joint auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are 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 the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

JOINT AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a joint auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 consolidated financial statements.

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

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

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

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

- Conclude on the appropriateness of the directors' 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 joint auditors' report to the related disclosures in the consolidated 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 joint auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 those charged with governance 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 those charged with governance 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, actions taken to eliminate threats or safeguards applied.

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

Mazars CPA Limited
Certified Public Accountants, Hong Kong
42nd Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

29 June 2021

The engagement director of Mazars CPA Limited on the audit jointly resulting in this independent joint auditors' report is:

Tsoi Wa Shan
Practising Certificate number: P07514

Grant Thornton Malaysia PLT
Chartered Accountants, Malaysia
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

29 June 2021

The engagement partner of Grant Thornton Malaysia PLT on the audit jointly resulting in this independent joint auditors' report is:

Lui Lee Ping
License number: 03334/11/2021(J)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2021

	Notes	2021 RM'000	2020 RM'000
Revenue	5	**99,223**	147,126
Cost of sales		**(30,391)**	(49,817)
Gross profit		**68,832**	97,309
Other income	6	**8,766**	1,920
Selling and distribution costs		**(47,223)**	(56,943)
Administrative expenses		**(10,986)**	(10,509)
Reversal of (Provision for) impairment loss on trade receivables	34	**244**	(244)
Finance costs	7	**(743)**	(986)
Listing expenses		**(1,409)**	(9,765)
Profit before tax	7	**17,481**	20,782
Income tax expense	10	**(5,227)**	(6,955)
Profit for the year		**12,254**	13,827
Other comprehensive (loss) income			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation of the Company's financial statements to presentation currency		**(1,647)**	—
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on combination/consolidation		**1,074**	(165)
Other comprehensive loss for the year		**(573)**	(165)
Total comprehensive income for the year		**11,681**	13,662
Profit for the year attributable to:			
Owners of the Company		**9,922**	10,900
Non-controlling interests		**2,332**	2,927
		12,254	13,827
Total comprehensive income attributable to:			
Owners of the Company		**9,349**	10,735
Non-controlling interests		**2,332**	2,927
		11,681	13,662
Earnings per share attributable to owners of the Company			
Basic and diluted	11	**2.00 sen**	2.91 sen

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	Notes	2021 RM'000	2020 RM'000
Non-current assets			
Investment properties	14	1,283	1,325
Right-of-use assets	15	15,904	17,608
Plant and equipment	16	7,471	9,336
Deferred tax assets	26	1,252	475
		25,910	28,744
Current assets			
Inventories	17	20,536	31,055
Trade and other receivables	18	7,812	9,923
Fixed deposits with licensed banks	19	42,553	3,940
Bank balances and cash	20	68,343	34,087
		139,244	79,005
Assets classified as held for sale	21	—	1,394
		139,244	80,399
Current liabilities			
Trade and other payables	22	16,321	24,878
Interest-bearing borrowing	23	105	65
Lease liabilities	24	12,594	10,977
Tax payable		914	559
		29,934	36,479
Net current assets		109,310	43,920
Total assets less current liabilities		135,220	72,664
Non-current liabilities			
Interest-bearing borrowing	23	1,183	1,306
Lease liabilities	24	6,575	6,783
Provisions	25	998	972
		8,756	9,061
NET ASSETS		126,464	63,603

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	Notes	**2021 RM'000**	2020 RM'000
Capital and reserves			
Share capital	27	**2,747**	—*
Reserves		**117,415**	56,684
Equity attributable to owners of the Company		**120,162**	56,684
Non-controlling interests	30	**6,302**	6,919
TOTAL EQUITY		**126,464**	63,603

* Represents amount less than RM1,000.

These consolidated financial statements on pages 79 to 161 were approved and authorised for issue by the Board of Directors on 29 June 2021 and signed on its behalf by

Dato' Ng Kwang Hua
Director

Dato' Ng Chin Kee
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2021

	Attributable to owners of the Company							
		Reserves						
	Share capital RM'000 (Note 27)	Capital reserve RM'000 (Note 29((b))	Exchange reserve RM'000 (Note 29(c))	Other reserve RM'000 (Note 29(d))	Accumulated profits RM'000	Total RM'000	Non-controlling interests RM'000 (Note 30)	Total equity RM'000
At 1 April 2019	–	(8,302)	–	(336)	60,548	51,910	5,132	57,042
Profit for the year	–	–	–	–	10,900	10,900	2,927	13,827
Other comprehensive loss								
Item that may be reclassified subsequently to profit or loss:								
Exchange differences on combination/consolidation	–	–	(165)	–	–	(165)	–	(165)
Total comprehensive (loss) income for the year	–	–	(165)	–	10,900	10,735	2,927	13,662
Transactions with owners:								
Contributions and distributions								
Issue of shares	–*	–	–	–	–	–*	–	–*
Dividends (Note 12)	–	–	–	–	(7,600)	(7,600)	(1,126)	(8,726)
Capital contribution made by the Controlling Shareholders	–	1,644	–	–	–	1,644	–	1,644
	–*	1,644	–	–	(7,600)	(5,956)	(1,126)	(7,082)
Changes in ownership interests								
Changes in ownership interests in subsidiaries that do not result in a loss of control (Note 31)	–	–	–	(5)	–	(5)	(14)	(19)
Total transactions with owners	–*	1,644	–	(5)	(7,600)	(5,961)	(1,140)	(7,101)
At 31 March 2020	–*	(6,658)	(165)	(341)	63,848	56,684	6,919	63,603

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2021

	Attributable to owners of the Company								
		Reserves							
	Share capital RM'000 (Note 27)	Share premium RM'000 (Note 29((a))	Capital reserve RM'000 (Note 29((b))	Exchange reserve RM'000 (Note 29(c))	Other reserve RM'000 (Note 29(d))	Accumulated profits RM'000	Total RM'000	Non-controlling interests RM'000 (Note 30)	Total equity RM'000
At 1 April 2020	–*	–	(6,658)	(165)	(341)	63,848	56,684	6,919	63,603
Profit for the year	–	–	–	–	–	9,922	9,922	2,332	12,254
Other comprehensive (loss) income									
Item that will not be reclassified to profit or loss:									
Exchange differences on translation of the Company's financial statements to presentation currency	–	–	–	(1,647)	–	–	(1,647)	–	(1,647)
Item that may be reclassified subsequently to profit or loss:									
Exchange differences on consolidation	–	–	–	1,074	–	–	1,074	–	1,074
Other comprehensive (loss) income for the year	–	–	–	(573)	–	–	(573)	–	(573)
Total comprehensive (loss) income for the year	–	–	–	(573)	–	9,922	9,349	2,332	11,681
Transactions with owners:									
Contributions and distributions									
Dividends (Note 12)	–	–	–	–	–	(6,715)	(6,715)	(2,929)	(9,644)
Issue of shares pursuant to the Capitalisation Issue (Note 27(c))	2,060	(2,060)	–	–	–	–	(2,060)	–	–
Issue of shares pursuant to the global offering (Note 27(d))	687	67,994	–	–	–	–	67,994	–	68,681
Transaction costs attributable to issue of shares (Note 27(d))	–	(7,851)	–	–	–	–	(7,851)	–	(7,851)
	2,747	58,083	–	–	–	(6,715)	51,368	(2,929)	51,186
Changes in ownership interests									
Changes in ownership interests in subsidiaries that do not result in a loss of control (Note 31)	–	–	–	–	14	–	14	(20)	(6)
Total transactions with owners	2,747	58,083	–	–	14	(6,715)	51,382	(2,949)	51,180
At 31 March 2021	2,747	58,083	(6,658)	(738)	(327)	67,055	117,415	6,302	126,464

* Represent amounts less than RM1,000.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2021

	2021 RM'000	2020 RM'000
OPERATING ACTIVITIES		
Profit before tax	17,481	20,782
Adjustments for:		
Bank interest income	(242)	(124)
Depreciation of plant and equipment	2,992	2,857
Depreciation of investment properties	42	65
Depreciation of right-of-use assets	12,499	13,064
Finance costs	743	986
Loss (Gain) on disposal of plant and equipment, net	198	(22)
Gain on disposal of assets classified as held for sale	(1,406)	(291)
Gain on disposal of right-of-use assets	—	(80)
Loss on termination of leases	—	2
(Reversal of) Provision for impairment loss on trade receivables	(244)	244
Reversal of provisions for restoration costs	—	(32)
Income on COVID–19-related rent concessions	(2,909)	—
Write down of inventories	3,005	126
Write-off of plant and equipment	125	112
Operating cash inflows before movements in working capital	32,284	37,689
Changes in working capital:		
Inventories	7,514	(7,667)
Trade and other receivables	2,328	(2,040)
Trade and other payables	(8,367)	7,550
Provisions	26	119
Cash generated from operations	33,785	35,651
Income tax paid	(5,649)	(7,736)
Net cash from operating activities	28,136	27,915
INVESTING ACTIVITIES		
Interest received	242	124
Increase in fixed deposits with licensed banks	(38,613)	(1,407)
Purchase of plant and equipment	(2,169)	(4,481)
Proceeds from disposal of assets classified as held for sale	2,800	2,600
Proceeds from disposal of plant and equipment	719	707
Proceeds from disposal of right-of-use assets	—	95
Net cash used in investing activities	(37,021)	(2,362)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2021

	Notes	2021 RM'000	2020 RM'000
FINANCING ACTIVITIES			
Repayment of interest-bearing borrowings		(83)	(2,074)
Repayment of lease liabilities		(7,169)	(14,467)
Interest paid		(51)	(85)
Repayment to the Controlling Shareholders		—	(1,930)
Capital contribution made by the Controlling Shareholders		—	1,644
Payment for acquisition of non-controlling interests	31	(6)	(19)
Dividends paid		(9,644)	(8,726)
Proceeds from issuance of shares		—	—*
Proceeds from issuance of shares pursuant to the global offering	27(d)	68,681	—
Payment of transactions costs attributable to issue of shares	27(d)	(7,851)	—
Net cash from (used in) financing activities		43,877	(25,657)
Net increase (decrease) in cash and cash equivalents		34,992	(104)
Cash and cash equivalents at the beginning of the reporting period		34,087	34,149
Effect on exchange rate changes		(736)	42
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	20	68,343	34,087

* Represents amount less than RM1,000.

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

MOG Holdings Limited (the "Company", together with its subsidiaries are collectively referred to as the "Group") was incorporated as an exempted company with limited liability in the Cayman Islands on 4 June 2019. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15 April 2020 (the "Listing"). The ultimate controlling parties of the Group are Dato' Ng Kwang Hua, Dato' Ng Chin Kee and Datin Low Lay Choo (collectively referred to as the "Controlling Shareholders"), who act in concert and hold equity interests in the Company indirectly through Alliance Vision Limited (wholly owned by Dato' Ng Kwang Hua), a limited liability company incorporated in the British Virgin Islands (the "BVI"), Sky Pleasure Limited (wholly owned by Dato' Ng Chin Kee), a limited liability company incorporated in the BVI and Delightful Fortune Limited (wholly owned by Datin Low Lay Choo), a limited liability company incorporated in the BVI, respectively. The registered office of the Company is situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is situated at Unit B, 13th Floor, Winsan Tower, 98 Thomson Road, Wanchai, Hong Kong and the Group's headquarters is situated at No. 1–2, 2nd Floor, Jalan Kajang Indah 1, Taman Kajang Indah Sg Chua, 43000 Kajang Selangor, Malaysia.

The Company is an investment holding company and its subsidiaries are principally engaged in sales of optical products and franchise and license management.

Completion of reorganisation

Pursuant to a group reorganisation (the "Reorganisation") carried out by the Group in preparation for the Listing, the Company became the holding company of the subsidiaries now comprising the Group on 6 March 2020. Details of the Reorganisation are as set out in the paragraph headed "Corporate Reorganisation" of the section headed "History, Reorganisation and Corporate Structure" to the prospectus issued by the Company dated 28 March 2020 (the "Prospectus").

Immediately prior to and after the Reorganisation, the Company and its subsidiaries now comprising the Group are ultimately controlled by the Controlling Shareholders.

The Reorganisation did not result in any change in the management, the ultimate control and the resources employed of the Group's business, the Group is regarded as a continuity entity and therefore, the Reorganisation is considered to be a restructuring of entities and business combination under common control.

Accordingly, the consolidated financial statements have been prepared on a combined basis under merger accounting principles, as further explained in the paragraph headed "Merger accounting for business combination involving entities under common control" in note 2 to the consolidated financial statements, which presents the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the entities now comprising the Group as if the current group structure had always been in existence throughout the reporting period or since the dates when they first came under control of the Controlling Shareholders, where applicable.

2. PRINCIPAL ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("IASs") and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The consolidated financial statements are presented in Malaysian Ringgit ("RM") and all amounts have been rounded to the nearest thousand ("RM'000"), unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2020 consolidated financial statements except for the adoption of the following new/revised IFRSs.

Adoption of new/revised IFRSs

The Group has applied, for the first time, the following new/revised IFRSs that are relevant to the Group:

Amendments to IASs 1 and 8	Definition of Material
Amendments to IAS 39, IFRSs 7 and 9	Interest Rate Benchmark Reform — Phase 1
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 16	COVID-19-Related Rent Concessions Beyond 30 June 2021

Except for the early adoption of Amendments to IFRS 16 as set out below, the adoption of the new/revised IFRSs that are relevant to the Group and effective from the current year had no significant effects on the results and financial position of the Group for the current and prior years.

Amendments to IFRS 16: COVID-19-Related Rent Concessions Beyond 30 June 2021
The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2022. The amendments do not affect lessors.

These amendments shall be applied for annual periods beginning on or after 1 April 2021 with earlier application permitted. The Group has elected to early adopt the amendments in the current year. In accordance with the transition provisions therein, the amendments have been applied retrospectively by the Group recognising the cumulative effect of initially applying the amendments as an adjustment to the opening balance of accumulated profits and therefore the comparative information has not been restated.

The early adoption of the amendments has no impact to the opening accumulated profits at 1 April 2020. The Group recognised changes in leases payments that resulted from rent concessions of approximately RM2,909,000 in profit or loss for the year ended 31 March 2021.

A summary of the principal accounting policies adopted by the Group in preparing the consolidated financial statements is set out below.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost.

Basis of consolidation/combinations

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred. The result of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRSs.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. 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 are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the holding company had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of consolidation/combinations (Continued)

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the Controlling Shareholders.

The net assets of the combining entities or businesses are combined using the existing carrying values from the Controlling Shareholders' perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the Controlling Shareholders' interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities, arising from the Reorganisation, are recognised directly in equity as part of the capital reserve. The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or, since the date when the combining entities or businesses first came under the common control, regardless of the date of the common control combination.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting, are recognised as an expense in the period in which they are incurred.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position as set out in Note 28 to the consolidated financial statements, an investment in subsidiary is stated at cost less impairment loss. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Plant and equipment (Continued)

Depreciation is provided to write off the cost less accumulated impairment losses of plant and equipment over their estimated useful lives at the annual rate as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Computers and software	20%–40%
Furniture, fixtures and office equipment	10%–20%
Optical equipment	10%–20%
Motor vehicles	10%–20%
Leasehold improvements	10%–20%

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Investment properties

Investment properties are shoplots held to earn rental income and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses.

Depreciation on shoplots is calculated using the straight-line method to write off the cost less accumulated impairment losses of investment properties over their estimated useful lives at the annual rate of 2%.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current asset classified as held for sale is measured at the lower of its previous carrying amount and fair value less costs to sell.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) equity investment measured at fair value through other comprehensive income; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, fixed deposits with licensed banks, and bank balances and cash.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, interest-bearing borrowing and lease liabilities. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost which the impairment requirements apply in accordance with IFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

(i) past due information
(ii) nature of instrument
(iii) industry of debtors
(iv) geographical location of debtors
(v) external credit risk ratings

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for the financial asset which the Group has reasonable and supportable information to demonstrate that previous non-payments were an administrative oversight, instead of resulting from financial difficulty of the borrower, or that there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in Note 34 to the consolidated financial statements, the Group's other receivables, amounts due from related companies, fixed deposits with licensed banks and bank balances and cash are determined to have low credit risk.

Simplified approach of ECL

For trade receivables without a significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and 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.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets (Continued)

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue recognition

Revenue from contracts with customers within IFRS 15

The Group adopts a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Nature of goods or services

The nature of the goods or services provided by the Group are sales of optical products and franchise and license management.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within IFRS 15 (Continued)

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within IFRS 15 (Continued)

Timing of revenue recognition (Continued)

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sales of optical products are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Franchise fee income is recognised over the time of the respective franchise agreements.

Royalty fee income is recognised at a point in time when the right to receive payment is established.

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. The estimated variable consideration is then included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised of the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Performance obligation: warranties

Sales-related warranties associated with optical products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for the warranties in accordance with IAS 37.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Rental income

Rental income under operating leases is recognised when the properties are let out and on the straight-line basis over the lease term.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For sales of optical products, it is common for the Group to receive from the customers the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

The Group receives payments from the customers which are largely in line with the timing of revenue recognition and no significant contract assets are recognised. Contract liabilities in relation to advanced payments from customers are recognised under "Other payables".

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RM and rounded to the nearest thousands unless otherwise indicated. The Company's functional currency is Hong Kong dollar ("HK$").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.

- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.

- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation and a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Impairment of other assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that the Group's investment properties, plant and equipment, right-of-use assets and the Company's investment in a subsidiary may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as an income in profit or loss immediately.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the period in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account/recognised as a deduction from the carrying amount of the relevant asset and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases

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

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)
A lease modification is accounted for as a separate lease if:

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(b) the Group determines the lease term of the modified contract.

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

The Group has applied the practical expedient provided in Amendments to IFRS 16: *COVID-19-Related Rent Concessions Beyond 30 June 2021* and does not assess whether eligible rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modification. The Group accounts for any change in lease payments resulting from the rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

(c) there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient consistently to all eligible rent concessions with similar characteristics and in similar circumstances.

As lessor — operating leases

Rental income from leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered 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 assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Related parties

A related party is a person or entity that is related to the Group, that is defined as:

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

   (i) has control or joint control over the Group;

   (ii) has significant influence over the Group; or

   (iii) is a member of the key management personnel of the Group or of a holding company of the Group.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

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

(i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).

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

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

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

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

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

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

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to a holding company of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

(i) Useful lives of investment properties, plant and equipment and right-of-use assets

The management of the Group determines the estimated useful lives of the Group's investment properties, plant and equipment and right-of-use assets based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation charges included in profit or loss.

(ii) Impairment of investment properties, plant and equipment and right-of-use assets

The management of the Group determines whether the Group's investment properties, plant and equipment and right-of-use assets are impaired when an indication of impairment exists. This requires an estimation of the recoverable amount of the investment properties, plant and equipment and right-of-use assets, which is equal to the higher of fair value less costs of disposal and value in use. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the investment properties, plant and equipment and right-of-use assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to profit or loss.

(iii) Allowance for inventories

The management of the Group reviews the inventory ageing analysis periodically and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for sale. The Group carries out the inventory review on a product-by-product basis and makes allowance at the end of each reporting period by reference to management's estimation of the net realisable value based on the latest market prices and current market conditions.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty (Continued)

(iv) Loss allowance for ECL

The management of the Group estimates the loss allowance for trade and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables.

(v) Discount rates for calculating lease liabilities — as lessee

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

(vi) Provisions for restoration costs

As explained in Note 25, the Group makes provision for restoration costs based on the best estimate of the expected costs to be incurred upon expiry of the respective rental agreements, which are subject to uncertainty and might differ from the actual costs incurred. Any increase or decrease in the provision would affect profit or loss in future periods.

Critical judgement made in applying accounting policies

(i) Recognition of expenses for the initial listing

The management of the Group determines the allocation and classification of relevant costs incurred for Listing between (i) profit or loss as listing expenses and (ii) equity as a reduction of share premium upon the capitalisation issue based on its judgement on whether such costs are (i) costs for the Company to obtain the listing status or (ii) incremental costs for the Company to raise additional funds from the issue of new shares, respectively.

(ii) Determination of lease terms of contracts with renewal options

The management of the Group determines the lease term for lease contracts in which it is a lease that includes renewal option. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

3. FUTURE CHANGES IN IFRSs

At the date of authorisation of these consolidated financial statements, the IASB has issued the following new/revised IFRSs that are not yet effective for the current financial year, which the Group has not early adopted:

Amendments to IAS 39, IFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform — Phase 2 [1]
Amendments to IAS 16	Proceeds before Intended Use [2]
Amendments to IAS 37	Cost of Fulfilling a Contract [2]
Amendments to IFRS 3	Reference to the Conceptual Framework [2]
Annual Improvements to IFRSs	2018–2020 Cycle [2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current [3]
Amendments to IAS 1	Disclosure of Accounting Policies [3]
Amendments to IAS 8	Definition of Accounting Estimates [3]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a single transaction [3]
IFRS 17	Insurance Contracts [3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

[1] Effective for annual periods beginning on or after 1 January 2021
[2] Effective for annual periods beginning on or after 1 January 2022
[3] Effective for annual periods beginning on or after 1 January 2023
[4] The effective date to be determined

The directors of the Company do not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the results and financial position of the Group.

4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

(1) Sales of optical products.

(2) Franchise and license management.

4. SEGMENT INFORMATION (Continued)

Segment revenue and results

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2.

Segment revenue represents revenue derived from sales of optical products and franchise and license management.

Segment results represent the profit before tax reported by each segment without allocation of other income and administrative expenses reported by corporate office, finance costs, listing expenses and income tax expense. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

The segment information provided to the CODM of the Group for the reportable segments for the years ended 31 March 2021 and 2020 are as follows:

Year ended 31 March 2021

	Sales of optical products RM'000	Franchise and license management RM'000	Total RM'000
Segment revenue	98,909	314	99,223
Segment results	21,189	277	21,466
Unallocated other income			1,721
Unallocated administrative expenses			(3,554)
Finance costs			(743)
Listing expenses			(1,409)
Profit before tax			17,481
Income tax expense			(5,227)
Profit for the year			12,254

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Year ended 31 March 2020

	Sales of optical products RM'000	Franchise and license management RM'000	Total RM'000
Segment revenue	146,627	499	147,126
Segment results	33,358	447	33,805
Unallocated other income			714
Unallocated administrative expenses			(2,986)
Finance costs			(986)
Listing expenses			(9,765)
Profit before tax			20,782
Income tax expense			(6,955)
Profit for the year			13,827

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

At 31 March 2021

	Sales of optical products RM'000	Franchise and license management RM'000	Unallocated RM'000	Total RM'000
Assets				
Reportable segment assets	161,090	1,529	2,535	165,154
Liabilities				
Reportable segment liabilities	(35,933)	(555)	(2,202)	(38,690)
Other segment information:				
Depreciation of plant and equipment	2,991	1	—	2,992
Depreciation of right-of-use assets	12,499	—	—	12,499
Depreciation of investment properties	—	—	42	42
Loss on disposal of plant and equipment	198	—	—	198
Gain on disposal of assets classified as held for sale	—	—	(1,406)	(1,406)
Reversal of impairment loss on trade receivables	(244)	—	—	(244)
Write down of inventories	3,005	—	—	3,005
Write-off of plant and equipment	125	—*	—	125
Additions to right-of-use assets	10,795	—	—	10,795
Additions to plant and equipment	2,169	—	—	2,169

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 March 2020

	Sales of optical products RM'000	Franchise and license management RM'000	Unallocated RM'000	Total RM'000
Assets				
Reportable segment assets	104,602	1,347	3,194	109,143
Liabilities				
Reportable segment liabilities	(43,451)	(159)	(1,930)	(45,540)
Other segment information:				
Depreciation of plant and equipment	2,856	1	—	2,857
Depreciation of right-of-use assets	13,064	—	—	13,064
Depreciation of investment properties	—	—	65	65
Gain on disposal of plant and equipment	(22)	—	—	(22)
Gain on disposal of assets classified as held for sale	—	—	(291)	(291)
Gain on disposal of right-of-use assets	(80)	—	—	(80)
Loss on termination of leases, net	2	—	—	2
Provision for impairment loss on trade receivables	244	—	—	244
Reversal of provisions for restoration costs	(32)	—	—	(32)
Write down of inventories	126	—	—	126
Write-off of plant and equipment	112	—	—	112
Additions to right-of-use assets	14,064	—	—	14,064
Additions to plant and equipment	4,481	—	—	4,481

* Represents amount less than RM1,000.

For the purposes of monitoring segment performance and allocating resources between segments:

- segment assets include right-of-use assets, plant and equipment, inventories, trade and other receivables, fixed deposits with licensed banks, and bank balances and cash. Other assets are not allocated to operating segments as these assets are managed on a corporate basis; and
- segment liabilities include trade and other payables, lease liabilities and provisions. Other liabilities are not allocated to operating segments as these liabilities are managed on a corporate basis.

4. SEGMENT INFORMATION (Continued)

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of the revenue is presented based on the location of the customers. The Group's non-current assets are all located in Malaysia.

	2021 RM'000	2020 RM'000
Revenue from external customers:		
Malaysia	99,223	147,077
Overseas	–	49
	99,223	147,126

Information about major customers

The Group's revenue from any single external customer did not contribute 10% or more of the total revenue of the Group during the years ended 31 March 2021 and 2020.

5. REVENUE

	2021 RM'000	2020 RM'000
Revenue from contracts with customers within IFRS 15		
Sales of optical products		
— to retail customers	98,186	144,641
— to franchisees	723	1,986
Franchise and royalty fees income	314	499
	99,223	147,126
Timing of revenue recognition:		
A point in time	99,181	147,086
Over time	42	40
	99,223	147,126
Type of transaction price:		
Fixed price	98,951	146,667
Variable price	272	459
	99,223	147,126

The amount of revenue recognised for the year ended 31 March 2021 that was included in the contract liabilities at the beginning of the reporting period was approximately RM721,000 *(2020: approximately RM738,000)*.

6. OTHER INCOME

	2021 RM'000	2020 RM'000
Bank interest income	**242**	124
Book-keeping fee income	**16**	44
Exchange gain, net	**213**	140
Gain on disposal of plant and equipment, net	**—**	22
Gain on disposal of assets classified as held for sale (Note 21)	**1,406**	291
Gain on disposal of right-of-use assets	**—**	80
Government subsidies (Note)	**2,645**	—
Income on COVID–19-related rent concessions (Note 24)	**2,909**	—
Rental income from investment properties	**241**	335
Reversal of provisions for restoration costs	**—**	32
Sponsorship income	**327**	183
Sundry income	**767**	669
	8,766	1,920

Note: During the year ended 31 March 2021, the Group recognised government subsidies of approximately RM2,645,000 *(2020: nil)* in respect of COVID-19-related subsidies provided by local government authorities. In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to these subsidies.

7. PROFIT BEFORE TAX

This is stated after charging (crediting):

	2021 RM'000	2020 RM'000
Finance costs		
Interest on interest-bearing borrowings	**44**	85
Interest on bank overdrafts	**7**	—
Interest on lease liabilities	**692**	901
	743	986

7. PROFIT BEFORE TAX (Continued)

This is stated after charging (crediting) (Continued):

	2021 RM'000	2020 RM'000
Staff costs (including directors' remuneration)		
Salaries, discretionary bonus, allowances and other benefits in kind	27,920	33,879
Contributions to defined contribution plans	2,523	2,696
	30,443	36,575
Other items		
Auditors' remuneration	1,106	1,128
Cost of inventories	30,391	49,817
Depreciation of investment properties	42	65
Depreciation of plant and equipment	2,992	2,857
Depreciation of right-of-use assets	12,499	13,064
Direct operating expenses arising from investment properties that generated rental income	12	9
Exchange gain, net	(213)	(140)
Loss (Gain) on disposal of plant and equipment, net	198	(22)
Loss on termination of leases, net (included in "Selling and distribution costs")	—	2
Other rental and related expenses	3,625	5,517
(Reversal of) Provision for impairment loss on trade receivables	(244)	244
Write down of inventories (included in "Cost of sales")	3,005	126
Write-off of plant and equipment	125	112

8. DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received and receivable by the directors of the Company are set out below.

Year ended 31 March 2021

	Directors' fees RM'000	Salaries, allowances and benefits in kind RM'000	Discretionary bonus RM'000	Contributions to defined contribution plans RM'000	Total RM'000
Executive directors					
Dato' Ng Kwang Hua	–	699	28	87	814
Dato' Ng Chin Kee	–	527	23	66	616
Datin Low Lay Choo	–	338	24	40	402
Independent non-executive directors					
Mr. Ng Kuan Hua	75	–	–	–	75
Mr. Ng Chee Hoong	75	–	–	–	75
Ms. Jiao Jie	75	–	–	–	75
	225	1,564	75	193	2,057

8. DIRECTORS' REMUNERATION (Continued)

Year ended 31 March 2020

	Directors' fees RM'000	Salaries, allowances and benefits in kind RM'000	Discretionary bonus RM'000	Contributions to defined contribution plans RM'000	Total RM'000
Executive directors					
Dato' Ng Kwang Hua	—	652	104	95	851
Dato' Ng Chin Kee	—	467	75	65	607
Datin Low Lay Choo	—	304	49	40	393
Independent non-executive directors					
Mr. Ng Kuan Hua	—	—	—	—	—
Mr. Ng Chee Hoong	—	—	—	—	—
Ms. Jiao Jie	—	—	—	—	—
	—	1,423	228	200	1,851

During the years ended 31 March 2021 and 2020, no emoluments were paid by the Group to any of these directors as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 March 2021 and 2020.

Puan Sri Datuk Seri Rohani Parkash Binti Abdullah was appointed as an independent non-executive director with effect from 1 April 2021.

9. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the years ended 31 March 2021 and 2020 is as follows:

	Number of individuals	
	2021	2020
Director	**3**	3
Non-director	**2**	2
	5	5

Details of the remuneration of the above highest paid non-director individuals are as follows:

	2021	2020
	RM'000	RM'000
Salaries, allowances and other benefits in kind	**558**	561
Discretionary bonus	**47**	51
Contributions to defined contribution plans	**30**	30
	635	642

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

	Number of individuals	
	2021	2020
Nil to HK$1,000,000	**2**	2

During the years ended 31 March 2021 and 2020, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the years ended 31 March 2021 and 2020.

10. INCOME TAX EXPENSE

	2021 RM'000	2020 RM'000
Current tax		
Malaysia corporate income tax	6,004	7,104
Deferred tax (Note 26)		
Changes in temporary differences	(777)	(149)
Total income tax expense for the year	5,227	6,955

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in or derived from Hong Kong for the years ended 31 March 2021 and 2020.

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax therein.

Saved as disclosed below, Malaysia corporate income tax is calculated at 24% of the estimated assessable profits for the years ended 31 March 2021 and 2020.

For the year ended 31 March 2020, Malaysia incorporated entities with paid-up capital of RM2.5 million or less and having annual sales of not more than RM50 million enjoy tax rate of 17% on the first RM600,000 of the estimated assessable profits and remaining balance at tax rate of 24%.

Reconciliation of income tax expense

	2021 RM'000	2020 RM'000
Profit before tax	17,481	20,782
Income tax at statutory tax rate applicable in respective territories	4,337	5,699
Effect of reduction in tax rate for the first tranche of chargeable income	—	(1,046)
Tax exempt revenue	(412)	(164)
Non-deductible expenses	1,242	2,360
Others	60	106
Income tax expense for the year	5,227	6,955

11. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following information:

	2021 RM'000	2020 RM'000
Profit for the year attributable to owners of the Company, used in basic and diluted earnings per share calculation	9,922	10,900

	Number of shares 2021	 2020
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	495,205,479	375,000,000

The calculation of the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been determined based on the assumption that the issue of shares at incorporation of the Company, the Reorganisation and the Capitalisation Issue (as defined in Note 27) had occurred on 1 April 2019.

Diluted earnings per share are the same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the years ended 31 March 2021 and 2020.

12. DIVIDENDS

	2021 RM'000	2020 RM'000
Dividends declared and paid to the then owners of the entities now comprising the Group	–	8,726
Dividends declared and paid to owners of the Company	6,715	–

On 28 September 2020, the board of directors of the Company has resolved the declaration and payment of special dividends of HK$0.025 per ordinary share of the Company, amounting to HK$12,500,000 (equivalent to approximately RM6,715,000) in total. The dividends were paid in November 2020.

The board of directors do not recommend the payment of a final dividend.

13. SUBSIDIARIES

Details of the subsidiaries at the end of each reporting period are as follows:

Name of subsidiary	Place and date of incorporation/ establishment	Issued/Paid up capital	Attributable equity interest held by the Company 2021	2020	Principal activities/ place of operation
Directly held					
MOG (BVI) Limited	The BVI, 14 June 2019	United States dollar ("USD") 1	**100%**	100%	Investment holding/The BVI
Indirectly held					
App New Success Eyewear Sdn. Bhd. ("App New Success Eyewear")	Malaysia, 22 February 2017	RM100	**80%**	80%	Wholesaler and retailer of optical and other related products/ Malaysia
Bens Eyewear Sdn. Bhd. ("Bens Eyewear")	Malaysia, 10 March 2015	RM100	**59%**	51%	Wholesaler and retailer of optical products/ Malaysia
Caxia Eyewear Sdn. Bhd.	Malaysia, 30 September 2015	RM100	**70%**	70%	Wholesaler and retailer of optical products/ Malaysia
Dr Optic Sdn. Bhd.	Malaysia, 20 February 2017	RM1,000	**55%**	55%	Retail sale of optical goods/Malaysia
DS Optique Sdn. Bhd.	Malaysia, 5 May 2017	RM100	**51%**	51%	Wholesaler and retailer of optical products/ Malaysia
E Zone Eyewear Sdn. Bhd. ("E Zone Eyewear")	Malaysia, 15 October 2015	RM100	**70%**	70%	Business of optometrists and dealers of all kind of optical apparatus and related accessories/Malaysia
Evershine Eyewear Sdn. Bhd.	Malaysia, 3 April 2014	RM100	**71%**	71%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
Evershine Optical Sdn. Bhd.	Malaysia, 4 October 2016	RM100	**60%**	60%	Wholesaler and retailers of optical products/ Malaysia
Exon Eyewear (R&F) Sdn. Bhd.	Malaysia, 29 October 2018	RM100	**51%**	51%	Retail sale of spectacles and other optical goods/Malaysia
Exon Eyewear Sdn. Bhd.	Malaysia, 26 September 2017	RM100	**60%**	60%	Retail sale of spectacles and other optical goods/Malaysia

13. SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ establishment	Issued/Paid up capital	Attributable equity interest held by the Company 2021	2020	Principal activities/ place of operation	
Indirectly held						
Exon Optical House Sdn. Bhd. ("Exon Optical House")	Malaysia, 15 October 2015	RM100	60%	60%	Business of optometrists and dealers of all kind of optical apparatus and related accessories/Malaysia	
Exotika Icon Sdn. Bhd.	Malaysia, 6 November 2004	RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia	
Eyes Founder Sdn. Bhd.	Malaysia, 2 September 2011	RM100	51%	51%	Wholesaler and retailer of optical products/ Malaysia	
Eye Saver Sdn. Bhd.	Malaysia, 29 June 2018	RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia	
Fabulous Project Management Sdn. Bhd.	Malaysia, 21 May 2012	RM100,000	51%	51%	Business of optometrists and dealers of all kind of optical apparatus and related accessories/Malaysia	
Harvest Eyewear Sdn. Bhd.	Malaysia, 12 August 2016	RM100	80%	80%	Wholesaler and retailer of optical products/ Malaysia	
Harvest Gallery Sdn. Bhd.	Malaysia, 20 October 2020	RM100	60%	N/A	Retail sale of spectacles and other optical goods/Malaysia	
Intelligent Spec Saver Sdn. Bhd. ("Intelligent Spec Saver")	Malaysia, 6 September 2011	RM100	40%	40%	Optometrists and dealers of all kind of optical apparatus and related accessories/ Malaysia	Note 1
Lux Optical Sdn. Bhd. ("Lux Optical")	Malaysia, 20 August 2013	RM100	100%	95%	Wholesaler and retailer of optical products/ Malaysia	
Luxshine Eyewear Sdn. Bhd.	Malaysia, 27 October 2016	RM100	80%	80%	Wholesalers and retailers of optical products/ Malaysia	
M Optic Project & Event Sdn. Bhd.	Malaysia, 10 March 2008	RM200	100%	100%	Professional event management and marketing services provider/Malaysia	

13. SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ establishment	Issued/Paid up capital	Attributable equity interest held by the Company 2021	2020	Principal activities/ place of operation
Indirectly held					
M Optical Sdn. Bhd.	Malaysia, 29 January 2002	RM50,000	80%	80%	Trading in spectacle frames, lens and related eye care products/Malaysia
Metro (SPY) Sdn. Bhd.	Malaysia, 13 June 2011	RM100	90%	90%	Trading in spectacles frames, lens and related eye care products/Malaysia
Metro Designer Eyewear Sdn. Bhd. ("Metro Designer Eyewear")	Malaysia, 23 June 1997	RM100,000	80%	80%	Retail of optical products and property investment holding/ Malaysia
Metro Eyewear Holdings Sdn. Bhd.	Malaysia, 28 March 1998	RM2,000,000	100%	100%	Wholesaler and retailer in optical products/ Malaysia
Metro RWG Sdn. Bhd.	Malaysia, 25 March 2010	RM100	60%	60%	Business of trading and dealing in spectacle frames, sunglasses and eye care chemicals/Malaysia
Mido Eyewear Sdn. Bhd.	Malaysia, 30 January 2013	RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia
Modern Pride Sdn. Bhd. ("Modern Pride")	Malaysia, 22 March 2010	RM100,000	60%	60%	Wholesaler and retailer in optical products/ Malaysia
Modern Eyewear Sdn. Bhd.	Malaysia, 2 October 2020	RM100	55%	N/A	Retail sale of spectacles and other optical goods/Malaysia
MOG (QBM) Sdn. Bhd.	Malaysia, 23 August 2011	RM100	70%	70%	Wholesaler and retailer of optical products/ Malaysia
MOG (TPU) Sdn. Bhd.	Malaysia, 3 August 2011	RM100	80%	80%	Wholesaler and retailer of optical product/ Malaysia
MOG Eyecity Sdn. Bhd.	Malaysia, 21 November 2017	RM100	100%	100%	Business of optometrists and dealers of all kind of optical apparatus and related accessories/Malaysia

13. SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ establishment	Issued/Paid up capital	Attributable equity interest held by the Company 2021	2020	Principal activities/ place of operation
Indirectly held					
MOG Eyewear Sdn. Bhd.	Malaysia, 19 January 2005	RM100,000	100%	100%	Retail sales of spectacles and other optical goods/Malaysia
MOG Eyewear (Kempas) Sdn. Bhd. ("MOG Eyewear (Kempas)")	Malaysia, 13 April 2017	RM100	60%	60%	Dealer and retailer of optical products/ Malaysia
MOG Eyewear Boutique Sdn. Bhd. ("MOG Eyewear Boutique")	Malaysia, 12 October 2007	RM50,000	70%	70%	Business of trading and dealing in spectacle frames, sunglasses and eye care chemicals/Malaysia
MOG Eyewear Distribution Sdn. Bhd.	Malaysia, 5 January 2010	RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia
MOG Eyewear Holdings (M) Sdn. Bhd.	Malaysia, 4 October 2001	RM100,000	100%	100%	Trading in spectacle frames, lenses and related eyes care products/Malaysia
MOG Glasses Sdn. Bhd.	Malaysia, 24 September 2020	RM100	100%	N/A	E-commerce for optical products/Malaysia
MOG (Hong Kong) Limited	Hong Kong, 15 June 2018	HK$100	100%	100%	Investment holding/ Hong Kong
MOG Management Sdn. Bhd.	Malaysia, 6 October 2008	RM100,000	100%	100%	Acquire and hold franchises dealing in optical products/ Malaysia
MOG Optometry (HK) Sdn. Bhd.	Malaysia, 21 April 2003	RM100,000	100%	100%	Wholesaler and retailer in optical products/ Malaysia
MOG Optometry Sdn. Bhd.	Malaysia, 19 May 2006	RM100	100%	100%	Wholesaler and retailer in optical products/ Malaysia
New Success (Ekocheras) Sdn. Bhd. ("New Success (Ekocheras)")	Malaysia, 9 August 2018	RM100	51%	51%	Retail sale of spectacles and other optical goods/Malaysia

13. SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ establishment	Issued/Paid up capital	Attributable equity interest held by the Company 2021	2020	Principal activities/ place of operation	
Indirectly held						
New Success Distribution Sdn. Bhd. ("New Success Distribution")	Malaysia, 17 October 2014	RM2	50%	50%	Distributor and wholesaler of all kinds of optical products and related accessories/Malaysia	Note 2
New Success Eyewear Sdn. Bhd. ("New Success Eyewear")	Malaysia, 10 October 2014	RM100	52%	52%	Retailer of optical products and related accessories/Malaysia	
Optical Arts Sdn. Bhd.	Malaysia, 7 May 2008	RM100,000	100%	100%	Wholesaler and retailer in optical products/ Malaysia	
Prestige Eyewear Sdn. Bhd.	Malaysia, 7 September 2017	RM100	80%	80%	Retail sale of spectacles and other optical goods/Malaysia	
Pro Optic Sdn. Bhd. ("Pro Optic")	Malaysia, 9 September 2011	RM100	50%	50%	Wholesaler and retailer of optical products/ Malaysia	Note 3
Real Eyes Sdn. Bhd.	Malaysia, 9 July 2010	RM180,000	100%	100%	Wholesaler and retailer in optical products/ Malaysia	
Right View Optic Sdn. Bhd. ("Right View Optic")	Malaysia, 14 March 2017	RM100	51%	51%	Dealer and retailer of spectacles and other optical products/ Malaysia	
Smart Vision House Sdn. Bhd.	Malaysia, 30 September 2014	RM100	100%	100%	Retailer of optical products and related accessories/Malaysia	
Spec Trend Sdn. Bhd.	Malaysia, 10 November 2016	RM100	60%	60%	Wholesaler and retailer of optical products/ Malaysia	
Specs Gallery Sdn. Bhd. ("Specs Gallery")	Malaysia, 27 December 2017	RM100	70%	60%	Retailer of optical products and related accessories/Malaysia	
Specs Saver Sdn. Bhd.	Malaysia, 20 March 2019	RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia	
Success Optic Sdn. Bhd.	Malaysia, 3 August 2010	RM100	51%	51%	Wholesaler and retailer of optical products/ Malaysia	

13. SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ establishment	Issued/Paid up capital	Attributable equity interest held by the Company 2021	2020	Principal activities/ place of operation
Indirectly held					
Unique Eyewear Sdn. Bhd.	Malaysia, 3 November 2016	RM100	**100%**	100%	Trading and dealing in spectacle frames, sunglasses and eye care chemicals/ Malaysia
Victory Eyewear Sdn. Bhd.	Malaysia, 4 November 2016	RM100	**100%**	100%	Retail sale of spectacles and other optical goods/Malaysia
Vivo Vision Sdn. Bhd.	Malaysia, 26 August 2016	RM100	**60%**	60%	Dealer and retailers of optical products/ Malaysia

Notes:

1. Notwithstanding the Group held only 40% equity interest in Intelligent Spec Saver, due to the fact that there is a joint venture agreement entered into for the Group to appoint majority of the board of the directors of Intelligent Spec Saver and other key management personnel of Intelligent Spec Saver and to control Intelligent Spec Saver's operation by making all significant strategic financial and operating decisions of Intelligent Spec Saver of which the operation is highly dependent on the Group (including supply all the merchandise, control the bank accounts and direct the strategic financial and operating activities etc.), Intelligent Spec Saver is being treated as a non-wholly owned subsidiary of the Group and 60% equity interest owned by other shareholders of Intelligent Spec Saver is being treated as "non-controlling interests".

2. Notwithstanding the Group held only 50% equity interest in New Success Distribution, due to the fact that there is a joint venture agreement entered into for the Group to appoint majority of the board of the directors of New Success Distribution and other key management personnel of New Success Distribution and to control New Success Distribution's operation by making all significant strategic financial and operating decisions of New Success Distribution of which the operation is highly dependent on the Group (including supply all the merchandise, control the bank accounts and direct the strategic financial and operating activities etc.), New Success Distribution is being treated as a non-wholly owned subsidiary of the Group and 50% equity interest owned by another shareholder of New Success Distribution is being treated as "non-controlling interests".

3. Notwithstanding the Group held only 50% equity interest in Pro Optic, due to the fact that there is a joint venture agreement entered into for the Group to appoint majority of the board of the directors of Pro Optic and other key management personnel of Pro Optic and to control Pro Optic's operation by making all significant strategic financial and operating decisions of Pro Optic of which the operation is highly dependent on the Group (including supply all the merchandise, control the bank accounts and direct the strategic financial and operating activities etc.), Pro Optic is being treated as a non-wholly owned subsidiary of the Group and 50% equity interest owned by other shareholders of Pro Optic is being treated as "non-controlling interests".

14. INVESTMENT PROPERTIES

	2021 RM'000	2020 RM'000
Reconciliation of carrying amounts		
At the beginning of the reporting period	1,325	2,784
Depreciation	(42)	(65)
Reclassified as assets classified as held for sale (Note 21)	–	(1,394)
At the end of the reporting period	1,283	1,325
Cost	2,070	2,070
Accumulated depreciation	(787)	(745)
At the end of the reporting period	1,283	1,325
Fair value	2,100	2,100

The investment properties consist of shoplots in Malaysia with expected useful lives of 50 years.

The fair value of investment properties are under Level 3 of the three-level fair value hierarchy as defined under IFRS 13. At the end of each reporting period, the fair value of investment properties were valued by an independent professional qualified valuer, who has relevant experience in the location and category of the Group's investment properties being valued, on an open market basis by comparison approach assuming sale with the benefit of vacant possession or by making reference to comparable sale evidence as available in the relevant market. Recent sale price of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age, were used to value the investment properties. The most significant input into this valuation approach is the price per square feet. The fair value measurement was based on the highest and best use of the investment properties, which did not differ from their existing use.

The Group's investment properties with a total carrying amount of approximately RM1,283,000 at 31 March 2021 *(2020: approximately RM1,325,000)* were pledged to secure banking facilities granted to the Group (Note 23).

The details of the lease income from operating leases are set out in Note 6 to the consolidated financial statements.

Although the risks associated with rights that the Group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks by ensuring all contracts include clauses requiring the lessee to compensate the Group when a property has been subjected to excess wear-and-tear during the lease term.

15. RIGHT-OF-USE ASSETS

	Shoplots RM'000	Motor vehicles RM'000	Furniture, fixtures and office equipment RM'000	Leasehold improvements RM'000	Total RM'000
Reconciliation of carrying amounts — year ended 31 March 2020					
At 1 April 2019	16,222	901	209	157	17,489
Additions	13,401	544	—	119	14,064
Disposals	—	(15)	—	—	(15)
Termination of leases	(404)	—	—	(11)	(415)
Transfer to plant and equipment	—	(350)	(88)	(13)	(451)
Depreciation	(12,548)	(222)	(121)	(173)	(13,064)
At 31 March 2020	16,671	858	—	79	17,608
Reconciliation of carrying amounts — year ended 31 March 2021					
At 1 April 2020	**16,671**	**858**	**—**	**79**	**17,608**
Additions	**10,748**	**—**	**—**	**47**	**10,795**
Depreciation	**(12,269)**	**(150)**	**—**	**(80)**	**(12,499)**
At 31 March 2021	**15,150**	**708**	**—**	**46**	**15,904**

15. RIGHT-OF-USE ASSETS (Continued)

	Shoplots	Motor vehicles	Furniture, fixtures and office equipment	Leasehold improvements	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 March 2020					
Cost	33,014	1,021	—	972	35,007
Accumulated depreciation	(16,343)	(163)	—	(893)	(17,399)
	16,671	858	—	79	17,608
At 31 March 2021					
Cost	**29,395**	**1,021**	**—**	**998**	**31,414**
Accumulated depreciation	**(14,245)**	**(313)**	**—**	**(952)**	**(15,510)**
	15,150	**708**	**—**	**46**	**15,904**

The Group leases several assets including shoplots, motor vehicles and leasehold improvements. The leases in respect of shoplots typically run for an initial period of 1 to 3 years *(2020: 1 to 3 years)* and the lease term of the remaining right-of-use assets are ranging from 1 to 5 years *(2020: 4 to 5 years)*.

Certain leases in respect of shoplots which were entered into by the Group are secured by a corporate guarantee provided by the Company and personal guarantees provided by Dato' Ng Chin Kee and Dato' Ng Kwang Hua *(2020: secured by personal guarantees provided by the Controlling Shareholders and minority interests of certain relevant subsidiaries)*.

16. PLANT AND EQUIPMENT

	Computers and software RM'000	Furniture, fixtures and office equipment RM'000	Optical equipment RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Total RM'000
Reconciliation of carrying amounts — year ended 31 March 2020						
At 1 April 2019	232	4,260	2,879	103	584	8,058
Additions	698	1,630	1,922	—	231	4,481
Transfer from right-of-use assets	—	88	—	350	13	451
Disposals	(15)	(264)	(387)	—	(19)	(685)
Written off	(1)	(59)	(1)	—	(51)	(112)
Depreciation	(164)	(1,483)	(920)	(37)	(253)	(2,857)
At 31 March 2020	750	4,172	3,493	416	505	9,336
Reconciliation of carrying amounts — year ended 31 March 2021						
At 1 April 2020	**750**	**4,172**	**3,493**	**416**	**505**	**9,336**
Additions	**352**	**393**	**1,366**	**—**	**58**	**2,169**
Disposals	**(491)**	**(8)**	**(392)**	**(26)**	**—**	**(917)**
Written off	**(11)**	**(70)**	**(26)**	**—**	**(18)**	**(125)**
Depreciation	**(322)**	**(1,412)**	**(948)**	**(96)**	**(214)**	**(2,992)**
At 31 March 2021	**278**	**3,075**	**3,493**	**294**	**331**	**7,471**
At 31 March 2020						
Cost	1,653	12,072	8,134	966	2,170	24,995
Accumulated depreciation	(903)	(7,900)	(4,641)	(550)	(1,665)	(15,659)
	750	4,172	3,493	416	505	9,336
At 31 March 2021						
Cost	**1,058**	**11,820**	**8,549**	**788**	**2,176**	**24,391**
Accumulated depreciation	**(780)**	**(8,745)**	**(5,056)**	**(494)**	**(1,845)**	**(16,920)**
	278	**3,075**	**3,493**	**294**	**331**	**7,471**

17. INVENTORIES

	2021 RM'000	2020 RM'000
Merchandise	23,667	31,181
Less: Provision for inventories	(3,131)	(126)
	20,536	31,055

During the years ended 31 March 2021 and 2020, there was a decrease in the net realisable value of certain merchandise due to obsolescence and diminishing marketability as a result of changes in the market condition. Therefore, a write-down of approximately RM3,005,000 (2020: approximately RM126,000) has been recognised in profit or loss.

18. TRADE AND OTHER RECEIVABLES

	Notes	2021 RM'000	2020 RM'000
Trade receivables			
From related parties	18(a)	—	49
From third parties		130	699
		130	748
Less: Loss allowances	34	—	(244)
	18(b)	130	504
Other receivables			
Prepayments (Note)		524	2,186
Refundable rental and other related deposits		6,485	6,417
Other receivables		673	642
Goods and Services Tax recoverable		—	171
Amounts due from related companies	18(c)	—	3
		7,682	9,419
		7,812	9,923

Note: The amount included prepaid listing expenses of nil at 31 March 2021 *(2020: approximately RM795,000)*.

18. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables from related parties

	2021 RM'000	2020 RM'000
MOG Bangkok Co. Limited ("MOG Bangkok") (Note)	–	35
MOG Holdings Co. Limited ("MOG Thailand") (Note)	–	14
	–	49

Note: Dato' Ng Kwang Hua has significant influence over these companies.

The trade receivables from related parties are unsecured, interest-free and with credit period up to 30 days.

(b) Trade receivables

The ageing of trade receivables, net of loss allowances, based on invoice date at the end of each reporting period is as follows:

	2021 RM'000	2020 RM'000
Within 30 days	98	158
31 to 60 days	32	237
61 to 90 days	–	89
Over 90 days	–	20
	130	504

At the end of each reporting period, the ageing analysis of the trade receivables, net of loss allowances, by due date is as follows:

	2021 RM'000	2020 RM'000
Not yet due	98	158
Past due:		
Within 30 days	32	237
31 to 60 days	–	89
61 to 90 days	–	20
	32	346
	130	504

The Group normally grants credit term to third parties up to 30 days from the date of issuance of invoices.

18. TRADE AND OTHER RECEIVABLES (Continued)

(c) Amounts due from related companies

The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand. The Group does not hold any collateral over these balances.

Details of the amounts due from related parties are as follows:

	Year ended 31 March 2021		
Name of related party	**Greatest outstanding amount during the year RM'000**	**Balance at 31 March 2021 RM'000**	**Balance at 1 April 2020 RM'000**
Exclusive Prestige Sdn. Bhd. ("Exclusive Prestige") (Note (i))	**6**	**—**	**2**
Horizon Dig Sdn. Bhd. ("Horizon") (Note (ii))	**4**	**—**	**1**
		—	**3**

	Year ended 31 March 2020		
Name of related party	Greatest outstanding amount during the year RM'000	Balance at 31 March 2020 RM'000	Balance at 1 April 2019 RM'000
Exclusive Prestige (Note (i))	12	2	—
Horizon (Note (ii))	18	1	—
		3	—

Notes:

(i) The company is controlled by Datin Low Lay Choo.

(ii) Dato' Ng Kwang Hua has significant influence over the company.

Information about the Group's exposure to credit risks and loss allowance for trade and other receivables is set out in Note 34.

19. FIXED DEPOSITS WITH LICENSED BANKS

	2021 RM'000	2020 RM'000
Fixed deposits — pledged	**1,351**	1,300
Fixed deposits — non-pledged	**41,202**	2,640
	42,553	3,940

The carrying amounts of fixed deposits with licensed banks are denominated in the following currencies:

	2021 RM'000	2020 RM'000
RM	**41,603**	2,977
HK$	**231**	239
Singapore dollar ("SGD")	**236**	229
USD	**483**	495
	42,553	3,940

At 31 March 2021, fixed deposits with licensed banks of approximately RM1,351,000 *(2020: RM1,300,000)* are pledged as securities for a banking facility granted to the Group. None of such facility was utilised by the Group at 31 March 2021.

The fixed deposits with licensed banks generally have maturity periods over three months but less than one year and bearing annual interest rates ranging from 0.08% to 3.90% *(2020: 0.95% to 4.10%)* for the year ended 31 March 2021.

20. BANK BALANCES AND CASH

Cash at banks earn interest at floating rates based on daily bank deposit rates. The carrying amounts of bank balances and cash are denominated in the following currencies:

	2021	2020
	RM'000	RM'000
RM	**55,214**	31,189
USD	**2,425**	2,206
HK$	**10,704**	692
	68,343	34,087

21. ASSETS CLASSIFIED AS HELD FOR SALE

	2021	2020
	RM'000	RM'000
Investment properties (Note 14)	**–**	1,394

At 31 March 2020, the management of the Group decided to dispose of certain investment properties and expected to complete the sales of these investment properties within 12 months. Consequently, the relevant investment properties were classified as assets held for sale.

Investment property of approximately RM2,309,000 was disposed of to independent third parties at a consideration of RM2,600,000 and the disposal was completed in August 2019 which resulted in a gain on disposal of assets classified as held for sale of approximately RM291,000 during the year ended 31 March 2020.

Investment property of approximately RM1,394,000 was disposed of to independent third parties at a consideration of RM2,800,000 and the disposal was completed in September 2020 which resulted in a gain on disposal of assets classified as held for sale of approximately RM1,406,000 during the year ended 31 March 2021.

22. TRADE AND OTHER PAYABLES

	Notes	2021 RM'000	2020 RM'000
Trade payables to third parties		**4,395**	11,277
Other payables			
Contract liabilities	22(a)	**748**	721
Salaries and allowances payable		**3,314**	2,241
Accrued charges and other payables (Note)		**5,493**	8,072
Amounts due to minority interests of subsidiaries	22(b)	**2,371**	2,567
		11,926	13,601
		16,321	24,878

Note: The amount included accrued listing expenses of nil at 31 March 2021 *(2020: approximately RM3,806,000)*.

The trade payables are interest-free and with normal credit terms ranging from 30 to 120 days.

At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	2021 RM'000	2020 RM'000
Within 30 days	**3,088**	4,118
31 to 60 days	**629**	5,303
61 to 90 days	**360**	1,377
Over 90 days	**318**	479
	4,395	11,277

22. TRADE AND OTHER PAYABLES (Continued)

(a) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same reporting period) of contract liabilities from contracts with customers within IFRS 15 during the years ended 31 March 2021 and 2020 are as follows:

	2021 RM'000	2020 RM'000
At the beginning of the reporting period	721	738
Receipt of advanced payments	748	721
Recognised as revenue	(721)	(738)
At the end of the reporting period	748	721

The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

(b) Amounts due to minority interests of subsidiaries

The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand.

23. INTEREST-BEARING BORROWING

At the end of each reporting period, details of the interest-bearing borrowing of the Group are as follows:

	2021 RM'000	2020 RM'000
Interest-bearing borrowing — secured	1,288	1,371

At 31 March 2021, the secured bank borrowing carried weighted average effective interest rate of approximately 3.40% *(2020: approximately 4.88%)* per annum. The interest-bearing borrowing represents floating-rate borrowing.

23. INTEREST-BEARING BORROWING (Continued)

At the end of each reporting period, details of the maturity of interest-bearing borrowing of the Group are as follows:

	2021 RM'000	2020 RM'000
Carrying amounts of the above borrowing are repayable:		
Within one year	105	65
More than one year, but not exceeding two years	109	67
More than two years, but not exceeding five years	348	216
Over five years	726	1,023
	1,288	1,371
Less: amounts shown under current liabilities	(105)	(65)
Amounts shown under non-current liabilities	1,183	1,306

The interest-bearing borrowing is secured by:

a. personal guarantees provided by Dato' Ng Chin Kee and Dato' Ng Kwang Hua; and

b. investment properties with aggregate net carrying amount of approximately RM1,283,000 *(2020: approximately RM1,325,000)* at 31 March 2021 as set out in Note 14.

The effective lending rate of the interest-bearing borrowing was revised by the bank and effective from September 2020. The monthly instalment of the interest-bearing borrowing was revised by the bank in December 2020 and effective from February 2021. Other terms of the interest-bearing borrowing remained unchanged.

All the banking facilities are subject to the continuous fulfilment of certain covenants, which are commonly found in lending arrangements with financial institutions. If the subsidiaries were to breach the covenants, the drawn down facilities would become repayable on demand. At 31 March 2021 and 2020, none of the covenants relating to drawn down facilities had been breached.

Further details of the Group's management of liquidity risk are set out in Note 34.

24. LEASE LIABILITIES

	2021 **RM'000**	2020 RM'000
Analysed for reporting purposes:		
Current liabilities	**12,594**	10,977
Non-current liabilities	**6,575**	6,783
	19,169	17,760

The leases of certain premises for retail stores in Malaysia call for additional rentals, which will be based on a certain percentage of revenue of the operations being undertaken therein pursuant to the terms and conditions as stipulated in the respective tenancy agreements. As the future revenue of these retail stores could not be accurately determined as at the end of the reporting period, the relevant contingent rental has not been included. Such variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liabilities and therefore are charged to profit or loss (included in "other rental and related expenses") in the accounting period in which they are incurred.

During the year ended 31 March 2021, the Group received rent concessions during the period of severe social distancing and travel restriction measures introduced to constrain the spread of COVID-19. The amount received was approximately RM2,909,000 which was recognised as other income in Note 6.

As disclosed in Note 2, the Group has early adopted the Amendments to IFRS 16, *COVID-19-Related Rent Concessions Beyond 30 June 2021*, and has applied the practical expedient introduced by the Amendments to all eligible rent concessions received by the Group during the year.

Certain leases impose a restriction that the right-of-use assets can only be used by the Group. For leases over shoplots, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The total cash outflow for leases (including other rental and related expenses in Note 7) for the year ended 31 March 2021 was approximately RM10,794,000 *(2020: approximately RM19,984,000)*.

24. LEASE LIABILITIES (Continued)

Commitments and present value of lease liabilities:

	Lease payments		Present value of lease payments	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Amounts payable:				
Within one year	**13,024**	11,551	**12,594**	10,977
More than one year, but not exceeding two years	**5,502**	5,210	**5,376**	5,024
More than two years, but not exceeding five years	**1,218**	1,798	**1,199**	1,759
	19,744	18,559	**19,169**	17,760
Future finance charges	**(575)**	(799)		
Present value of lease liabilities	**19,169**	17,760		
Less: Amounts due for settlement within 12 months			**(12,594)**	(10,977)
Amounts due for settlement after 12 months			**6,575**	6,783

At 31 March 2021, the weighted average effective interest rate for the lease liabilities of the Group was approximately 4.73% *(2020: approximately 4.79%)* per annum.

25. PROVISIONS

The movements of provisions were as follows:

	2021 RM'000	2020 RM'000
Provisions for restoration costs:		
At the beginning of the reporting period	972	885
Additional provisions	47	119
Amount reversed upon termination of leases	—	(32)
Utilised during the year	(21)	—
At the end of the reporting period	**998**	972

Pursuant to the terms of the respective tenancy agreements entered into by the Group, the Group is required to return its leased properties to the conditions as stipulated in the tenancy agreements at the expiration of the corresponding lease term as appropriate. The provision for reinstatement costs was estimated based on certain assumptions and estimates made by the Group's management with reference to historical reinstatement costs and/or other available market information. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

26. DEFERRED TAXATION

The deferred tax assets are made up of the following:

	2021 RM'000	2020 RM'000
At the beginning of the reporting period	475	326
Credit to profit or loss	777	149
At the end of the reporting period	1,252	475

The movements in the Group's deferred tax assets (liabilities) for the reporting period were as follows:

	Accrued revenue and costs RM'000	Capital Allowance RM'000	Accelerated tax depreciation RM'000	Total RM'000
At 1 April 2019	654	47	(375)	326
Income tax credit (expense)	136	(46)	59	149
At 31 March 2020	790	1	(316)	475
Income tax credit	603	22	152	777
At 31 March 2021	1,393	23	(164)	1,252

27. SHARE CAPITAL

	Notes	Number of shares	HK$	Equivalent to RM'000
Ordinary share of HK$0.01 each				
Authorised:				
At 4 June 2019 (date of incorporation)	27(a)	38,000,000	380,000	213
Increase	27(b)	1,962,000,000	19,620,000	10,981
At 31 March 2020 and 2021		**2,000,000,000**	**20,000,000**	**11,194**
Issued and fully paid:				
At 4 June 2019 (date of incorporation)	27(a)	1	0.01	—*
Issuance of shares	27(a)	99	0.99	—*
At 31 March 2020		100	1	—*
Capitalisation issue	27(c)	**374,999,900**	**3,749,999**	**2,060**
Issuance of shares pursuant to the global offering	27(d)	**125,000,000**	**1,250,000**	**687**
At 31 March 2021		**500,000,000**	**5,000,000**	**2,747**

* Represent amounts less than RM1,000.

(a) The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 4 June 2019. Upon its incorporation, the authorised share capital of HK$380,000 was divided into 38,000,000 ordinary shares at HK$0.01 each and 1 ordinary share of HK$0.01 was issued to and paid up by Alliance Vision Limited. On the same date, the Company allotted and issued 44 ordinary shares, 45 ordinary shares and 10 ordinary shares of HK$0.01 each credited as fully paid to Alliance Vision Limited, Sky Pleasure Limited and Delightful Fortune Limited, respectively.

(b) On 23 March 2020, the authorised share capital of the Company was increased from HK$380,000 to HK$20,000,000 by the creation of an additional 1,962,000,000 shares of HK$0.01 each, ranking pari passu with existing shares.

(c) Pursuant to the resolutions in writing of the Company's shareholders passed on 23 March 2020, subject to the share premium account of the Company being credited as a result of the issue of the Company's shares under the Listing, the directors of the Company were authorised to allot and issue a total of 374,999,900 shares of HK$0.01 each to the existing shareholders, credited as fully paid at par by way of capitalisation of the sum of HK$3,749,999 standing to the credit of the share premium account of the Company (the "Capitalisation Issue") and the shares to be allotted and issued pursuant to this resolution shall carry the same rights as all shares in issue (save for the rights to participate in the Capitalisation Issue). The Capitalisation Issue was completed on 15 April 2020.

(d) On 15 April 2020, the shares of the Company were listed on the Main Board of the Stock Exchange and 125,000,000 shares of HK$0.01 each were issued at HK$1 each by way of global offering. The gross proceeds from the global offering amounted to HK$125,000,000 (equivalent to approximately RM68,681,000). The expenses attributable to issue of shares pursuant to the global offering of approximately RM7,851,000 were recognised in the share premium account of the Company.

28. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Pursuant to the disclosure requirement of the Hong Kong Companies Ordinance, the statement of financial position of the Company and the movement in its reserves is set out below:

	Notes	2021 RM'000	2020 RM'000
Non-current assets			
Investment in a subsidiary		—*	—*
Current assets			
Prepayment		58	—
Amounts due from subsidiaries	28(a)	41,683	—
Bank balances and cash		10,184	—*
		51,925	—*
Current liabilities			
Accruals		(468)	(559)
Net current assets (liabilities)		51,457	(559)
NET ASSETS (LIABILITIES)		51,457	(559)
Capital and reserves			
Share capital	27	2,747	—*
Reserves	28(b)	48,710	(559)
TOTAL EQUITY (DEFICIT)		51,457	(559)

* Represent amounts less than RM1,000.

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 29 June 2021 and signed on its behalf by

Dato' Ng Kwang Hua
Director

Dato' Ng Chin Kee
Director

28. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) Amounts due from subsidiaries

The amounts due are unsecured, interest-free and repayable on demand.

(b) Movement of reserves of the Company

	Share premium RM'000 (Note 29 ((a))	Exchange reserve RM'000 (Note 29 (c))	Accumulated losses RM'000	Total RM'000
At 4 June 2019 (date of incorporation)	—	—	—	—
Loss for the period	—	—	(532)	(532)
Other comprehensive loss:				
Exchange differences on translation of the Company's financial statements to presentation currency	—	(27)	—	(27)
Total comprehensive loss for the year	—	(27)	(532)	(559)
At 31 March 2020 and at 1 April 2020	—	(27)	(532)	(559)
Loss for the year	—	—	(452)	(452)
Other comprehensive loss:				
Exchange differences on translation of the Company's financial statements to presentation currency	—	(1,647)	—	(1,647)
Total comprehensive loss for the year	—	(1,647)	(452)	(2,099)
Transactions with owners:				
Contributions and distributions				
Dividends (Note 12)	—	—	(6,715)	(6,715)
Issue of shares pursuant to the Capitalisation Issue (Note 27(c))	(2,060)	—	—	(2,060)
Issue of shares pursuant to the global offering (Note 27(d))	67,994	—	—	67,994
Transaction costs attributable to issue of shares (Note 27(d))	(7,851)	—	—	(7,851)
Total transactions with owners	58,083	—	(6,715)	51,368
At 31 March 2021	58,083	(1,674)	(7,699)	48,710

28. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(b) Movement of reserves of the Company (Continued)

During the years ended 31 March 2021 and 2020, certain corporate administrative expenses of the Company and listing expenses were borne by the subsidiaries of the Company without recharge.

29. RESERVES

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

(b) Capital reserve

The capital reserve represents the aggregate amount of the nominal value of the issued/paid-up capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any), after adjusting the issued/paid-up capital held by those attributable to the non-controlling interests prior to the Reorganisation.

(c) Exchange reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations for combinations/consolidation and the translation of the Company's financial statements to presentation currency.

(d) Other reserve

The other reserve comprises the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid/received arising from the changes in ownership interests in subsidiaries that do not result in a loss of control.

30. NON-CONTROLLING INTERESTS

The following table shows the information relating to non-wholly owned subsidiaries that have material non-controlling interests ("NCI") during the years ended 31 March 2021 and 2020. The summarised financial information represents amounts before inter-company eliminations.

	Right View Optic	MOG Eyewear Boutique	Pro Optic	Modern Pride	Metro Designer Eyewear	Exon Optical House	New Success Eyewear Group (Note)
At 31 March 2021							
Proportion of NCI's ownership interests	49%	30%	50%	40%	20%	40%	48%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current assets	1,464	1,998	877	1,003	1,503	2,314	3,582
Non-current assets	877	590	603	63	730	685	1,629
Current liabilities	(823)	(858)	(506)	(301)	(647)	(1,310)	(2,347)
Non-current liabilities	(334)	(195)	(323)	(14)	(272)	—	(579)
Net assets	1,184	1,535	651	751	1,314	1,689	2,285
Carrying amount of NCI	580	460	326	301	263	675	1,275
Year ended 31 March 2021							
Revenue	2,359	3,157	2,309	2,388	2,782	4,549	8,673
Other income	159	32	57	82	211	293	737
Expenses	(2,320)	(2,791)	(1,994)	(1,938)	(2,964)	(4,810)	(7,823)
Profit and total comprehensive income	198	398	372	532	29	32	1,587
Total comprehensive income attributable to NCI	97	119	186	213	6	13	860
Dividends paid to NCI	—	210	225	400	30	400	847
Net cash flows from (used in): Operating activities	844	1,273	829	799	709	32	3,029
Investing activities	(2)	(699)	(59)	(4)	29	(1)	141
Financing activities	(337)	(331)	(575)	(1,030)	(454)	(1,135)	(2,538)

30. NON-CONTROLLING INTERESTS (Continued)

	MOG Eyewear Boutique	Pro Optic	Modern Pride	Metro Designer Eyewear	Exon Optical House	New Success Eyewear Group (Note)
At 31 March 2020						
Proportion of NCI's ownership interests	30%	50%	40%	20%	40%	48%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current assets	1,927	841	1,315	1,331	3,652	3,255
Non-current assets	289	140	49	1,142	1,178	1,764
Current liabilities	(379)	(252)	(145)	(524)	(1,879)	(2,099)
Non-current liabilities	—	—	—	(514)	(294)	(572)
Net assets	1,837	729	1,219	1,435	2,657	2,348
Carrying amount of NCI	551	365	488	287	1,062	951
Year ended 31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,363	2,666	2,476	3,882	9,888	7,705
Other income	20	8	10	37	15	226
Expenses	(3,788)	(2,334)	(2,109)	(3,788)	(8,373)	(7,098)
Profit and total comprehensive income	595	340	377	131	1,530	833
Total comprehensive income attributable to NCI	179	170	151	26	612	400
Dividends paid to NCI	—	200	—	—	240	290
Net cash flows from (used in):						
Operating activities	924	437	434	488	1,785	1,350
Investing activities	(36)	(20)	(17)	(162)	(46)	(71)
Financing activities	(332)	(607)	(78)	(349)	(736)	(1,661)

Note: New Success Eyewear is the holding company of App New Success Eyewear, E Zone Eyewear and New Success (Ekocheras) (collectively, the "New Success Eyewear Group").

31. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL

	2021 RM'000	2020 RM'000
Net consideration	(6)	(19)
Acquisition of additional interests in subsidiaries	20	8
Disposal of interests in subsidiaries without loss of control	—	6
Difference recognised in equity	14	(5)

(a) Acquisition of additional interests in subsidiaries

On 27 June 2019, the Group acquired additional 12% of the equity interests in Lux Optical for a cash consideration of RM19,200. The Group now holds 95% of the equity interests. The carrying amount of the 12% non-controlling interests in Lux Optical's net assets on the date of acquisition was RM8,402. The Group derecognised non-controlling interests of RM8,402 and recognised directly in equity attributable to owners of the Company (i.e. other reserve) of RM10,798 for the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid.

On 15 June 2020, the Group acquired additional 10% of the equity interests in Specs Gallery for a cash consideration of RM10. The Group now holds 70% of the equity interests. The carrying amount of the 10% non-controlling interests in Specs Gallery net assets on the date of acquisition was RM3,097. The Group derecognised non-controlling interests of RM3,097 and recognised directly in equity attributable to owners of the Company (i.e. other reserve) of RM3,087 for the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid.

On 11 November 2020, the Group acquired additional 8% of the equity interests in Bens Eyewear for a cash consideration of RM8. The Group now holds 59% of the equity interests. The carrying amount of the 8% non-controlling interests in Bens Eyewear net assets on the date of acquisition was RM9,651. The Group derecognised non-controlling interests of RM9,651 and recognised directly in equity attributable to owners of the Company (i.e. other reserve) of RM9,643 for the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid.

On 24 November 2020, the Group acquired additional 5% of the equity interests in Lux Optical for a cash consideration of RM6,000. The Group now holds 100% of the equity interests. The carrying amount of the 5% non-controlling interests in Lux Optical net assets on the date of acquisition was RM7,394. The Group derecognised non-controlling interests of RM7,394 and recognised directly in equity attributable to owners of the Company (i.e. other reserve) of RM1,394 for the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid.

(b) Disposal of interests in subsidiaries without loss of control

On 4 April 2019, the Group disposed of 20% of the equity interests out of the 80% interest held in MOG Eyewear (Kempas) at a consideration of RM20. The carrying amount of the 20% interests in MOG Eyewear (Kempas)'s net liabilities on the date of disposal was RM5,836. This resulted in a decrease in non-controlling interests of RM5,836 and an increase in equity attributable to owners of the Company of RM5,856.

32. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, during the years ended 31 March 2021 and 2020, further information of the related party transactions is set out below.

(a) Related party transactions of the Group:

Name of the related party	Nature of transaction	2021 RM'000	2020 RM'000
Exclusive Prestige	Book-keeping fee income	5	12
MOG Bangkok	Royalty fee	–	35
Horizon	Book-keeping fee income	3	18
MOG Thailand	Royalty fee	–	14
Dato' Ng Kwang Hua and Dato' Ng Chin Kee	Rental expenses	33	36

(b) Remuneration for key management personnel (including directors) of the Group:

	2021 RM'000	2020 RM'000
Salaries, discretionary bonus, allowances and other benefits in kind	2,730	2,539
Contributions to defined contribution plan	251	267
	2,981	2,806

Further details of the directors' remuneration are set out in Note 8.

33. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had the following major non-cash transactions:

During the year ended 31 March 2021, the Group entered into certain lease arrangements in respect of leased assets with capital value at the inception of leases of approximately RM10,795,000 *(2020: approximately RM14,064,000)*.

(b) Reconciliation of liabilities arising from financing activities

The movements during the years ended 31 March 2021 and 2020 in the Group's liabilities arising from financing activities are as follows:

			Non-cash changes			
	At 1 April 2020 RM'000	**Net cash flows RM'000**	**Additions RM'000**	**COVID-19-Related rent concessions RM'000**	**Interest expense RM'000**	**At 31 March 2021 RM'000**
Year ended 31 March 2021						
Interest-bearing borrowing	1,371	(83)	—	—	—	1,288
Leases liabilities	17,760	(7,169)	10,795	(2,909)	692	19,169
Total liabilities from financing activities	19,131	(7,252)	10,795	(2,909)	692	20,457

			Non-cash changes			
	At 1 April 2019 RM'000	Net cash flows RM'000	Non-cash settlement RM'000	Additions RM'000	Interest expense RM'000	At 31 March 2020 RM'000
Year ended 31 March 2020						
Interest-bearing borrowings	3,445	(2,074)	—	—	—	1,371
Leases liabilities	17,675	(14,467)	(413)	14,064	901	17,760
Amounts due to the Controlling Shareholders	1,930	(1,930)	—	—	—	—
Total liabilities from financing activities	23,050	(18,471)	(413)	14,064	901	19,131

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise trade and other receivables, fixed deposits with licenced banks, bank balances and cash, trade and other payables, interest-bearing borrowing and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing borrowing with floating interest rates of approximately RM1,288,000 *(2020: approximately RM1,371,000)* at 31 March 2021. The Group currently does not have a policy to hedge against the interest rate risk as the management of the Group does not expect any significant interest rate risk at the end of the reporting period.

At the end of the reporting period, if interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax results would decrease/increase by approximately RM13,000 *(2020: approximately RM14,000)* for the year ended 31 March 2021.

The sensitivity analysis above has been determined assuming that the changes in interest rate had occurred throughout the year ended 31 March 2021 and had been applied to the exposure to interest rate risk for the closing balance of interest-bearing borrowing in existence at the end of the reporting period. The stated changes represent management's assessment of a reasonably possible change in interest rates over the reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the reporting period.

In addition, the Group's financial liabilities measured at amortised cost are considered not to expose to fair value interest rate risk at the end of the reporting period.

Foreign currency risk

The Group's transactions are mainly denominated in RM.

Certain financial assets and financial liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities (i.e. RM) and therefore exposed to foreign currency risk. The carrying amounts of those financial assets and liabilities are analysed as follows:

	Financial assets		Financial liabilities	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
HK$	**10,935**	931	**537**	475
Renminbi	**—**	—	**—**	83
USD	**2,908**	2,701	**186**	76
SGD	**236**	229	**—**	62

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

The following table indicates the approximate change in the Group's pre-tax results if exchange rates of RM had changed against the above foreign currencies of the respective group entities by 10% and all other variables were held constant at the end of each reporting period.

	2021		2020	
	Increase (decrease) in foreign exchange rates	Effect on profit before tax RM'000	Increase (decrease) in foreign exchange rates	Effect on profit before tax RM'000
HK$	10%	1,040	10%	46
	(10%)	(1,040)	(10%)	(46)
Renminbi	10%	–	10%	(8)
	(10%)	–	(10%)	8
USD	10%	272	10%	263
	(10%)	(272)	(10%)	(263)
SGD	10%	24	10%	17
	(10%)	(24)	(10%)	(17)

The sensitivity analysis has been determined assuming that the changes in foreign exchange rates had occurred at the end of each reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of each reporting period does not reflect the exposure during the years ended 31 March 2021 and 2020.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The carrying amount of financial assets recognised on the consolidated financial statements, which is net of loss allowances, represents the Group's exposure to credit risk on these financial assets without taking into account the credit enhancements.

	2021 RM'000	2020 RM'000
Trade and other receivables	7,288	7,566
Fixed deposits with licensed banks	42,553	3,940
Bank balances and cash	68,343	34,087
	118,184	45,593

Trade receivables from third parties

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. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 days.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

At 31 March 2021, the Group had a concentration of credit risk as approximately 32% *(2020: approximately 36%)* of the total trade receivables was due from the Group's largest trade debtor, and approximately 98% *(2020: approximately 79%)* of the total trade receivables was due from the Group's five largest trade debtors.

The Group's customer base consists of a wide range of customers and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises loss allowances based on lifetime ECL at each reporting date and 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. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience over the past three years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the years ended 31 March 2021 and 2020.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Trade receivables from third parties (Continued)

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix at 31 March 2021 and 2020 is summarised as follows:

At 31 March 2021

Group of trade receivables: Risk of non-payment

Past due	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000	Carrying amount RM'000
>90 days	N/A	–	–	–

The group of trade receivables with risk of late-payment has gross carrying amount of approximately RM130,000 for which the estimated credit losses are insignificant.

At 31 March 2020

Group of trade receivables: Risk of non-payment

Past due	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000	Carrying amount RM'000
>90 days	100%	244	(244)	–

The group of trade receivables with risk of late-payment has gross carrying amount of approximately RM455,000, for which the estimated credit losses are insignificant.

The Group does not hold any collateral over trade receivables at 31 March 2021 and 2020.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Trade receivables from third parties (Continued)

At 31 March 2021, the Group recognised the loss allowance of nil *(2020: approximately RM244,000)* on the trade receivables. The movement in the loss allowance for trade receivables during the years ended 31 March 2021 and 2020 is summarised below.

	2021 RM'000	2020 RM'000
Balance at the beginning of the reporting period	244	—
Increase in allowance	—	244
Reversal of allowance upon collection	(244)	—
Balance at the end of the reporting period	—	244

Other receivables and amounts due from related companies

The management of the Group considers that the other receivables and amounts due from related companies have low credit risk based on its strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on other receivables and amounts due from related companies is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL, the management of the Group has taken into account the historical actual credit loss experience over the past years and the financial position of the counterparties, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Group considers the ECL of other receivables to be insignificant after taking into account the financial position and credit quality of the counterparties.

There was no change in the estimation techniques or significant assumptions made during the years ended 31 March 2021 and 2020.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Fixed deposits with licensed banks and bank balances and cash

The management of the Group considers the credit risk in respect of fixed deposits with licensed banks and bank balances and cash is minimal because the counterparties are authorised financial institutions with high credit ratings.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group has no specific policy for managing its liquidity. The undiscounted contractual maturity profile of the Group's financial liabilities at the end of each reporting period, based on the contractual undiscounted payments, is summarised below:

	Total carrying amount RM'000	Total contractual undiscounted cash flow RM'000	On demand or less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Over 5 years RM'000
At 31 March 2021						
Trade and other payables	**15,573**	**15,573**	**15,573**	**—**	**—**	**—**
Interest-bearing borrowing	**1,288**	**1,517**	**145**	**145**	**436**	**791**
Lease liabilities	**19,169**	**19,744**	**13,024**	**5,502**	**1,218**	**—**
	36,030	**36,834**	**28,742**	**5,647**	**1,654**	**791**
At 31 March 2020						
Trade and other payables	24,157	24,157	24,157	—	—	—
Interest-bearing borrowings	1,371	1,838	118	117	351	1,252
Lease liabilities	17,760	18,559	11,551	5,210	1,798	—
	43,288	44,554	35,826	5,327	2,149	1,252

35. FAIR VALUE MEASUREMENTS

All financial assets and liabilities are carried at amounts not materially different from their fair values at the end of each reporting period.

Information about the Group's fair values of investment properties under Level 3 of the three-level fair value hierarchy as defined under IFRS 13 is set out in Note 14.

36. COMMITMENTS

(a) Commitments under operating leases

The Group as lessor

The Group leases out its investment properties under operating leases with average lease terms of three years. The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

	2021 RM'000	2020 RM'000
Within one year	20	93

(b) Capital expenditure commitment

	2021 RM'000	2020 RM'000
Contracted but not provided, net of deposit paid for the acquisition of plant and equipment	444	—

37. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners of the Company. The Group manages its capital structure and makes adjustments, including payment of dividend, call for additional capital from equity owners of the Company or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2021 and 2020.

FINANCIAL SUMMARY

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years. The financial information for the years ended 31 March 2019, 2020 and 2021 is extracted from the consolidated financial statement in the respective annual reports while such for the years ended 31 March 2017 and 2018 is extracted from the Prospectus.

	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	**2021** **RM'000**
Revenue	101,911	115,462	133,615	147,126	**99,223**
Profit before tax	15,171	20,255	29,498	20,782	**17,481**
Income tax expense	(3,681)	(4,638)	(6,747)	(6,955)	**(5,227)**
Profit for the year	11,490	15,617	22,751	13,827	**12,254**
Profit for the year attributable to:					
Owners of the Company	10,405	13,186	20,641	10,900	**9,922**
Non-controlling interest	1,085	2,431	2,110	2,927	**2,332**
	11,490	15,617	22,751	13,827	**12,254**

	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	**2021** **RM'000**
ASSETS AND LIABILITIES					
Total assets	91,416	96,261	99,242	109,143	**165,154**
Total liabilities	(53,182)	(48,232)	(42,200)	(45,540)	**(38,690)**
	38,324	48,029	57,042	63,603	**126,464**
Equity attributable to:					
Owners of the Company	35,464	44,221	51,910	56,684	**120,162**
Non-controlling interest	2,770	3,808	5,132	6,919	**6,302**
	38,234	48,029	57,042	63,603	**126,464**

MOG
EXPERIENCE
MOG 體驗

We are dedicated in delivering unparalleled personalised service to our customers. Thus, we will continue to develop and expand our professional and friendly team with the latest eye care technology to serve one purpose – to match the most optimum vision care tools and service to the needs of our patients.

我們致力為客戶提供超越群倫的個性化服務。因此，我們將繼續發展及壯大旗下專業親切的服務團隊，並配以走在前沿的眼檢技術，這只為一個目的—以最佳視檢工具及服務適切地配合患者的需要。