MOG Holdings Limited

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

annual
report

Pioneering exceptional
eye care services
and products

2022

HELP THE WORLD SEE BETTER

改變視界，讓世界更清晰

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.

我們在您的視界，關心您的視力。

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
美麗與時尚！因此，我們致力於持續創新產品及服務的素質。

EYE HEALTH ASSESSMENT

Based on the prior need-consultation process, we would introduce you to a series of ocular health assessments using our advanced equipment which include the topographer, slit lamp, fundus camera, tonometer or more. Specifically, you would experience some/all of the following assessments based on your needs.

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dato' Ng Kwang Hua *(Chairman)*
Datin Low Lay Choo (resigned on 23 June 2022)
Dato' Ng Chin Kee (resigned on 25 March 2022)
Ms. Tang Tsz Yuet (appointed on 23 June 2022)
Mr. Zhou Yue (appointed on 23 June 2022)

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

AUDITORS

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

Grant Thornton Malaysia PLT
Chartered Accountants
(resigned on 28 June 2022)
Level 11
Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 8655, 84 Western Style Villa,
Zhuhai Holiday Resort,
9 Shihua East Road,
519015 Zhuhai,
Guangdong,
China

Corporate Information

PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

No. 1–2, 2nd Floor
Jalan Kajang Indah 1
Taman Kajang Indah
Sg Chua, 43000 Kajang
Selangor
Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 13th Floor
Winsan Tower
98 Thomson Road
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

CIMB Islamic Bank Berhad
1A & 2B Wisma Dewan Perniagaan
Melayu Negeri Sembilan
Jalan Dato' Bandar Tunggal
70000 Seremban
Negeri Sembilan
Malaysia

Maybank
Ground & Mezzanine Floor
No. 28–30, Jalan Tukang
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 delighted to present the third annual report of the Company and its subsidiaries (collectively referred to as the "**Group**") since the Group has listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 15 April 2020.

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. Despite these unprecedented challenges facing by the Group, the Directors are constantly seeking ways and opportunities to enhance the Group' revenue and its profitability.

With the commencement of a new business in business-to-business hardware trading in People's Republic of China ("**PRC**"), the Group's revenue grew by approximately RM132.1 million or 133.2%, from RM99.2 million in the preceding year to RM231.3 million for the financial year ended 31 March 2022. The new business has marked a new milestone of the Group in expanding and diversifying its existing business from Malaysia to PRC.

Following the relaxation of containment measures, and reopening of more local economic activities and international borders in Malaysia as well as other parts of world, the Directors are optimistic that the revenue growth in the retail business in Malaysia can be restored to its pre-pandemic level and achieved a better result. While maintaining the consistent growth in Malaysia's retailing business, the Group will also focus on other investment opportunities especially in retail solution service industry.

I would like to express our sincere appreciation and gratitude to stakeholders, including our valued customers, shareholders, business partners and suppliers for their confidence and support in the Group and look forward to their continuous support in the future. To the management team of the Group 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

25 July 2022

Management Discussion and Analysis

BUSINESS REVIEW

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). Apart from its retailing business, the Group also kept running its licensing business and franchising business respectively with a view to deepening its penetration in the Malaysian eyewear retail market.

As at 31 March 2022, the Group's retail network comprised 84 self-owned and 6 franchised retail stores, located across Central, Southern, Northern and Eastern of Peninsula Malaysia. During the year ended 31 March 2022 (the "**Reporting Period**"), one self-owned ceased its operation and one franchised retail store was acquired by the Group due to underperformance. With the Group's expansion plan, five new self-owned retail stores have commenced their business during the Reporting period.

Apart from the Group's original retail and franchise business, the Directors kept monitoring the overall market for business opportunities during the Reporting Period. Having believed that there are strong signs that consumer sentiments are recovering and that COVID-19 is subsiding, the management of the Group (the "**Management**") believes that this is currently an opportune moment to expand the Group's business and operations and reduce its reliance on the sales of optical products in Malaysia. In view of such situations, during the Reporting Period, the Company commenced a new business which involves a business-to-business ("**B2B**") hardware trading in the PRC. Such hardware products offerings include but are not limited to video surveillance system, access control system and other computer network system.

During the Reporting Period, the new business has generated approximately RM126.9 million revenue with gross profit margin of approximately 0.4%. Despite the low profit margin on initial entry to the market, such new business unblocked the Group from business to customer retail channel to the B2B distribution channel for certain retail solutions related services offerings in the PRC. The Group is able to fully settle, the trade payables arising from the B2B hardware trading business with the funds collected from the corresponding trade receivables without significant capital contribution and/or commitment made by the Group.

The Directors believe that the Group's success is attributable to its well established brand positioning and business network, and together with the commencement of the abovementioned new business, which is considered as an extension to its existing business in terms of both products offerings and geographical locations, it is anticipated that the Group would be able to secure a sustainable income and further enhance the profit with increased revenue in the long run.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately RM132.1 million or 133.2% from approximately RM99.2 million for the year ended 31 March 2021 (the "**Preceding Year**") to approximately RM231.3 million for the Reporting Period. The significantly increased in revenue was mainly driven by the new business of the B2B hardware trading. Out of the Group's total revenue of approximately RM231.3 million *(2021: RM99.2 million)*, each of the revenue generated from the PRC and Malaysia contributed approximately RM126.9 million *(2021: Nil)* and RM104.4 million *(2021: RM99.2 million)*, representing approximately 55% *(2021: nil)* and 45% *(2021: 100%)* of the Group's total revenue, respectively.

Other income

The Group's other income increased by approximately RM0.1 million or 1.1% from approximately RM8.8 million in the Preceding Year to approximately RM8.9 million for the Reporting Period. The increase was mainly contributed by the combined effects of (i) the increase in bank interest income of approximately RM1.4 million; (ii) the reduction in wage subsidy received from the Malaysian Ministry of Human Resources of approximately RM0.8 million; (iii) no gain on disposal of assets classified as held for sale as compared to approximately RM1.4 million of such gain being recorded in the Preceding Year; (iv) the increase in gain on disposal of plant and equipment of approximately RM0.2 million; and (v) the increase in other miscellaneous income of approximately of RM0.2 million.

Gross profit and gross profit margin

The Group's gross profit increased by approximately RM1.6 million or 2.3% from approximately RM68.8 million in the Preceding Year to approximately RM70.4 million for the Reporting Period. Such increase was mainly contributed by the increase of the Group's revenue. The Group's gross profit margin decreased from approximately 69.4% in the Preceding Year to approximately 30.4% for the Reporting Period, primarily due to lower gross profit margin attributed from the B2B hardware trading business in the PRC and consequently averaged down the overall gross profit margin of the Group. As for the gross profit margin for optical retail business in Malaysia, it has maintained its high level of margin although it had slightly been dropped from 69.4% in Preceding Year to 66.8% in the Reporting Period.

Selling and distribution costs

The Group's selling and distribution costs increased by approximately RM1.3 million or 2.8% from approximately RM47.2 million in the Preceding Year to approximately RM48.5 million for the Reporting Period, primarily attributable to the increase in (i) staff costs resulting from the new set-up of few self-owned retail stores; and (ii) other rental and related expenses for retail stores as a result of increase in turnover rent.

Administrative expenses

The Group's administrative expenses increased by approximately RM1.7 million or 15.5% from approximately RM11.0 million in the Preceding Year to approximately RM12.7 million for the Reporting Period, primarily due to the increase in staff cost, and legal and professional fee for compliance advisory services.

Management Discussion and Analysis

Finance costs

The Group's finance costs decreased by approximately RM0.1 million or 14.3% from approximately RM0.7 million in the Preceding Year to approximately RM0.6 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 derecognition of lease liability due to shorter renewal term for certain outlets.

Listing expenses

There were no listing expenses incurred for the Reporting Period as compared to approximately RM1.4 million in the Preceding Year.

Income tax expense

The Group's income tax expense decreased by approximately RM0.2 million or 3.8% from approximately RM5.2 million for in the Preceding Year to approximately RM5.0 million for the Reporting Period. The effective tax rate for the Reporting Period was approximately 28.5% which was slightly lower than the effective tax rate of approximately 29.9% in the Preceding Year mainly due to the higher of tax exempt revenue, which were not taxable in the Reporting Period.

Net profit and net profit margin

As a result of the foregoing, the Group's net profit increased by approximately RM0.2 million or 1.6% from approximately RM12.3 million from the Preceding Year to approximately RM12.5 million for the Reporting Period. The Group's net profit margin decreased from approximately 12.4% in the Preceding Year to approximately 5.4% for the Reporting Period. Such decrease was mainly attributable to the lower profit margin generated from the B2B hardware trading business in the PRC.

Total assets and total liabilities

As at 31 March 2022, the total assets of the Group were approximately RM317.3 million *(31 March 2021: approximately RM165.2 million)*, increased by RM152.1 million while the total liabilities of the Group were approximately RM186.7 million *(31 March 2021: approximately RM38.7 million)*, increased by approximately RM148.0 million. The increase in total assets and total liabilities were mainly due to the increase in account receivables and account payables of the new B2B hardware trading business in the PRC. As at the date of this annual report, the account receivables of approximately RM143.6 million and account payables of approximately RM143.0 million relating the B2B hardware trading business had subsequently been settled.

Management Discussion and Analysis

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 2022, the Group's bank balances and cash (excluding fixed deposits with licensed banks) amounted to approximately RM51.1 million *(31 March 2021: approximately RM68.3 million)*. As at 31 March 2022, approximately 89.9% *(31 March 2021: approximately 80.8%)* was denominated in RM, approximately 4.8% *(31 March 2021: approximately 3.5%)* was denominated in United States dollar ("**USD**") and approximately 5.3% *(31 March 2021: approximately 15.7%)* was denominated in Hong Kong dollar ("**HKD**").

For the Reporting Period, the Group generated net cash inflow from operating activities of approximately RM18.4 million *(31 March 2021: approximately RM28.1 million)*. The Group was able to fulfill its repayment obligations when they became due.

Banking facilities and lease facilities

As at 31 March 2022, the Group had no interest-bearing borrowing *(31 March 2021: approximately RM1.3 million)*. The Group's interest-bearing borrowing had been fully settled during the Reporting Period. The weighted average effective interest rates of approximately 3.40% as at 31 March 2021.

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 2022 was approximately RM17.3 million *(31 March 2021: approximately RM19.2 million)*, all denominated in RM. The weighted average effective interest rate for the lease liabilities of the Group was 3.84 % *(31 March 2021: 4.73%)* per annum as at 31 March 2022.

Capital structure

As at 31 March 2022, the Group's total equity and liabilities amounted to approximately RM130.7 million and approximately RM186.6 million respectively *(31 March 2021: approximately RM126.5 million and approximately RM38.7 million respectively)*.

Gearing ratio

The Group's gearing ratio decreased from approximately 0.16 times as at 31 March 2021 to approximately 0.13 times as at 31 March 2022 as a result of reduction in bank borrowing and accumulation of profit during the Reporting Period.

Current ratio

The Group's current ratio reduced from approximately 4.65 times as at 31 March 2021 to approximately 1.62 times as at 31 March 2022, mainly due to the disproportion increase in the current liabilities as compared to the current assets.

Pledge of assets

As at 31 March 2022, fixed deposits with licensed banks of approximately RM1.4 million *(31 March 2021: approximately RM1.4 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 2022.

Management Discussion and Analysis

Capital commitments

Save as disclosed in note 36 to the consolidated financial statements, the Group did not have any material commitments as at 31 March 2022 *(31 March 2021: Nil)*.

Contingent liabilities

As at 31 March 2022, the Group did not have any significant contingent liabilities *(31 March 2021: 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 2022, the Group incurred staff costs of approximately RM32.7 million *(31 March 2021: approximately RM30.4 million)*, an increase of RM2.3 million or 7.6%. As at 31 March 2022, the Group's total number of staff was 515 *(31 March 2021: 500)*.

Foreign currency exposure

Save for certain bank balances which were denominated in Renminbi ("**RMB**"), HKD, Singapore Dollar and the USD, the Group has minimal exposure to foreign currency risk. During the reporting period, the Group operated with most of their transaction denominated and settled in RM and RMB, there is no significant currency mismatch in its operational cashflow and the Group is not exposed to any significant foreign currency exchange risk in its operations. 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 2022, the Group did not hold any significant investments *(31 March 2021: 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 5 October 2021, the Board announced that it had resolved the declaration and payment of a special dividend of HKD0.02 per ordinary share of the Company, amounting to HKD10,000,000 in total (the "**Special Dividend**"). The Special Dividend was paid to the Shareholders whose names appeared on the Company's register of members at the close of business on Monday, 25 October 2021 and was paid on 5 November 2021.

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

Management Discussion and Analysis

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there were no significant events after the Reporting Period and up to the date of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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. It will also affect the sourcing and transportation of electronic products of B2B hardware trading business in Mainland China as well. If the Group cannot secure 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 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 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.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer for the Group's B2B hardware trading business. Due to the significant amount that might involve in the new B2B hardware trading business, the Group might be subject to a material credit risk. If there is any delay or default in payment in the account receivable from the customer, the Group's profitability, financial condition and results of operations may be materially and adversely affected. However, the Group has implemented measure to mitigate the credit and default risk in relation to the new B2B hardware trading business, including but not limited to background check of the prospective customer and shorten credit period to customer.

Management Discussion and Analysis

OUTLOOK AND FUTURE PROSPECTS

Going forward, the Management aims to create further strategic relationship with suppliers and customers and through the new business segment, the Group plans to further diversify its geographical network to the Chinese market and develop a differentiated offering that provides significant value to its customers. Benefiting from the Group's industry experience, the Management believes that there is a market opportunity for the Company to develop and provide retail solutions and/or system support services, including but not limited to enterprise resource planning, point of sale terminals and other retail solutions, for the upstream market.

The Management will keep monitoring the market and intends to focus the expansion of the Group's existing retail business through seizing appropriate investment opportunities in the retail solutions services industry. By pursuing these expansion efforts, the Group expects to timely adjust its business strategy and re-position itself from originally an optical retail operator to a diversified retail solutions service provider, which provide services include but not limited to (i) retail management consultation, (ii) software and hardware products sourcing; and (iii) certain after sales retail support services.

With the successful commencement of the B2B hardware trading business during the Reporting Period, the Management believes this new business is a viable long-term business which can contribute significant revenue to the Group.

While looking for the diversification into new business, the Management will continue to monitor and implement its business strategies as 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 annual report for progress of the utilisation of the proceeds.

Management Discussion and Analysis

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 annual report, the net proceeds had been utilised as follows:

	Net proceeds	**Amount Utilised (up to 31 March 2022)**	**Amount Unutilised (up to 31 March 2022)**	**Expected time frame for utilisation** (Note 2)
	RM million	RM million	RM million	
Set up 36 self-owned retail stores (Note 1)	28.1	(2.3)	25.8	31 March 2024
Upgrade and renovate 25 self-owned retail stores	5.1	(0.1)	5.0	31 March 2024
Promote recognition of the Group's 11 retail brands and to further market the Group's Own Brands optical products	4.7	(0.7)	4.0	31 March 2024
Develop optical lab for the production of lenses (Note 2)	5.5	—	5.5	31 March 2024
Upgrade the Group's information technology systems and acquire an RMS and upgrade its POS systems	4.3	(1.5)	2.8	31 March 2023
General working capital	2.6	(2.6)	—	Fully utilised
Total	50.3	(7.2)	43.1	

Notes:

1. In view of the uncertainty heightened by the COVID-19 pandemic, there was a delay in the time frame for the opening of the retail stores at this point in time. For the Reporting Period, the Group has set up five new self-owned retail stores and acquired one retail store from the Group's franchisee.

2. In view of the uncertainty heightened by the COVID-19 pandemic and prolonged Movement Control Order and National Recover Plan imposed by Malaysian Government, there has been a delay in the utilisation of the net proceeds than in the planned schedule of utilisation disclosed in the Prospectus. Nevertheless, the Group intends to continue to apply the unutilised net proceeds of approximately RM43.1 million in accordance with the section headed "Future Plan and Use of Proceeds" in the Prospectus.

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 which is released by The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

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 year ended 31 March 2022 (the "**Reporting Period**") 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 Reporting Period.

BOARD OF DIRECTORS

Composition

The Directors who hold 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] (resigned on 23 June 2022)
Dato' Ng Chin Kee[2] (resigned on 25 March 2022)
Ms. Tang Tsz Yuet (appointed on 23 June 2022)
Mr. Zhou Yue (appointed on 23 June 2022)

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

Corporate Governance Report

The biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 28 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.

During the Reporting Period, 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 policies 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.

During the Reporting Period, the Company held four Board meetings, details of the Directors' attendance are disclosed in the below sub-section headed "Attendance Records of Directors and Committee Members". Various matters and affairs of the Company were discussed during the Board meetings. One annual general meeting was held during the Reporting Period.

Corporate Governance Report

On 30 June 2022, a Board meeting was held to approve, among others, the annual results of the Group for the year ended 31 March 2022.

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 from 15 April 2020 (the "**Listing Date**").

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 Auditor's 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.

Corporate Governance Report

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[4]	✓
Ms. Tang Tsz Yuet[3]	n/a
Mr. Zhou Yue[3]	n/a
Dato' Ng Chin Kee[2]	✓
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

Note 2: resigned on 25 March 2022

Note 3: appointed on 23 June 2022

Note 4: resigned on 23 June 2022

Corporate Governance Report

Corporate Governance Functions

The Board recognizes that corporate governance ("**CG**") 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, including 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 four 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 2021 and the annual results announcement;

— reviewing the interim consolidated financial statements for the six months ended 30 September 2021 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 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 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.

Corporate Governance Report

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	4	1	1	1
Executive Directors					
Dato' Ng Kwang Hua	4	N/A	1	1	1
Datin Low Lay Choo[3]	4	N/A	N/A	N/A	1
Dato' Ng Chin Kee[2]	4	N/A	N/A	N/A	1
Ms. Tang Tsz Yuet[4]	N/A	N/A	N/A	N/A	N/A
Mr. Zhou Yue[4]	N/A	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Ng Chee Hoong	4	4	1	1	1
Mr. Ng Kuan Hua	4	4	1	1	1
Ms. Jiao Jie	4	4	N/A	N/A	1
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah[1]	3	—	—	—	1

Note 1: appointed on 1 April 2021

Note 2: resigned on 25 March 2022

Note 3: resigned on 23 June 2022

Note 4: appointed on 23 June 2022

BOARD DIVERSITY POLICY

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

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.

Corporate Governance Report

As of 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.

Corporate Governance Report

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	1,095
Non-audit services:	
— agreed-upon procedures on the Group's interim report (Note 1)	81

Notes:

(1) The non-audit services was rendered by Mazars.

(2) On 28 June 2022, GT resigned as one of the independent joint auditors of the Company. Details of the resignation were set out in the Company's announcement dated 28 June 2022.

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, Wan Chai, 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 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 of the Company 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,
Wan Chai,
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 Act (As revised) of the Cayman Islands, articles of association of the Company 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 Dato' Ng Kwang Hua, the executive Director 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.

Corporate Governance Report

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. Please also refer to the announcement of the Company dated 14 July 2022 in relation to the proposed amendments to the Company's constitutional documents, which will be put forward for the Shareholders' approval in the 2022 AGM (as defined below).

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

Save as disclosed elsewhere in this annual report and in the announcements of the Company dated 25 March 2022 and 23 June 2022, there were no other change 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 51, 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.

Ms. Tang Tsz Yuet (former name: Tang Fung Chu) ("Ms. Tang"), aged 44, was appointed as an executive Director on 23 June 2022. She has over 20 years of experience in overall corporate management in the tourism industry. Prior to joining the Group, Ms. Tang has been served as the senior manager of International Travel Services Limited (冠威國際旅遊有限公司), a company principally engaged in travel-related business, since 2022 and is mainly responsible for overall business development and strategic planning as well as the operation and management in general.

Mr. Zhou Yue ("Mr. Zhou"), aged 36, was appointed as an executive Director on 23 June 2022. He has extensive experience in corporate operations management. Prior to joining the Group, Mr. Zhou has been served as an engineer in HannStar Board International Holdings Limited* (瀚宇博德科技股份(江陰)有限公司), a company principally engaged in manufacturing of printed circuit board for the notebook computer industry worldwide, since February 2008 and is mainly responsible for technology hardware system development and providing strategic advice on the overall business development.

Mr. Zhou obtained a bachelor's degree in mechanical design manufacturing and automation from Jiangsu University in July 2017.

Independent Non-Executive Directors

Mr. Ng Kuan Hua ("Mr. Ng"), aged 43, 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 Audit and Nomination committees. Mr. Ng does not hold any other position with the members of the Group.

Biographical Details of Directors and Senior Management

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 55, 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 is the sole partner of an accounting firm which provides auditing, taxation and advisory services. He has more than 30 years of experience in the provision of audit and assurance services. Prior to joining the Group, Mr. NCH was a partner in various mid-tier accounting firms from June 1990 to April 2020 except for the period from March 2017 to February 2019 where he joined an oil palm and rubber plantation company as the Chief Financial Officer. On 3 November 2020 and 1 April 2021, Mr. NCH was appointed as an independent non-executive director of Tan Chong Motor Holdings Berhad (stock code: 4405) and Pestech International Berhad (stock code: 5219) 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 of Management and Technology) in Malaysia in July 1990. Mr. NCH was qualified as a chartered accountant by the Association of Chartered Certified Accountants in January 1999.

Biographical Details of Directors and Senior Management

Ms. Jiao Jie ("Ms. Jiao"), aged 41, 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 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 66, was appointed as an independent non-executive Director on 1 April 2021.

She 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 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.

Biographical Details of Directors and Senior Management

Puan Sri Datuk Seri Rohani was appointed as the independent non-executive director of 7-Eleven Malaysia Holdings Berhad (stock code: 5250) on 10 February 2017. Besides, she was an independent non-executive director of Duopharma Biotech Bhd (stock code:7148), Nylex Malaysia Berhad (stock code: 4944) and Symphony Life Berhad (stock code: 1538) during the period from August 2016 to May 2019, November 2016 to May 2018 and December 2017 to March 2021, respectively. The shares of the above companies are listed on the Main Market of Bursa Malaysia Securities Berhad.

Senior Management

Datin Low Lay Choo ("Datin Low"), aged 51, is the chief executive officer of the Company currently. She resigned the position of an executive Director on 23 June 2022. 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.

Mr. Lee Ben Keong ("Mr. Lee"), aged 47, 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 14 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. Wong Poh Wan ("Ms. Wong"), aged 45, was the Group Reporting Manager of the Group from October 2019 to March 2022 and has been promoted to be the Group Chief Financial Officer since 1 April 2022, being responsible for the overall finance and reporting function.

Ms. Wong has accumulated years of experience in the field of financial reporting, taxation, auditing and management service. She started her career as an audit assistant in an audit firm immediate after her graduation. She then acted as a company secretary and provide management services to corporate clientele before she joined an oil and gas company, a subsidiary of a company listed on Kuala Lumpur Stock Exchange, as an Accounts Assistant Manager. Prior to her joining the Group, she was the Group Reporting and Finance Manager in Fortune Laboratories Sdn. Bhd, currently known as McBride Malaysia Sdn. Bhd ("**MBM**"). MBM is a subsidiary of McBride Plc in Asia Pacific, a company listed on London Stock Exchange (Stock code: MCB).

She obtained her bachelor's degree in accounting from Universiti Putra Malaysia in Malaysia in August 2001 and has become the member of Malaysian Institute of Accountant since October 2004.

Ms. Qiánjìng ("Ms. Qian"), aged 57, was appointed as the chief financial officer of the Group's PRC subsidiaries and is primarily responsible for overall management of the Group's strategy and the Group' corporate development in the PRC, which include but not limited to the Group's existing PRC hardware business and the potential diversification of retail solutions services business.

Prior to joining the Group, Ms. Qian severed as a financial controller of Dongtai Heng Cai Xin Cailiao Company Limited (東台恒彩新材料有限公司), being a PRC company principally engaged in the sales of chemical coatings in the PRC during the period from 2012 to March 2022, where she was primarily responsible for overseeing the company's financial affairs and corporate governance.

Ms. Seow Ai Ting ("Ms. Seow"), aged 40, 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 19 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.

Biographical Details of Directors and Senior Management

Ms. Goh Seat Yuin ("Ms. Goh"), aged 35, 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 11 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 participated in and had successfully passed Quality Management System (ISO9001:2008) Auditor/Lead Auditor. Training Course organised by Guardian Independent Certification Pte Ltd in March 2012. Thereafter, she has certified as a HRD Train The Trainer Exempted Trainer since year 2021.

COMPANY SECRETARY

Mr. Lau Wai Piu Patrick ("Mr. Lau"), aged 48, 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.

* For identification purpose only

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 as well as serving the community.

ABOUT THIS REPORT

This is the third 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 2021 to 31 March 2022 (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 Corporate Governance section.

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:

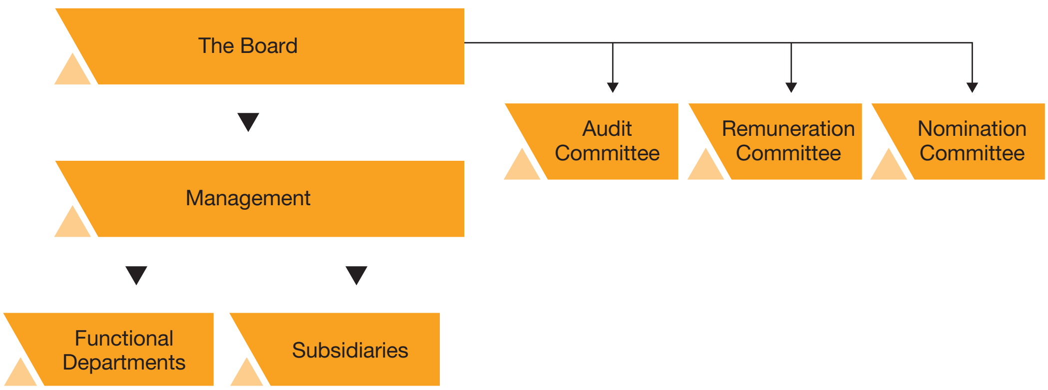
Materiality	The Board determined the ESG issues based on its significant impacts level resulting from the Group business activities.
Quantitative	The Group recorded and collected measurable data used for setting its KPIs to evaluate the effectiveness of its established policies and management system 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 if available.

Environmental, Social and Governance Report

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 in Malaysia.

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.

Environmental, Social and Governance Report

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 this 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

- Identify ESG areas through the review of industry peers, and considering both business and stakeholders' perperctive
- Determine the ESG areas based on the important through internal discussion and refering to the ESG Reporting Guide

Step 2
Prioritisation

- Assess material topics in term of their influence on decisions and the significance of their impacts
- Rank the topics based on materiality

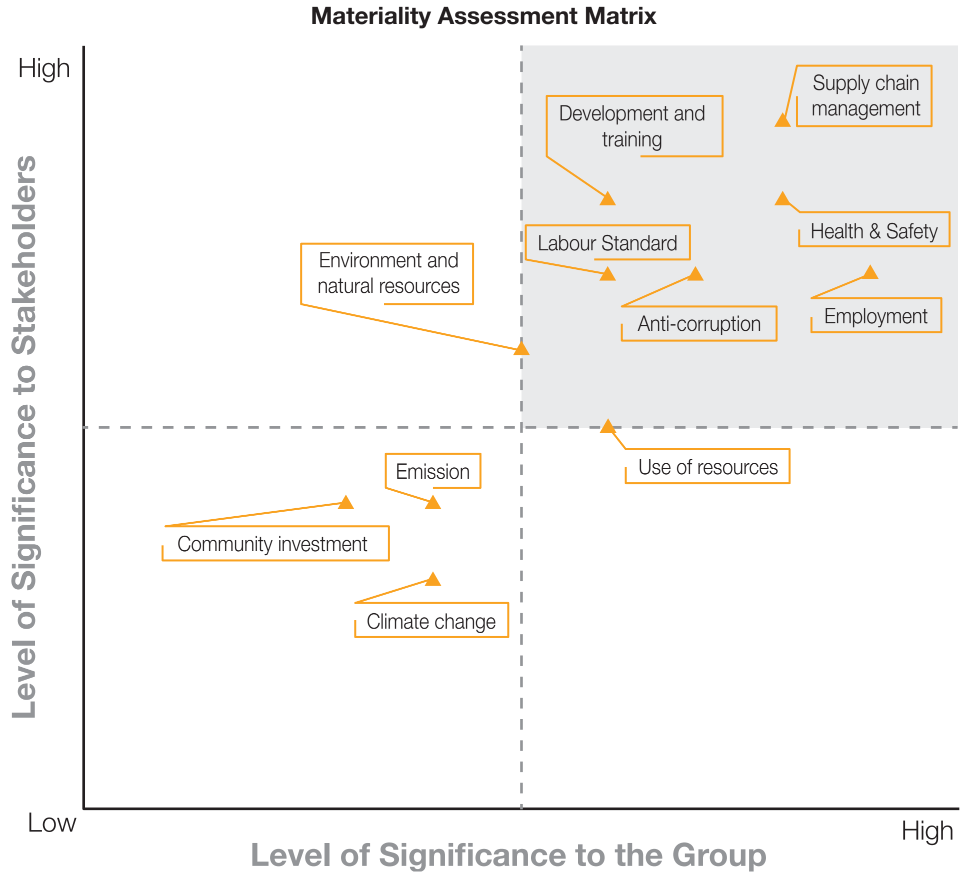
Step 3
Validation and Review

- Validate the results internally
- Identify the gaps for further improvement

Environmental, Social and Governance Report

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			
2022	1,156,705	824.73	1.60
2021	1,089,460	776.79	1.55
Increase/(Decrease)	67,245	47.94	0.05

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 has increased by 6.2% partly due to the opening of new outlets and cessation of work from home arrangement during the Reporting Period. Although the Group did not achieved the reduction target of up to 5% being set but the Group will keep monitoring its usage and look for other renewable sources to reduce its consumption level.

The Group will continue to set its reduction target of not less than 5% for the coming year as a goal of achieving carbon neutrality by 2050.

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	FY2022	FY2021
Ink Cartridge	tones	0.075	0.121
Intensity	tonnes/employee	0.0001	0.0002

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	FY2022	FY2021
Non-hazardous waste generated	tonnes	9.55	9.64
Intensity	tonnes/employee	0.0019	0.019

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

Year	Unit (kWh)	Intensity per employee (kWh)
2022	1,156,705	2,250
2021	1,089,460	2,179
Increase/(Decrease)	67,245	71

During the Reporting Period, electricity consumption has slightly increased in its usage by 6.2%, and it had failed to meet the reduction target being set in the last financial year of up to 5% mainly due to the opening of new outlets and cessation of work from home arrangement since September 2021 following the relaxation of containment measure of COVID-19.

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 FY2022 and during the Reporting Period are as follows:

Year	Unit (M^3)	Intensity per employee (M^3)
2022	7,739	15.1
2021	8,367	16.7
Increase/(Decrease)	(628)	(1.6)

During the Reporting Period, water consumption showed a slight reduction in its usage by 7.5%.

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 6.4 tonnes, an average of 0.06kg 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	
Water	7,739	M^3	15.1	M^3/employee
Electricity	1,156,705	kWh	2,250.4	kWh/employee
Packaging Material	6,420	kg	0.06	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: 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 followings:

- 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.

Malaysia has a long history of devastating flood events that happen every year, causing by extreme weather conditions, worsened by man-made environmental changes and poor hydraulic management. On 18 December 2021, a torrential downpour had caused the worst flash flood incident in eight states across Peninsular Malaysia.

The Group considers flash flood as one of the most significant problems arising from climate change that may interrupt the Group's operation and business activities. During the Reporting Period, it was reported that several outlets are forced to closed temporarily due to flash flood. Fortunately, so far, no injuries of employee and no damages of property and assets were reported.

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 talents 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 2022, the Group had 514 (2021: 500) full-time employees under its employment in Malaysia. Below is the employee breakdown by gender and age group:

		FY2022	FY2021
By Gender	Male	**46%**	45%
	Female	**54%**	55%
By Age Group	Age 30 or below	**59%**	59%
	Age 31–50	**39%**	38%
	Age 51 or above	**2%**	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 22.4% with improvement compared to last year by 12.3%.

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

Turnover Rate		FY2022	FY2021
By Gender	Male	**7.7%**	12.4%
	Female	**14.6%**	22.3%
By Age Group	Age 30 or below	**15.8%**	23.8%
	Age 31–50	**6.1%**	8.4%
	Age 51 or above	**0.4%**	2.5%
By Geographical Region	Malaysia	**22.3%**	34.7%
Overall		**22.3%**	34.7%

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 relevant 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 outbreak is expected to remain uncertain in foreseeable future, the Group 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, and adopted the following measures:

- all employees must wear face mask at all times, regularly sanitise their hands and practise social distancing;
- 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 employees are always be reminded to strictly follow the above measures to avoid and minimise the risk of exposure to 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	**2022**	2021
By Gender		
Male	**100%**	100%
Female	**100%**	100%
By Employee Category		
Senior Management	**100%**	100%
Middle Management	**100%**	100%
Non-executive	**100%**	100%

Average Training Completed	**2022**	2021
By Gender		
Male	**115 hours**	110 hours
Female	**125 hours**	110 hours
By Employee Category		
Senior Management	**45 hours**	40 hours
Middle Management	**165 hours**	150 hours
Non-executive	**135 hours**	125 hours

The overall employee average training during the Reporting Period showed a rise compared to the previous year. The increase was mainly due to the transformation of in-person training into engaging the virtual training which are more convenient, effortless and it allows more staff participation without concerning about the time, date and venue of the training being conducted. In addition, the Group are granted the access to several supplier's E-Learning platforms for product development and training.

Performance Management System (the "PMS")

During last 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, our staff are clear and understood about their roles and responsibility in achieving their individual's KPI towards the goals of the Group as a whole.

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 promote 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 self-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	2022	2021
Malaysia	52	55
Mainland China	9	11
Hong Kong	2	5
Japan	1	1
Singapore	0	1
South Korea	0	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 the brand owners or its authorised agents or 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 warehouses 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 immediately 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.

Environmental, Social and Governance Report

COMMUNITY

B8: Community Investment

The Group strongly believes in giving back to the communities where we do business. It is our belief that corporate responsibility is a virtuous cycle, where our support helps to build and grow sustainable environments in which everyone prospers. We envision a world where all can enjoy a good life, living in harmony with nature. 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 2022, the Group's total number of staff in Malaysia was increased to 514 *(2020: 500)*, representing a raise of approximately 2.8% compared to the previous financial year of 11.8%. The reduction in turnover rate had minimised the fluctuation of the number of staff.

Due to the COVID-19 pandemic outbreak, no candidates were invited or accepted 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

We advocate "go-green" slogan by promoting the culture of recycle, reuse and reduce to protect our environment from harm and further deterioration while taking effort to restore our environment back to its nature state. In order to build and maintain a healthy working environment, we have started to plant more trees and flower surrounding our offices.

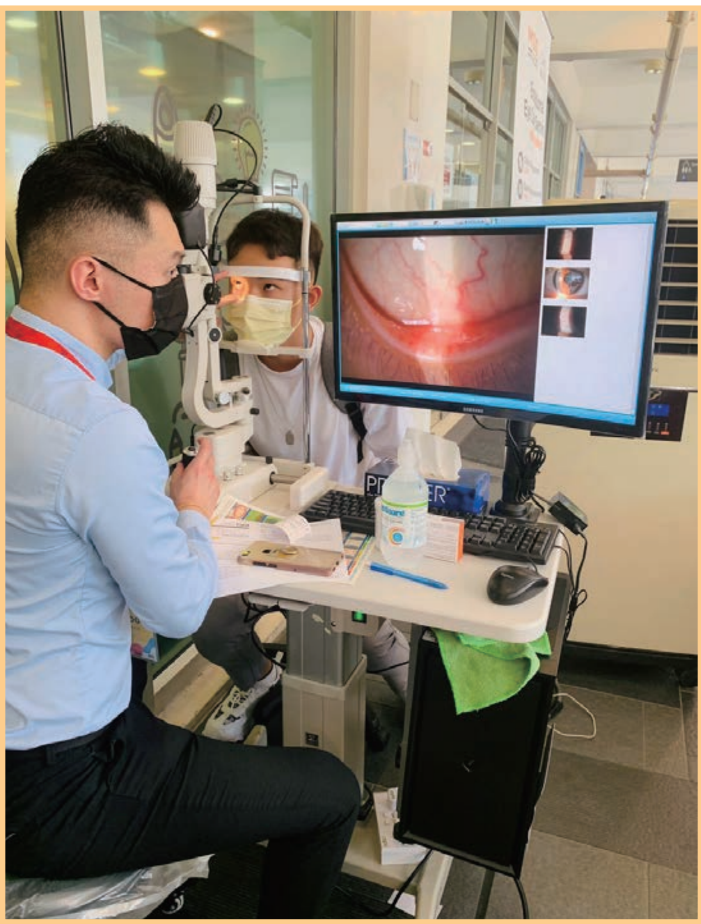
Social Responsibility

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 for the benefit of the public.

In view of the critical condition encountered by most of the medical institution during the COVID-19 pandemic, the Group started an initiative by sponsoring Hospital Ampang with a healthcare equipment, namely Oxygen Twin Flowmeter (with a value of RM14,400) for critical COVID-19 patients. This healthcare equipment is mainly used to regulate the flow of oxygen and oxygen humidification; it is crucial for people who are suffering respiratory distress while battling with COVID-19.

Environmental, Social and Governance Report

During the reporting period, we have launched an iCare4u program especially for medical frontliners with the aim to enhance their protection by sponsoring them with every purchase of ZEISS antivirus lenses. In the same financial year, we conducted another iCare4u program at Rumah Victory for elderly by providing the elderlies with health eyecare screening and assessment.



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.38–40
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.	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.	

Environmental, Social and Governance Report

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
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 Standard P.48
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
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 & Environment 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 2022 (the "**Reporting Period**").

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and the principal activities of its principal subsidiaries are set out in note 13 to the consolidated financial statements. An analysis of the Group's revenue and results by principal operating segments is set out in note 4 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results for the Reporting Period are set out in the consolidated income statement on page 80 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 6 to 13 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 6 to 13 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 2022 are set out in note 2 to the consolidated financial statements.

Report of the Directors

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 management are aware, the Group has complied in 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

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 83 of this annual report, respectively.

DONATIONS

Charitable and other donations made by the Group during the Reporting Period amounted to approximately RM14,400.

Report of the Directors

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 2022 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 Reporting Period 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[3] ("**Datin Bernice Low**") *(Chief Executive Officer)*
Dato' Ng Chin Kee[2] ("**Dato' Henry Ng**")
Ms. Tang Tsz Yuet[4]
Mr. Zhou Yue[4]

Independent Non-Executive Directors

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

Notes:

1 appointed on 1 April 2021

2 resigned on 25 March 2022

3 resigned on 23 June 2022

4 appointed on 23 June 2022

In accordance with Article 84(1) and 84(2) of the articles of association of the Company (the "**Articles of Association**"), each of Mr. Ng Chee Hoong and Mr. Ng Kuan Hua shall retire by rotation at the forthcoming annual general meeting of the Company (the "**AGM**") and, being eligible, have offered himself for re-election.

In accordance with Article 83(3) of the Articles of Association, each of Ms. Tang Tsz Yuet and Mr. Zhou Yue shall hold office until forthcoming AGM and being eligible, has offered herself/himself 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).

Report of the Directors

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 director/ chief executive	Capacity	Number of ordinary shares interested (L)[1]	Approximate percentage of the issued shares
Dato' Frankie Ng[Note 2]	Interest in a controlled corporation and interest of spouse	206,250,000	41.25%
Datin Bernice Low[Note 3]	Interest in a controlled corporation and interest of spouse	206,250,000	41.25%

Notes:

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

(2) The Company is held as to 33.75% by Alliance Vision Limited ("**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.

(3) The Company is held as to 7.5% by Delightful Fortune Limited ("**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.

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 2022 and as at the date of this annual report.

Report of the Directors

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 shares[1]	Approximate percentage of interest in the Company[2]
Alliance Vision[3, 5]	Beneficial owner	168,750,000	33.75%
	Interest held jointly with another person	37,500,000	7.50%
Delightful Fortune[4, 5]	Beneficial owner	37,500,000	7.50%
	Interest held jointly with another person	168,750,000	33.75%

Notes:

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

(2) The calculation is based on the total number of 500,000,000 shares of the Company in issue as at the date of this annual report.

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

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

(5) On 20 September 2019, Alliance Vision, Delightful Fortune and Sky Pleasure Limited 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, under the Code on Takeovers and Mergers and Share Buy-backs, Alliance Vision and Delightful Fortune are regarded as acting in concert to exercise their voting rights in the Company.

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 34 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 Reporting Period 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".

Report of the Directors

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 Reporting Period 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 Premise A commencing from 1 April 2021 and expiring on 31 March 2023, 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 (who resigned on 25 March 2022) are the Directors, and therefore each of them is a connected person of the Company. As such, the transaction contemplated under the Tenancy Agreement 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 1C was RM72,000.

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. Metro Eyewear Holdings currently uses the Premises B as an office of the Group.

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. M Optic Project & Event currently uses the Premises C as a place of residence for its employee.

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 (who resigned on 25 March 2022), 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 RM58,800.

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, which were expected to be RM72,000, RM119,000 and RM174,000, respectively, for each of the three financial years ended 31 March 2020, 31 March 2021, and 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, which were expected to be RM12,000, RM27,000 and RM44,000, respectively, for each of the three financial years ended 31 March 2020, 31 March 2021, and 31 March 2022.

The actual revenue derived from the License Agreements for the each of the three financial years ended 31 March 2020, 31 March 2021 and 31 March 2022 were approximately RM49,000, Nil, and Nil respectively. The impact of COVID-19 pandemic had seriously affected the business in Thailand, hence no revenue was generated for the financial years ended 31 March 2021 and 31 March 2022 and that MOG Management Sdn. Bhd. has no intention to renew the agreement upon expiry on 31 August 2022.

Report of the Directors

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.

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 more 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 86.6% of the Group's purchases and the purchases attributable to the Group's largest supplier accounted for approximately 73.1% 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 proceed" under the section "Management Discussion and Analysis" on page 13 of this annual report.

Report of the Directors

PUBLIC FLOAT

As at the date of this annual 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 23 September 2022 ("**2022 AGM**") and the notice of 2022 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 2022 AGM, the register of members of our Company will be closed from 20 September 2022 to 23 September 2022, both days inclusive, during which period no transfer of shares of our Company will be registered.

In order to qualify for attending the 2022 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, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 19 September 2022.

AUDITORS

On 28 June 2022, Grant Thornton Malaysia PLT resigned as one of the independent joint auditors of the Company. Following the resignation, Mazars CPA Limited ("**Mazars**"), *Certified Public Accountants*, the remaining independent joint auditor will continue to act as the auditor of the Company. Mazars will retire, and being eligible, offer themselves for re-appointment. A resolution for their re-appointment as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company. Save as disclosed, there has been no change in the Company's auditors from the incorporation of the Company and up to the date of this annual report.

The consolidated financial statements for the year ended 31 March 2022 have been audited by Mazars.

On behalf of the Board

Dato' Frankie Ng
Chairman
Hong Kong, 25 July 2022

Independent Auditor's Report

Mazars CPA Limited
中審眾環(香港)會計師事務所有限公司
42nd Floor, Central Plaza,
18 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel 電話: (852) 2909 5555
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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 80 to 161, which comprise the consolidated statement of financial position at 31 March 2022, 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 2022, 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 "Auditor's 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 MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Provision for impairment of inventories	
The Group had net inventories of approximately RM24,440,000 at 31 March 2022. 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 and involved high level of uncertainty. Related disclosures are included in Notes 2 and 18 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.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Expected credit loss ("ECL") assessment of trade receivables	
At 31 March 2022, the gross amount of trade receivables and its related allowance for ECL amounted to approximately RM144,396,000 and approximately RM14,000, respectively. At each reporting date, the management of the Group estimates the amount of lifetime ECL of trade receivables by taking into account the historical credit loss experience and market credit loss rate and adjusted for forward-looking information of respective trade receivables. The management of the Group believes that they have considered reasonable and supportable information that is relevant and available without undue cost and effort for this purpose. Such assessment has taken the quantitative and qualitative historical information and also, the forward-looking analysis. We have identified the management's ECL assessment of trade receivables as a key audit matter because the carrying amount of trade receivables was significant to the consolidated financial statements and the ECL assessment of these balances required significant judgement and involved high level of uncertainty. Related disclosures are included in Notes 2, 19 and 34 to the consolidated financial statements.	Our key audit procedures, among others, included: (a) obtaining an understanding of the Group's credit risk management and practices and assessing the Group's impairment provisioning policy in accordance with the requirements of applicable accounting standards; (b) evaluating the objectivity, capabilities and competence of the independent professional valuer; (c) assessing and challenging the application of impairment methodology of ECL, and checking the assumptions and key parameters to external data sources where available, on a sample basis; (d) assessing and challenging the reasonableness and relevancy of the external information used by the Group as the forward-looking information; (e) testing, on a sample basis, the accuracy of ageing categories of trade receivables based on relevant delivery notes, sales invoices and sales contracts; (f) checking the calculation of ECL based on the methodology adopted by the Group and adequacy of the Group's disclosures in relation to credit risk exposed by the Group in the consolidated financial statements; and (g) testing subsequent settlements of trade receivables, on a sample basis, by inspecting supporting documents in relation to cash receipt from trade debtors subsequent to the end of reporting period.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2022 annual report of the Company but does not include the consolidated financial statements and our auditor's 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.

AUDITOR'S 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 an auditor's 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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.

Independent Auditor's Report

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Mazars CPA Limited
Certified Public Accountants
Hong Kong
25 July 2022

The engagement director on the audit resulting in this independent auditor's report is:
Tsoi Wa Shan
Practising Certificate number: P07514

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2022

	Notes	2022 RM'000	2021 RM'000
Revenue	5	231,273	99,223
Cost of sales		(160,870)	(30,391)
Gross profit		70,403	68,832
Other income	6	8,890	8,766
Selling and distribution costs		(48,497)	(47,223)
Administrative expenses		(12,686)	(10,986)
(Provision for) Reversal of impairment loss on trade receivables	34	(14)	244
Finance costs	7	(620)	(743)
Listing expenses		—	(1,409)
Profit before tax	7	17,476	17,481
Income tax expense	10	(4,980)	(5,227)
Profit for the year		12,496	12,254
Other comprehensive income (loss)			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation of the Company's financial statements to presentation currency		352	(1,647)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on consolidation		(1,160)	1,074
Other comprehensive loss for the year		(808)	(573)
Total comprehensive income for the year		11,688	11,681
Profit for the year attributable to:			
Owners of the Company		10,112	9,922
Non-controlling interests		2,384	2,332
		12,496	12,254
Total comprehensive income attributable to:			
Owners of the Company		9,304	9,349
Non-controlling interests		2,384	2,332
		11,688	11,681
Earnings per share attributable to owners of the Company			
Basic and diluted	11	2.02 sen	2.00 sen

Consolidated Statement of Financial Position

At 31 March 2022

	Notes	2022 RM'000	2021 RM'000
Non-current assets			
Investment properties	14	1,241	1,283
Right-of-use assets	15	17,232	15,904
Plant and equipment	16	8,659	7,471
Intangible assets	17	166	—
Other receivables	19	1,067	—
Deferred tax assets	26	1,227	1,252
		29,592	25,910
Current assets			
Inventories	18	24,440	20,536
Trade and other receivables	19	156,168	7,812
Tax recoverable		1,957	—
Fixed deposits with licensed banks	20	54,031	42,553
Bank balances and cash	21	51,140	68,343
		287,736	139,244
Current liabilities			
Trade and other payables	22	168,252	16,321
Interest-bearing borrowing	23	—	105
Lease liabilities	24	9,589	12,594
Tax payable		—	914
		177,841	29,934
Net current assets		109,895	109,310
Total assets less current liabilities		139,487	135,220
Non-current liabilities			
Interest-bearing borrowing	23	—	1,183
Lease liabilities	24	7,702	6,575
Provisions	25	1,085	998
		8,787	8,756
NET ASSETS		130,700	126,464

Consolidated Statement of Financial Position

At 31 March 2022

	Notes	2022 RM'000	2021 RM'000
Capital and reserves			
Share capital	27	2,747	2,747
Reserves		121,831	117,415
Equity attributable to owners of the Company		124,578	120,162
Non-controlling interests	30	6,122	6,302
TOTAL EQUITY		130,700	126,464

These consolidated financial statements on pages 80 to 161 were approved and authorised for issue by the Board of Directors on 25 July 2022 and signed on its behalf by

Dato' Ng Kwang Hua
Director

Ms. Tang Tsz Yuet
Director

Consolidated Statement of Changes in Equity

Year ended 31 March 2022

	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))	Statutory reserve RM'000 (Note 29(c))	Exchange reserve RM'000 (Note 29(d))	Other reserve RM'000 (Note 29(e))	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
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(a))	2,060	(2,060)	–	–	–	–	–	(2,060)	–	–
Issue of shares pursuant to the global offering (Note 27(b))	687	67,994	–	–	–	–	–	67,994	–	68,681
Transaction costs attributable to issue of shares (Note 27(b))	–	(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

Consolidated Statement of Changes in Equity

Year ended 31 March 2022

	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))	Statutory reserve RM'000 (Note 29(c))	Exchange reserve RM'000 (Note 29(d))	Other reserve RM'000 (Note 29(e))	Accumulated profits RM'000	Total RM'000	Non-controlling interests RM'000 (Note 30)	Total equity RM'000
At 1 April 2021	2,747	58,083	(6,658)	–	(738)	(327)	67,055	117,415	6,302	126,464
Profit for the year	–	–	–	–	–	–	10,112	10,112	2,384	12,496
Other comprehensive income (loss)										
Item that will not be reclassified to profit or loss:										
Exchange differences on translation of the Company's financial statements to presentation currency	–	–	–	–	352	–	–	352	–	352
Item that may be reclassified subsequently to profit or loss:										
Exchange differences on consolidation	–	–	–	–	(1,160)	–	–	(1,160)	–	(1,160)
Total comprehensive income (loss) for the year	–	–	–	–	(808)	–	10,112	9,304	2,384	11,688
Transactions with owners:										
Contributions and distributions										
Dividends (Note 12)	–	–	–	–	–	–	(5,380)	(5,380)	(2,612)	(7,992)
Appropriation of statutory reserve	–	–	–	42	–	–	(42)	–	–	–
	–	–	–	42	–	–	(5,422)	(5,380)	(2,612)	(7,992)
Changes in ownership interests										
Changes in ownership interests in subsidiaries that do not result in a loss of control (Note 31)	–	–	–	–	–	492	–	492	(417)	75
Non-controlling interests arising from preference shares issued by subsidiaries (Note 13)	–	–	–	–	–	–	–	–	340	340
Incorporated of subsidiaries	–	–	–	–	–	–	–	–	125	125
Total transactions with owners	–	–	–	42	–	492	(5,422)	(4,888)	(2,564)	(7,452)
At 31 March 2022	2,747	58,083	(6,658)	42	(1,546)	165	71,745	121,831	6,122	130,700

* Represents amount less than RM1,000.

Consolidated Statement of Cash Flows

Year ended 31 March 2022

	2022 RM'000	2021 RM'000
OPERATING ACTIVITIES		
Profit before tax	17,476	17,481
Adjustments for:		
Bank interest income	(1,672)	(242)
Depreciation of plant and equipment	2,529	2,992
Depreciation of investment properties	42	42
Depreciation of right-of-use assets	11,487	12,499
Amortisation of intangible assets	22	—
Finance costs	620	743
Gain on termination of lease	(5)	—
(Gain) Loss on disposal of plant and equipment, net	(181)	198
Gain on disposal of assets classified as held for sale	—	(1,406)
Provision for (Reversal of) impairment loss on trade receivables	14	(244)
Income on COVID-19-related rent concessions	(2,841)	(2,909)
Write down of inventories	1,023	3,005
Write-off of plant and equipment	27	125
Operating cash inflows before movements in working capital	28,541	32,284
Changes in working capital:		
Inventories	(4,927)	7,514
Trade and other receivables	(149,432)	2,328
Trade and other payables	151,927	(8,367)
Provisions	87	26
Cash generated from operations	26,196	33,785
Income tax paid	(7,826)	(5,649)
Net cash from operating activities	18,370	28,136
INVESTING ACTIVITIES		
Interest received	1,672	242
Increase in fixed deposits with licensed banks	(11,478)	(38,613)
Acquisition of a subsidiary	(5)	—
Purchase of intangible assets	(188)	—
Purchase of plant and equipment	(4,015)	(2,169)
Proceeds from disposal of assets classified as held for sale	—	2,800
Proceeds from disposal of plant and equipment	452	719
Net cash used in investing activities	(13,562)	(37,021)

Consolidated Statement of Cash Flows

Year ended 31 March 2022

	Notes	2022 RM'000	2021 RM'000
FINANCING ACTIVITIES			
Repayment of interest-bearing borrowings	33	**(1,288)**	(83)
Repayment of lease liabilities	33	**(12,448)**	(7,169)
Interest paid		**(19)**	(51)
Capital contribution made by the non-controlling shareholders of subsidiaries		**125**	—
Proceeds from disposal of ownership interest in a subsidiary that does not result in a loss of control		**75**	—
Payment for acquisition of non-controlling interests	31	**—***	(6)
Dividends paid		**(7,992)**	(9,644)
Proceeds from issuance of shares pursuant to the global offering	27(b)	**—**	68,681
Proceeds from issuance of preference shares of subsidiaries	13(d)	**340**	—
Payment of transactions costs attributable to issue of shares	27(b)	**—**	(7,851)
Net cash (used in) from financing activities		**(21,207)**	43,877
Net (decrease) increase in cash and cash equivalents		**(16,399)**	34,992
Cash and cash equivalents at the beginning of the reporting period		**68,343**	34,087
Effect on exchange rate changes		**(804)**	(736)
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	21	**51,140**	68,343

* Represents amount less than RM1,000.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

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 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 headquarter is situated at No. 8655, 84 Western Style Villa, Zhuhai Holiday Resort, 9 Shihua East Road, 519015 Zhuhai, Guangdong, China.

The Company is an investment holding company and its subsidiaries are principally engaged in business-to-business hardware trading in the People's Republic of China (the "PRC"), sales of optical products, and franchise and license management in Malaysia.

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 2021 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 IAS 39, IFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform — Phase 2

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Adoption of new/revised IFRSs (Continued)

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the "Reform"). The amendments complement those issued in September 2019 and relate to:

- changes to contractual cash flows — a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;

- hedge accounting — a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and

- disclosures — a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

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

Basis of measurement

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

Basis of consolidation

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 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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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 previous is 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.

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.

Intangible assets

License right

The initial cost of acquiring license right is capitalised. License right with finite useful life is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on the straight-line basis over the term as agreed in the license agreement (i.e. 8 years).

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.

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 collaterlised 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 minus, 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 and interest-bearing borrowing. 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 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, 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.

Share capital

Ordinary shares are classified as equity. Preference shares are classified as liabilities if they are redeemable at a specific date or at the shareholders' option; or if dividend payments are not discretionary. Preference shares that are not redeemable, or are redeemable only at the Group's option; and any dividend payments are discretionary, are classified as equity.

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 business-to-business hardware trading, 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 and business-to-business hardware trading 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 and business-to-business hardware trading 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$").

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

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.

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, intangible assets, 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 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*, which has been early adopted by the Group since the year ended 31 March 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 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, intangible assets, plant and equipment and right-of-use assets

The management of the Group determines the estimated useful lives of the Group's investment properties, intangible assets, 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, intangible assets, plant and equipment and right-of-use assets

The management of the Group determines whether the Group's investment properties, intangible assets, 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, intangible assets, 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, intangible assets, 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.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty (Continued)

(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.

(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

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 16	Proceeds before Intended Use[1]
Amendments to IAS 37	Cost of Fulfilling a Contract[1]
Amendments to IFRS 3	Reference to the Conceptual Framework[1]
Annual Improvements to IFRSs	2018–2020 Cycle[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
IFRS 17	Insurance Contracts[2]
Amendment to IFRS 17	Initial Application of IFRS 17 and IFRS 9 — Comparative Information[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2022
2 Effective for annual periods beginning on or after 1 January 2023
3 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 Group's consolidated financial statements.

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) Business-to-business hardware trading.

(2) Sales of optical products.

(3) 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 business-to-business hardware trading, 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 2022 and 2021 are as follows:

Year ended 31 March 2022

	Business-to-business hardware trading RM'000	Sales of optical products RM'000	Franchise and license management RM'000	Total RM'000
Segment revenue	126,892	104,039	342	231,273
Segment results	551	22,301	33	22,885
Unallocated other income				237
Unallocated administrative expenses				(5,026)
Finance costs				(620)
Profit before tax				17,476
Income tax expense				(4,980)
Profit for the year				12,496

4. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Year ended 31 March 2021

	Business-to-business hardware trading RM'000	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 assets and liabilities

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

At 31 March 2022

	Business-to-business hardware trading RM'000	Sales of optical products RM'000	Franchise and license management RM'000	Unallocated RM'000	Total RM'000
Assets					
Reportable segment assets	144,188	162,218	6,497	4,425	317,328
Liabilities					
Reportable segment liabilities	(143,623)	(42,287)	(718)	–	(186,628)
Other segment information:					
Amortisation of intangible assets	–	–	22	–	22
Depreciation of plant and equipment	–	2,519	10	–	2,529
Depreciation of right-of-use assets	–	11,487	–	–	11,487
Depreciation of investment properties	–	–	–	42	42
Gain on disposal of plant and equipment, net	–	(181)	–	–	(181)
Provision for impairment loss on trade receivables	12	2	–	–	14
Write down of inventories	–	1,023	–	–	1,023
Write-off of plant and equipment	–	27	–	–	27
Additions to right-of-use assets	497	12,276	298	–	13,071
Additions to plant and equipment	2	4,013	–	–	4,015
Additions to intangible assets	–	–	188	–	188

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 March 2021

	Business-to-business hardware trading RM'000	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, net	—	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

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

- segment assets include right-of-use assets, plant and equipment, intangible assets, 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 Group's revenue is derived from its operations in the PRC and Malaysia. Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's noncurrent assets is presented based on physical location of the assets, in the case of plant and equipment, right-of-use assets and investment properties, and the location of the operation to which they are allocated, in the case of intangible assets and excluded other receivables and deferred tax assets.

(a) Information about the Group's revenue from external customers

During the year ended 31 March 2022, out of the Group's total revenue of approximately RM231,273,000 (2021: approximately RM99,223,000), the revenue generated from the PRC and Malaysia contributed approximately RM126,892,000 (2021: Nil) and RM104,381,000 (2021: RM99,223,000), representing 55% (2021: Nil) and 45% (2021: 100%) of the Group's total revenue, respectively.

(b) Information about the Group's non-current assets

At 31 March 2022, out of the Group's total non-current assets of approximately RM27,298,000 (2021: approximately RM24,658,000), the non-current assets located in the PRC and Malaysia contributed approximately RM499,000 (2021: Nil) and RM26,799,000 (2021: RM24,658,000), representing approximately 2% (2021: Nil) and 98% (2021: 100%) of the Group's total non-current assets, respectively.

Information about major customers

Details of the customers individually accounting for 10% or more of total revenue of the Group during the years ended 31 March 2022 and 2021 are as follows:

	2022 RM'000	2021 RM'000
Customer A (Note a)	126,833	(Note b)

Notes:

(a) Revenue from business-to-business hardware trading.

(b) The customer did not contribute any revenue to the Group for relevant year.

5. REVENUE

	2022 RM'000	2021 RM'000
Revenue from contracts with customers within IFRS 15		
Business-to-business hardware trading	126,892	—
Sales of optical products		
— to retail customers	103,181	98,186
— to franchisees	858	723
Franchise and royalty fees income	342	314
	231,273	99,223
Timing of revenue recognition:		
A point in time	231,242	99,181
Over time	31	42
	231,273	99,223
Type of transaction price:		
Fixed price	231,049	98,951
Variable price	224	272
	231,273	99,223

The amount of revenue recognised for the year ended 31 March 2022 that was included in the contract liabilities at the beginning of the reporting period was approximately RM748,000 *(2021: approximately RM721,000)*.

6. OTHER INCOME

	2022 RM'000	2021 RM'000
Bank interest income	**1,672**	242
Book-keeping fee income	**—**	16
Exchange gain, net	**883**	213
Gain on disposal of plant and equipment, net	**181**	—
Gain on disposal of assets classified as held for sale	**—**	1,406
Gain on termination of leases	**5**	—
Government subsidies (Note)	**1,895**	2,645
Income on COVID-19-related rent concessions (Note 24)	**2,841**	2,909
Rental income from investment properties	**149**	241
Sponsorship income	**451**	327
Sundry income	**813**	767
	8,890	8,766

Note: During the year ended 31 March 2022, the Group recognised government subsidies of approximately RM1,895,000 *(2021: RM2,645,000)* in respect of COVID-19-related subsidies provided by Malaysia's 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):

	2022 RM'000	2021 RM'000
Finance costs		
Interest on interest-bearing borrowings	12	44
Interest on bank overdrafts	7	7
Interest on lease liabilities	601	692
	620	743
Staff costs (including directors' remuneration)		
Salaries, discretionary bonus, allowances and other benefits in kind	30,091	27,920
Contributions to defined contribution plans	2,624	2,523
	32,715	30,443
Other items		
Auditors' remuneration		
— Audit services	1,095	1,004
— Non-audit services	81	102
Cost of inventories	160,870	30,391
Amortisation of intangible assets (including in "Selling and distribution costs")	22	—
Depreciation of investment properties	42	42
Depreciation of plant and equipment	2,529	2,992
Depreciation of right-of-use assets	11,487	12,499
Direct operating expenses arising from investment properties that generated rental income	2	12
Exchange gain, net	(883)	(213)
(Gain) Loss on disposal of plant and equipment, net	(181)	198
Other rental and related expenses (Note 24)	4,656	3,625
Provision for (Reversal of) impairment loss on trade receivables	14	(244)
Write down of inventories (included in "Cost of sales")	1,023	3,005
Write-off of plant and equipment	27	125

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 2022

	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	–	859	94	90	1,043
Dato' Ng Chin Kee	–	575	71	69	715
Datin Low Lay Choo	–	553	55	53	661
Independent non-executive directors					
Mr. Ng Kuan Hua	77	–	–	–	77
Mr. Ng Chee Hoong	77	–	–	–	77
Ms. Jiao Jie	77	–	–	–	77
Puan Sri Datuk Seri Rohani Parkash Binti Abdullah	77	–	–	–	77
	308	1,987	220	212	2,727

8. DIRECTORS' REMUNERATION (Continued)

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

During the years ended 31 March 2022 and 2021, 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 2022 and 2021.

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

Dato' Ng Chin Kee resigned as an executive director with effect from 25 March 2022.

Datin Low Lay Choo resigned as an executive director with effect from 23 June 2022. She remains as a chief executive officer of the Company.

Ms. Tang Tsz Yuet and Mr. Zhou Yue were appointed as executive directors with effect from 23 June 2022.

9. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the years ended 31 March 2022 and 2021 is as follows:

	Number of individuals	
	2022	2021
Director	**3**	3
Non-director	**2**	2
	5	5

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

	2022	2021
	RM'000	RM'000
Salaries, allowances and other benefits in kind	**600**	558
Discretionary bonus	**5**	47
Contributions to defined contribution plans	**26**	30
	631	635

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

	Number of individuals	
	2022	2021
Nil to HK$1,000,000	**2**	2

During the years ended 31 March 2022 and 2021, 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 2022 and 2021.

10. INCOME TAX EXPENSE

	2022 RM'000	2021 RM'000
Current tax		
PRC Enterprise Income Tax	141	—
Malaysia corporate income tax	4,814	6,004
	4,955	6,004
Deferred tax (Note 26)		
Changes in temporary differences	25	(777)
Total income tax expense for the year	4,980	5,227

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 2022 and 2021.

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

The group's entities established in the PRC are subject to PRC Enterprise Income Tax at a statutory rate of 25%.

Saved as disclosed below, Malaysia corporate income tax is calculated at 24% of the estimated assessable profits for the years ended 31 March 2022 and 2021.

For the years ended 31 March 2022 and 2021, 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

	2022 RM'000	2021 RM'000
Profit before tax	17,476	17,481
Income tax at statutory tax rate applicable in respective territories	4,306	4,337
Tax exempt revenue	(706)	(412)
Non-deductible expenses	1,370	1,242
Others	10	60
Income tax expense for the year	4,980	5,227

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:

	2022 RM'000	2021 RM'000
Profit for the year attributable to owners of the Company, used in basic and diluted earnings per share calculation	10,112	9,922

	Number of shares 2022	 2021
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	500,000,000	495,205,479

The calculation of the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share for the year ended 31 March 2021 has been determined based on the assumption that the issue of shares at incorporation of the Company, from the reorganisation of the Group and from the Capitalisation Issue (as defined in Note 27(a) below) to the shareholders had occurred on 1 April 2020.

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 2022 and 2021.

12. DIVIDENDS

	2022 RM'000	2021 RM'000
Dividends declared and paid to owners of the Company	5,380	6,715

On 5 October 2021, the board of directors resolved the declaration and payment of special dividend of HK$0.02 *(2021: HK$0.025)* per ordinary share of the Company, amounting to HK$10,000,000 (equivalent to approximately RM5,380,000) *(2021: HK$12,500,000 equivalent to approximately RM6,715,000)* in total. The dividends were paid in November 2021.

The board of directors does not recommend the payment of a final dividend *(2021: Nil)*.

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 2022	2021	Principal activities/ place of operation
Directly held					
MOG (BVI) Limited	The BVI, 14 June 2019	Ordinary, 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	Ordinary, RM100	80%	80%	Wholesaler and retailer of optical and other related products/Malaysia
Bens Eyewear Sdn. Bhd. ("Bens Eyewear")	Malaysia, 10 March 2015	Ordinary, RM100	59%	59%	Wholesaler and retailer of optical products/Malaysia
Caxia Eyewear Sdn. Bhd.	Malaysia, 30 September 2015	Ordinary, RM100	70%	70%	Wholesaler and retailer of optical products/Malaysia
Dr Optic Sdn. Bhd.	Malaysia, 20 February 2017	Ordinary, RM1,000	55%	55%	Retail sale of optical goods/Malaysia
DS Optique Sdn. Bhd.	Malaysia, 5 May 2017	Ordinary, RM100	51%	51%	Wholesaler and retailer of optical products/Malaysia
E Zone Eyewear Sdn. Bhd. ("E Zone Eyewear")	Malaysia, 15 October 2015	Ordinary, RM100	70%	70%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
Evershine Eyewear Sdn. Bhd.	Malaysia, 3 April 2014	Ordinary, 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	Ordinary, RM100	60%	60%	Wholesaler and retailer of optical products/Malaysia
Exon Eyewear (R&F) Sdn. Bhd.	Malaysia, 29 October 2018	Ordinary, RM100	51%	51%	Retail sale of spectacles and other optical goods/Malaysia
Exon Eyewear Sdn. Bhd.	Malaysia, 26 September 2017	Ordinary, RM100	60%	60%	Retail sale of spectacles and other optical goods/Malaysia

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Year ended 31 March 2022

13. SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ establishment	Issued/Paid up capital	Attributable equity interest held by the Company 2022	2021	Principal activities/ place of operation	
Indirectly held						
Exon Optical House Sdn. Bhd. ("Exon Optical House")	Malaysia, 15 October 2015	Ordinary, RM100	60%	60%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia	
Exotika Icon Sdn. Bhd. ("Exotika Icon")	Malaysia, 6 November 2004	Ordinary, RM100 Preference, RM50,000	100%	100%	Retail sale of spectacles and other optical goods/Malaysia	Note d
Eyes Founder Sdn. Bhd.	Malaysia, 2 September 2011	Ordinary, RM100	51%	51%	Wholesaler and retailer of optical products/Malaysia	
Eye Saver Sdn. Bhd.	Malaysia, 29 June 2018	Ordinary, RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia	
Evershine Eye Care Sdn Bhd	Malaysia, 8 April 2021	Ordinary, RM100	51%	–	Retail sale of spectacles and other optical goods/Malaysia	
Evershine Gallery Sdn Bhd	Malaysia, 4 May 2021	Ordinary, RM100	52%	–	Retail sale of spectacles and other optical goods/Malaysia	
Fabulous Project Management Sdn. Bhd.	Malaysia, 21 May 2012	Ordinary, RM100,000	51%	51%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia	
Harvest Eyewear Sdn. Bhd.	Malaysia, 12 August 2016	Ordinary, RM100	80%	80%	Wholesaler and retailer of optical products/Malaysia	
Harvest Gallery Sdn. Bhd.	Malaysia, 20 October 2020	Ordinary, RM100	60%	60%	Retail sale of spectacles and other optical goods/Malaysia	
Intelligent Spec Saver Sdn. Bhd. ("Intelligent Spec Saver")	Malaysia, 6 September 2011	Ordinary, RM100	40%	40%	Optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia	Note a
Lux Optical Sdn. Bhd. ("Lux Optical")	Malaysia, 20 August 2013	Ordinary, RM100	75%	100%	Wholesaler and retailer of optical products/Malaysia	
Luxshine Eyewear Sdn. Bhd. ("Luxshine Eyewear")	Malaysia, 27 October 2016	Ordinary, RM100 Preference, RM92,000	80%	80%	Wholesalers and retailers of optical products/Malaysia	Note d
Mason Games Sdn Bhd	Malaysia, 10 May 2021	Ordinary, RM500,000	53%	–	Games development/Malaysia	
M Optic Project & Event Sdn. Bhd.	Malaysia, 10 March 2008	Ordinary, RM200	100%	100%	Professional event management and marketing services provider/ Malaysia	

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13. SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ establishment	Issued/Paid up capital	Attributable equity interest held by the Company 2022	2021	Principal activities/ place of operation	
Indirectly held						
M Optical Sdn. Bhd.	Malaysia, 29 January 2002	Ordinary, RM50,000	80%	80%	Trading in spectacle frames, lens and related eye care products/ Malaysia	
Metro (SPY) Sdn. Bhd.	Malaysia, 13 June 2011	Ordinary, 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	Ordinary, RM100,000 Preference, RM40,000	80%	80%	Retail of optical products and property investment holding/ Malaysia	Note d
Metro Eyewear Holdings Sdn. Bhd.	Malaysia, 28 March 1998	Ordinary, RM2,000,000	100%	100%	Wholesaler and retailer in optical products/Malaysia	
Metro RWG Sdn. Bhd.	Malaysia, 25 March 2010	Ordinary, RM100	60%	60%	Business of trading and dealing in spectacle frames, sunglasses and eye care chemicals/Malaysia	
Miniso Concept Store (M) Sdn Bhd	Malaysia, 18 March 2021	Ordinary, RM100	75%	75%	Retail sale of home furnishing and decorations, home appliances, household & DIY products and other household products/Malaysia	
Mido Eyewear Sdn. Bhd.	Malaysia, 30 January 2013	Ordinary, RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia	
Modern Pride Sdn. Bhd. ("Modern Pride")	Malaysia, 22 March 2010	Ordinary, RM100,000	60%	60%	Wholesaler and retailer in optical products/Malaysia	
Modern Eyewear Sdn. Bhd.	Malaysia, 2 October 2020	Ordinary, RM100	55%	55%	Retail sale of spectacles and other optical goods/Malaysia	
MOG (QBM) Sdn. Bhd.	Malaysia, 23 August 2011	Ordinary, RM100	70%	70%	Wholesaler and retailer of optical products/Malaysia	
MOG (TPU) Sdn. Bhd.	Malaysia, 3 August 2011	Ordinary, RM100	80%	80%	Wholesaler and retailer of optical product/Malaysia	
MOG Eyecity Sdn. Bhd.	Malaysia, 21 November 2017	Ordinary, RM100	100%	100%	Business of optometrists and dealer of all kinds of optical apparatus and related accessories/Malaysia	
MOG Eyewear Sdn. Bhd.	Malaysia, 19 January 2005	Ordinary, RM100,000	100%	100%	Retail sales 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 2022	2021	Principal activities/ place of operation	
Indirectly held						
MOG Eyewear (Kempas) Sdn. Bhd. ("MOG Eyewear (Kempas)")	Malaysia, 13 April 2017	Ordinary, RM100	60%	60%	Dealer and retailer of optical products/Malaysia	
MOG Eyewear Boutique Sdn. Bhd. ("MOG Eyewear Boutique")	Malaysia, 12 October 2007	Ordinary, 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	Ordinary, RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia	
MOG Eyewear Holdings (M) Sdn. Bhd.	Malaysia, 4 October 2001	Ordinary, RM100,000	100%	100%	Trading in spectacle frames, lenses and related eyes care products/ Malaysia	
MOG Glasses Sdn. Bhd.	Malaysia, 24 September 2020	Ordinary, RM100	100%	100%	E-commerce for optical products/ Malaysia	
MOG (Hong Kong) Limited	Hong Kong, 15 June 2018	Ordinary, HK$100	100%	100%	Investment holding/Hong Kong	
MOG Management Sdn. Bhd.	Malaysia, 6 October 2008	Ordinary, RM100,000	100%	100%	Acquire and hold franchises dealing in optical products/Malaysia	
MOG Optometry (HK) Sdn. Bhd. ("MOG Optometry (HK)")	Malaysia, 21 April 2003	Ordinary, RM100,000 Preference, RM157,500	100%	100%	Wholesaler and retailer in optical products/Malaysia	Note d
MOG Optometry Sdn. Bhd.	Malaysia, 19 May 2006	Ordinary, RM100	100%	100%	Wholesaler and retailer in optical products/Malaysia	
New Success (Ekocheras) Sdn. Bhd. ("New Success (Ekocheras)")	Malaysia, 9 August 2018	Ordinary, RM100	51%	51%	Retail sale of spectacles and other optical goods/Malaysia	
New Success Distribution Sdn. Bhd. ("New Success Distribution")	Malaysia, 17 October 2014	Ordinary, RM2	50%	50%	Distributor and wholesaler of all kinds of optical products and related accessories/Malaysia	Note b
New Success Eyewear Sdn. Bhd. ("New Success Eyewear")	Malaysia, 10 October 2014	Ordinary, RM100	52%	52%	Retailer of optical products and related accessories/Malaysia	
Optical Arts Sdn. Bhd.	Malaysia, 7 May 2008	Ordinary, RM100,000	100%	100%	Wholesaler and retailer in optical products/Malaysia	
Prestige Eyewear Sdn. Bhd.	Malaysia, 7 September 2017	Ordinary, RM100	80%	80%	Retail sale of spectacles and other optical goods/Malaysia	

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13. SUBSIDIARIES (Continued)

Name of subsidiary	Place and date of incorporation/ establishment	Issued/Paid up capital	Attributable equity interest held by the Company 2022	2021	Principal activities/ place of operation	
Indirectly held						
Pro Optic Sdn. Bhd. ("Pro Optic")	Malaysia, 9 September 2011	Ordinary, RM100	50%	50%	Wholesaler and retailer of optical products/Malaysia	Note c
Pro Optometry Sdn Bhd	Malaysia, 1 November 2021	Ordinary, RM100	51%	–	Retail sale of spectacles and other optical goods/Malaysia	
Real Eyes Sdn. Bhd.	Malaysia, 9 July 2010	Ordinary, RM180,000	100%	100%	Wholesaler and retailer in optical products/Malaysia	
Right View Optic Sdn. Bhd. ("Right View Optic")	Malaysia, 14 March 2017	Ordinary, RM100	91%	51%	Dealer and retailer of spectacles and other optical products/ Malaysia	
Smart Vision House Sdn. Bhd.	Malaysia, 30 September 2014	Ordinary, RM100	100%	100%	Retailer of optical products and related accessories/Malaysia	
Spec Trend Sdn. Bhd.	Malaysia, 10 November 2016	Ordinary, RM100	60%	60%	Wholesaler and retailer of optical products/Malaysia	
Specs Gallery Sdn. Bhd. ("Specs Gallery")	Malaysia, 27 December 2017	Ordinary, RM100	70%	70%	Retailer of optical products and related accessories/Malaysia	
Specs Saver Sdn. Bhd.	Malaysia, 20 March 2019	Ordinary, RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia	
Success Optic Sdn. Bhd.	Malaysia, 3 August 2010	Ordinary, RM100	51%	51%	Wholesaler and retailer of optical products/Malaysia	
Unique Eyewear Sdn. Bhd.	Malaysia, 3 November 2016	Ordinary, RM100	100%	100%	Trading and dealing in spectacle frames, sunglasses and eye care chemicals/Malaysia	
Victory Eyewear Sdn. Bhd.	Malaysia, 4 November 2016	Ordinary, RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia	
Vivo Vision Sdn. Bhd.	Malaysia, 26 August 2016	Ordinary, RM100	60%	60%	Dealer and retailer of optical products/Malaysia	
Yicoyi Company Limited ("Yicoyi")	Hong Kong, 14 December 2017	Ordinary, HKD10,000	100%	–	Investment holding/ Hong Kong	Note e
廣東鯤鵬數科供應鏈管理有限公司 (Guangdong Kunpeng Digital Supply Chain Management Co., Ltd.* ("Guangdong Kunpeng"))	The PRC, 9 August 2021	–	100%	–	Trading of electronic hardware/ the PRC	Note e

* English name is for identification purpose only.

13. SUBSIDIARIES (Continued)

Notes:

a. 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".

b. 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".

c. 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".

d. The maturity date for the redemption of the preference shares shall be determined by the respective subsidiary which shall subject to further changes at the subsidiaries' absolute discretion. The subsidiaries may at their absolute discretion redeem all of the redeemable preference shares at the redemption amount of RM100 per redeemable preference share on or before the maturity date. Any outstanding redeemable preference shares which are not redeemed on or before the maturity date may be redeemed by the subsidiary from the holders at the redemption amount of RM100 per redeemable preference share as may be mutually agreed by the parties at the material time.

The holders of redeemable preference shares shall carry no right to vote at any general meeting of the subsidiaries except where permitted under law, amongst others, with regard to any proposal to wind-up the subsidiaries, during the winding-up of the subsidiaries and on any proposal that affects the rights and privileges of the redeemable preference shares holders. In any such case, the redeemable preference shares holders shall be entitled to vote together with the holders of ordinary shares and to one vote for each redeemable preference share held.

Dividends are to be determined by the subsidiaries which shall subject to further changes at the subsidiary's absolute discretion.

The redemption of the redeemable preference shares shall be exercised by the subsidiaries by making a request to redeem the redeemable preference shares by delivering a duly completed and signed redemption notice to the holders. The redemption notice is irrevocable upon receipt by the holders. Upon receiving the redemption notice, within 14 market days from the date of receipt by the holders, the subsidiaries shall pay such amounts due on the redemption price to the holders in accordance with the amount invested by the holders. Once redeemed, the redeemable preference shares shall not be capable of reissuance.

The above preference shares, in aggregate amount of RM339,500, issued by subsidiaries of the Group are classified as non-controlling interests within equity in the consolidated financial statements in accordance with applicable accounting standards because they are redeemable and dividend payments are only at the subsidiaries' absolute discretion.

13. SUBSIDIARIES (Continued)

Notes: (Continued)

e. Guangdong Kunpeng was established in the PRC on 9 August 2021 with registered capital of RMB 6,000,000. The Company holds 100% indirect equity interest in Guangdong Kunpeng. At 31 March 2022, no registered capital of Guangdong Kunpeng has been paid-up. At 31 March 2022, the Group had contracted but not provided capital commitment of RMB6,000,000 (equivalent to approximately RM3,974,000) in respect of investment in Guangdong Kunpeng. On 8 March 2022, the Group acquired Yicoyi and its wholly-owned subsidiary, Guangdong Kunpeng with HK$10,000 (equivalent to approximately RM5,372) identifiable assets from an independent third party at a cash consideration of HK$10,000 (equivalent to approximately RM5,372).

14. INVESTMENT PROPERTIES

	2022 RM'000	2021 RM'000
Reconciliation of carrying amounts		
At the beginning of the reporting period	**1,283**	1,325
Depreciation	**(42)**	(42)
At the end of the reporting period	**1,241**	1,283
Cost	**2,070**	2,070
Accumulated depreciation	**(829)**	(787)
At the end of the reporting period	**1,241**	1,283
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 was 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.

14. INVESTMENT PROPERTIES (Continued)

The Group's investment properties with a total carrying amount of approximately RM1,283,000 at 31 March 2021 were pledged to secure banking facilities granted to the Group (Note 23). Such pledge was released upon secured bank borrowing was fully settled during the year ended 31 March 2022.

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	Leasehold improvements RM'000	Leased properties RM'000	Total RM'000
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
Reconciliation of carrying amounts — year ended 31 March 2022					
At 1 April 2021	**15,150**	**708**	**46**	**—**	**15,904**
Additions	**11,178**	**1,282**	**114**	**497**	**13,071**
Termination of leases	**(256)**	**—**	**—**	**—**	**(256)**
Depreciation	**(11,122)**	**(323)**	**(42)**	**—**	**(11,487)**
At 31 March 2022	**14,950**	**1,667**	**118**	**497**	**17,232**

15. RIGHT-OF-USE ASSETS (Continued)

	Shoplots RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Leased properties RM'000	Total RM'000
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
At 31 March 2022					
Cost	**29,156**	**2,303**	**1,085**	**497**	**33,041**
Accumulated depreciation	**(14,206)**	**(636)**	**(967)**	**—**	**(15,809)**
	14,950	**1,667**	**118**	**497**	**17,232**

The Group leases several assets including shoplots, motor vehicles, leasehold improvements and leased properties. The leases in respect of shoplots typically run for an initial period of 1 to 3 years *(2021: 1 to 3 years)* and the lease term of the remaining right-of-use assets are ranging from 4 to 5 years *(2021: 4 to 5 years)*.

At 31 March 2022, certain leases in respect of shoplots which were entered into by the Group are secured by a corporate guarantee provided by the Company *(31 March 2021: secured by a corporate guarantee provided by the Company and personal guarantees provided by Dato' Ng Chin Kee and Dato' Ng Kwang Hua)*.

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 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
Reconciliation of carrying amounts — year ended 31 March 2022						
At 1 April 2021	**278**	**3,075**	**3,493**	**294**	**331**	**7,471**
Additions	**344**	**1,424**	**1,660**	**300**	**287**	**4,015**
Disposals	**(4)**	**(39)**	**(143)**	**(85)**	**—**	**(271)**
Written off	**(4)**	**(18)**	**(4)**	**—**	**(1)**	**(27)**
Depreciation	**(211)**	**(1,173)**	**(901)**	**(104)**	**(140)**	**(2,529)**
At 31 March 2022	**403**	**3,269**	**4,105**	**405**	**477**	**8,659**
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
At 31 March 2022						
Cost	**1,310**	**11,357**	**8,912**	**812**	**2,423**	**24,814**
Accumulated depreciation	**(907)**	**(8,088)**	**(4,807)**	**(407)**	**(1,946)**	**(16,155)**
	403	**3,269**	**4,105**	**405**	**477**	**8,659**

17. INTANGIBLE ASSETS

	License right RM'000
Reconciliation of carrying amount — year ended 31 March 2022	
At 1 April 2021	—
Addition	188
Amortisation	(22)
At 31 March 2022	166
At 31 March 2021	—
At 31 March 2022	
Cost	188
Accumulated amortisation	(22)
	166

The license right has finite useful life and is amortised on a straight-line basis over the term as agreed in the license agreement (i.e. 8 years).

18. INVENTORIES

	2022 RM'000	2021 RM'000
Merchandise	**28,594**	23,667
Less: Provision for inventories	**(4,154)**	(3,131)
	24,440	20,536

During the years ended 31 March 2022 and 2021, 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 RM1,023,000 *(2021: approximately RM3,005,000)* has been recognised in profit or loss.

19. TRADE AND OTHER RECEIVABLES

	Notes	2022 RM'000	2021 RM'000
Trade receivables			
From third parties		144,396	130
Less: Loss allowances	34	(14)	—
	19(a)	144,382	130
Other receivables			
Deposits paid		630	—
Prepayments		1,556	524
Refundable rental and other related deposits		7,858	6,485
Other receivables	19(b)	2,809	673
		12,853	7,682
Less: non-current portion of other receivables		(1,067)	—
		11,786	7,682
		156,168	7,812

(a) Trade receivables

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

	2022 RM'000	2021 RM'000
Within 30 days	144,209	98
31 to 60 days	10	32
61 to 90 days	94	—
Over 90 days	69	—
	144,382	130

19. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

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

	2022 RM'000	2021 RM'000
Not yet due	**144,209**	98
Past due:		
Within 30 days	**10**	32
31 to 60 days	**94**	—
61 to 90 days	**69**	—
	173	32
	144,382	130

The Group normally grants credit term to third parties up to 60 days *(2021: up to 30 days)* from the date of delivery of goods.

(b) Other receivables

At 31 March 2022, included in other receivables was an advance made to an independent third party with a carrying amount of RM2,332,000 *(2021: Nil)*, over which the Group does not hold any collateral. The amount due was non-trade in nature, unsecured, interest-free and to be settled by monthly installment over 3 years.

20. FIXED DEPOSITS WITH LICENSED BANKS

	2022 RM'000	2021 RM'000
Fixed deposits — pledged	1,376	1,351
Fixed deposits — non-pledged	52,655	41,202
	54,031	42,553

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

	2022 RM'000	2021 RM'000
RM	53,068	41,603
HK$	234	231
Singapore dollar ("SGD")	239	236
USD	490	483
	54,031	42,553

At 31 March 2022, fixed deposits with licensed banks of approximately RM1,376,000 *(2021: RM1,351,000)* are pledged as securities for a banking facility granted to the Group. None of such facility was utilised by the Group at 31 March 2022.

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 3.35% *(2021: 0.08% to 3.90%)* for the year ended 31 March 2022.

21. 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:

	2022 RM'000	2021 RM'000
RM	**45,947**	55,214
RMB	**1**	—
USD	**2,477**	2,425
HK$	**2,715**	10,704
	51,140	68,343

22. TRADE AND OTHER PAYABLES

	Notes	2022 RM'000	2021 RM'000
Trade payables to third parties	22(a)	**154,177**	4,395
Other payables			
Contract liabilities	22(b)	**2,257**	748
Salaries and allowances payable		**3,425**	3,314
Accrued charges and other payables		**5,339**	5,493
Amounts due to minority interests of subsidiaries	22(c)	**3,054**	2,371
		14,075	11,926
		168,252	16,321

The trade payables are interest-free and with normal credit terms up to 120 days.

22. TRADE AND OTHER PAYABLES (Continued)

(a) Trade payables

At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	2022 RM'000	2021 RM'000
Within 30 days	148,637	3,088
31 to 60 days	2,751	629
61 to 90 days	1,770	360
Over 90 days	1,019	318
	154,177	4,395

(b) 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 2022 and 2021 are as follows:

	2022 RM'000	2021 RM'000
At the beginning of the reporting period	748	721
Receipt of advanced payments	2,257	748
Recognised as revenue	(748)	(721)
At the end of the reporting period	2,257	748

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.

(c) 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:

	2022 RM'000	2021 RM'000
Interest-bearing borrowing — secured	–	1,288

The secured bank borrowing had been fully settled during the year.

At 31 March 2021, the secured bank borrowing carried weighted average effective interest rate of approximately 3.40% per annum. The interest-bearing borrowing represents floating rate borrowing.

At the end of each reporting period, details of the maturity of interest-bearing borrowing of the Group are as follows:

	2022 RM'000	2021 RM'000
Carrying amounts of the above borrowing are repayable:		
Within one year	–	105
More than one year, but not exceeding two years	–	109
More than two years, but not exceeding five years	–	348
Over five years	–	726
	–	1,288
Less: amounts shown under current liabilities	–	(105)
Amounts shown under non-current liabilities	–	1,183

At 31 March 2021, the interest-bearing borrowing 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 RM1,283,000.

Further details of the Group's management of liquidity risk are set out in Note 34.

24. LEASE LIABILITIES

	2022 RM'000	2021 RM'000
Analysed for reporting purposes:		
Current liabilities	**9,589**	12,594
Non-current liabilities	**7,702**	6,575
	17,291	19,169

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 2022, 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 RM2,841,000 *(2021: 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* since the year ended 31 March 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 2022 was approximately RM17,104,000 *(2021: approximately RM10,794,000)*.

24. LEASE LIABILITIES (Continued)

Commitments and present value of lease liabilities:

	Lease payments		Present value of lease payments	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Amounts payable:				
Within one year	**10,016**	13,024	**9,589**	12,594
More than one year, but not exceeding two years	**5,275**	5,502	**5,101**	5,376
More than two years, but not exceeding five years	**2,657**	1,218	**2,601**	1,199
	17,948	19,744		
Future finance charges	**(657)**	(575)		
Present value of lease liabilities	**17,291**	19,169	**17,291**	19,169
Less: Amounts due for settlement within 12 months			**(9,589)**	(12,594)
Amounts due for settlement after 12 months			**7,702**	6,575

At 31 March 2022, the weighted average effective interest rate for the lease liabilities of the Group was approximately 3.84% *(2021: approximately 4.73%)* per annum.

25. PROVISIONS

The movements of provisions were as follows:

	2022 RM'000	2021 RM'000
Provisions for restoration costs:		
At the beginning of the reporting period	998	972
Additional provisions	114	47
Utilised during the year	(27)	(21)
At the end of the reporting period	1,085	998

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 restoration costs is estimated based on certain assumptions and estimates made by the Group's management with reference to historical restoration 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:

	2022 RM'000	2021 RM'000
At the beginning of the reporting period	1,252	475
(Charge) Credit to profit or loss	(25)	777
At the end of the reporting period	1,227	1,252

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 2020	790	1	(316)	475
Income tax credit	603	22	152	777
At 31 March 2021 and **1 April 2021**	1,393	23	(164)	1,252
Income tax credit (charge)	237	(6)	(256)	(25)
At 31 March 2022	1,630	17	(420)	1,227

27. SHARE CAPITAL

	Notes	Number of shares	HK$	Equivalent to RM'000
Ordinary share of HK$0.01 each				
Authorised:				
At 1 April 2020, 31 March 2021 and **31 March 2022**		**2,000,000,000**	**20,000,000**	**11,194**
Issued and fully paid:				
At 1 April 2020		100	1	—*
Capitalisation issue	27(a)	**374,999,900**	**3,749,999**	**2,060**
Issuance of shares pursuant to the global offering	27(b)	**125,000,000**	**1,250,000**	**687**
At 31 March 2021 and **31 March 2022**		**500,000,000**	**5,000,000**	**2,747**

* Represents amount less than RM1,000.

(a) 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.

(b) 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 requirements 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	2022 RM'000	2021 RM'000
Non-current assets			
Investment in a subsidiary		—*	—*
Current assets			
Prepayment		61	58
Amounts due from subsidiaries	28(a)	63,831	41,683
Bank balances and cash		2,192	10,184
		66,084	51,925
Current liabilities			
Accruals		(552)	(468)
Net current assets		65,532	51,457
NET ASSETS		65,532	51,457
Capital and reserves			
Share capital	27	2,747	2,747
Reserves	28(b)	62,785	48,710
TOTAL EQUITY		65,532	51,457

* 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 25 July 2022 and signed on its behalf by

Dato' Ng Kwang Hua *Director*	**Ms. Tang Tsz Yuet** *Director*

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

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 (d))	Accumulated loss RM'000	Total RM'000
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(a))	(2,060)	—	—	(2,060)
Issue of shares pursuant to the global offering (Note 27(b))	67,994	—	—	67,994
Transaction costs attributable to issue of shares (Note 27(b))	(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)

	Share premium RM'000 (Note 29 (a))	Exchange reserve RM'000 (Note 29 (d))	Accumulated profits RM'000	Total RM'000
At 1 April 2021	58,083	(1,674)	(7,699)	48,710
Profit for the year	–	–	19,103	19,103
Other comprehensive income:				
Exchange differences on translation of the Company's financial statements to presentation currency	–	352	–	352
Total comprehensive income for the year	–	352	19,103	19,455
Transactions with owners:				
Contributions and distributions				
Dividends (Note 12)	–	–	(5,380)	(5,380)
Total transactions with owners	–	–	(5,380)	(5,380)
At 31 March 2022	58,083	(1,322)	6,024	62,785

During the year ended 31 March 2021, 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) Statutory reserve

Statutory reserve is required to be appropriated from profit after income tax of the entity established in the PRC, determined in accordance with the relevant laws and regulations in the PRC. Allocation to the statutory reserve shall be approved by the board of directors of the PRC entity. The appropriation to statutory reserve may cease if the balance of the statutory reserve has reached 50% of the registered capital of the PRC entity. The statutory reserve can be used to make up for losses, expand the existing operation or for conversion into capital. The PRC entity may, upon the approval by a resolution of shareholders' general meeting/board of directors' meeting, convert the statutory reserve into capital in proportion to the then existing shareholdings. However, when converting the statutory reserve into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital of that entity.

(d) Exchange reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations for consolidation and the translation of the Company's financial statements to presentation currency.

(e) 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 2022 and 2021. The summarised financial information represents amounts before inter-company eliminations.

	MOG Eyewear Boutique	Pro Optic	Modern Pride	Metro Designer Eyewear	Exon Optical House	New Success Eyewear Group (Note)
At 31 March 2022						
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	1,868	801	835	1,682	2,337	2,570
Non-current assets	1,550	393	126	1,166	292	1,588
Current liabilities	(959)	(506)	(219)	(831)	(1,154)	(1,618)
Non-current liabilities	(576)	(119)	(39)	(495)	—	(712)
Net assets	1,883	569	703	1,522	1,475	1,828
Carrying amount of NCI	565	285	281	304	590	877
Year ended 31 March 2022						
Revenue	3,244	2,248	1,686	2,860	5,015	6,930
Other income	168	69	59	107	272	898
Expenses	(3,062)	(2,000)	(1,394)	(2,762)	(4,999)	(8,086)
Profit and total comprehensive income/(loss)	350	317	351	205	288	(258)
Total comprehensive income/(loss) attributable to NCI	105	159	140	41	115	(124)
Dividends paid to NCI	—	200	160	—	200	914
Net cash flows from (used in): Operating activities	354	333	229	477	733	2,179
Investing activities	(646)	(2)	(88)	(162)	(57)	94
Financing activities	(258)	(615)	(341)	(204)	(633)	(2,835)

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 2021						
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	1,998	877	1,003	1,503	2,314	3,582
Non-current assets	590	603	63	730	685	1,629
Current liabilities	(858)	(506)	(301)	(647)	(1,310)	(2,347)
Non-current liabilities	(195)	(323)	(14)	(272)	—	(579)
Net assets	1,535	651	751	1,314	1,689	2,285
Carrying amount of NCI	460	326	301	263	675	1,275
Year ended 31 March 2021						
Revenue	3,157	2,309	2,388	2,782	4,549	8,673
Other income	32	57	82	211	293	737
Expenses	(2,791)	(1,994)	(1,938)	(2,964)	(4,810)	(7,823)
Profit and total comprehensive income	398	372	532	29	32	1,587
Total comprehensive income attributable to NCI	119	186	213	6	13	860
Dividends paid to NCI	210	225	400	30	400	847
Net cash flows from (used in):						
Operating activities	1,273	829	799	709	32	3,029
Investing activities	(699)	(59)	(4)	29	(1)	141
Financing activities	(331)	(575)	(1,030)	(454)	(1,135)	(2,538)

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

	2022 RM'000	2021 RM'000
Net consideration	75	(6)
Acquisition of additional interests in subsidiaries	473	20
Disposal of interests in subsidiaries without loss of control	(56)	—
Difference recognised in equity	492	14

(a) Acquisition of additional interests in subsidiaries

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's 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's 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's 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.

On 21 April 2021, the Group acquired additional 40% of the equity interests in Right View Optic for a cash consideration of RM40. The Group now holds 91% of the equity interests. The carrying amount of the 40% non-controlling interests in Right View Optic's net assets on the date of acquisition was RM473,209. The Group derecognised non-controlling interests of RM473,209 and recognised directly in equity attributable to owners of the Company (i.e. other reserve) of RM473,169 for the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid.

31. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL (Continued)

(b) Disposal of interests in subsidiaries without loss of control

On 7 April 2021, the Group disposed 25% of the equity interests out of 100% interest held in Lux Optical at consideration of RM75,000. The carrying amount of the non-controlling interests in Lux Optical's net assets on the date of disposal was RM55,737. This resulted in an increase in non-controlling interests of RM55,737 and an increase in equity attributable to owners of the Company of RM19,263.

32. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, during the years ended 31 March 2022 and 2021, 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	2022 RM'000	2021 RM'000
Exclusive Prestige Sdn. Bhd. (Note (i))	Book-keeping fee income	–	5
Horizon Dig Sdn. Bhd. (Note (ii))	Book-keeping fee income	–	3
Dato' Ng Kwang Hua and Dato' Ng Chin Kee	Rental expenses	72	33

Notes:

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

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

(b) Remuneration for key management personnel (including directors) of the Group:

	2022 RM'000	2021 RM'000
Salaries, discretionary bonus, allowances and other benefits in kind	3,426	2,730
Contributions to defined contribution plan	268	251
	3,694	2,981

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 2022, the Group entered into certain lease arrangements in respect of leased assets with capital value at the inception of leases of approximately RM13,071,000 *(2021: approximately RM10,795,000)*.

(b) Reconciliation of liabilities arising from financing activities

The movements during the years ended 31 March 2022 and 2021 in the Group's liabilities arising from financing activities are as follows:

			Non-cash changes				
	At 1 April 2021 RM'000	**Net cash flows RM'000**	**Additions RM'000**	**Termination of lease RM'000**	**COVID-19-Related rent concessions RM'000**	**Interest expense RM'000**	**At 31 March 2022 RM'000**
Year ended 31 March 2022							
Interest-bearing borrowing	**1,288**	**(1,288)**	**—**	**—**	**—**	**—**	**—**
Lease liabilities	**19,169**	**(12,448)**	**13,071**	**(261)**	**(2,841)**	**601**	**17,291**
Total liabilities from financing activities	**20,457**	**(13,736)**	**13,071**	**(261)**	**(2,841)**	**601**	**17,291**

			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 borrowings	1,371	(83)	—	—	—	1,288
Lease 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

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 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 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 be exposed 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 and RMB.

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**	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
HK$	**3,009**	10,935	**552**	537
RMB	**143,690**	—	**143,126**	—
USD	**2,967**	2,908	**85**	186
SGD	**239**	236	**—**	—

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.

	2022		2021	
	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%	246	10%	1,041
	(10%)	(246)	(10%)	(1,041)
RMB	10%	56	10%	—
	(10%)	(56)	(10%)	—
USD	10%	288	10%	273
	(10%)	(288)	(10%)	(273)
SGD	10%	24	10%	24
	(10%)	(24)	(10%)	(24)

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 2022 and 2021.

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.

	2022 RM'000	2021 RM'000
Trade and other receivables	**155,679**	7,288
Fixed deposits with licensed banks	**54,031**	42,553
Bank balances and cash	**51,140**	68,343
	260,850	118,184

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. In addition, debtor balances are monitored on an ongoing basis and the Group's exposure to bad debts is being managed.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer as well as the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

At 31 March 2022, the Group had a concentration of credit risk as approximately 99% *(2021: approximately 32%)* of the total trade receivables was due from the Group's largest trade debtor, and approximately 99% *(2021: approximately 98%)* of the total trade receivables was due from the Group's five largest trade debtors. The Group manages the concentration of credit risk by broadening the customer base of the Group.

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. The management estimated the expected credit losses taking into account the historical credit loss experience and market credit loss rate, 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. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Trade receivables from third parties (Continued)

There was no change in the estimation techniques or significant assumptions made during the years ended 31 March 2022 and 2021.

The information about the exposure to credit risk and ECL for trade receivables at 31 March 2022 is summarised as follows:

At 31 March 2022

	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000
Not past due	—*	144,221	12
Within 30 days past due	—*	10	—
31 to 60 days past due	1.05	95	1
61 to 90 days past due	1.43	70	1
		144,396	14

* Less than 0.01%.

At 31 March 2021, trade receivables with risk of late-payment has gross carrying amount of approximately RM130,000 for which the estimated credit losses were insignificant.

The Group does not hold any collateral over trade receivables at 31 March 2022 and 2021.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Trade receivables from third parties (Continued)

At 31 March 2022, the Group recognised the loss allowance of approximately RM14,000 *(2021: Nil)* on the trade receivables. The movement in the loss allowance for trade receivables during the years ended 31 March 2022 and 2021 is summarised below.

	2022 RM'000	2021 RM'000
Balance at the beginning of the reporting period	–	244
Increase in allowance	14	–
Reversal of allowance upon collection	–	(244)
Balance at the end of the reporting period	14	–

Other receivables

The management of the Group considers that the other receivables have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on other receivables 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 2022 and 2021.

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 2022						
Trade and other payables	**165,995**	**165,995**	**165,995**	**—**	**—**	**—**
Lease liabilities	**17,291**	**17,948**	**10,016**	**5,275**	**2,657**	**—**
	183,286	**183,943**	**176,011**	**5,275**	**2,657**	**—**
At 31 March 2021						
Trade and other payables	15,573	15,573	15,573	—	—	—
Interest-bearing borrowings	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

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:

	2022 RM'000	2021 RM'000
Within one year	116	20
Over one year	18	—
	134	20

(b) Capital expenditure commitment

	2022 RM'000	2021 RM'000
Contracted but not provided, net of deposit paid for the acquisition of plant and equipment	166	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 2022 and 2021.

38. EVENTS AFTER THE REPORTING PERIOD

On 21 July 2022, the Company entered into a conditional sale and purchase agreement (the "SPA") with an independent third party, Mr. Tang Jun. Pursuant to the SPA, Mr. Tang Jun has conditionally agreed to sell and assign, and the Company has conditionally agreed to purchase, the entire issued share capital of Positive Oasis Limited (the "Target Company", together with its subsidiaries, the "Target Group"), and to accept the assignment of a sale loan, representing the entire amount of an unsecured interest-free loan provided by Mr. Tang Jun to the Target Group and remains outstanding at completion of the acquisition in accordance with the SPA.

Further details of the SPA were disclosed in the announcement of the Company dated 21 July 2022.

Save for the above mentioned, subsequent to 31 March 2022, there were no significant events after the Reporting Period and up to the date of this annual report.

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, 2021 and 2022 is extracted from the consolidated financial statement in the respective annual reports while for the years ended 31 March 2018 is extracted from the Prospectus.

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	**2022** **RM'000**
Revenue	115,462	133,615	147,126	99,223	**231,273**
Profit before tax	20,255	29,498	20,782	17,481	**17,476**
Income tax expenses	(4,638)	(6,747)	(6,955)	(5,227)	**(4,980)**
Profit for the year	15,617	22,751	13,827	12,254	**12,496**
Profit for the year attributable to:					
Owners of the Company	13,186	20,641	10,900	9,922	**10,112**
Non-controlling interest	2,431	2,110	2,927	2,332	**2,384**
	15,617	22,751	13,827	12,254	**12,496**

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	**2022** **RM'000**
ASSETS AND LIABILITIES					
Total assets	96,261	99,242	109,143	165,154	**317,328**
Total liabilities	(48,232)	(42,200)	(45,540)	(38,690)	**(186,628)**
	48,029	57,042	63,603	126,464	**130,700**
Equity attributable to:					
Owners of the Company	44,221	51,910	56,684	120,162	**124,578**
Non-controlling interest	3,808	5,132	6,919	6,302	**6,122**
	48,029	57,042	63,603	126,464	**130,700**

MOG CREATIONS
SETIA CITY MALL

MOG BOUTIQUE
AEON BUKIT TINGGI