

INFORMATION MEMORANDUM

For Restricted Circulation Only

PUSAT PAKAR MATA
TOP VISION[®]
EYE SPECIALIST CENTRE

明亮眼科专科中心

TOPVISION EYE SPECIALIST BERHAD

(Company No. 1273832-U)
(Incorporated in Malaysia)

PROPOSED PLACEMENT OF 66,800,000 ORDINARY SHARES IN TOPVISION EYE SPECIALIST BERHAD AT AN ISSUE PRICE OF RM0.18 PER SHARE IN CONJUNCTION WITH OUR PROPOSED LISTING ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Approved Adviser, Placement Agent and Continuing Adviser



Sadeq Corporate Advisory Sdn Bhd
(Company No: 1181381-D)

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”).

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS (AS DEFINED HEREIN) ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY TOPVISION EYE SPECIALIST BERHAD. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

This Information Memorandum is dated 18 September 2018

IMPORTANT INFORMATION

All defined terms used in this Information Memorandum are defined under “Definitions”.

The Board and Promoters of our Company have seen and approved this Information Memorandum. They collectively and individually accept full responsibility for the accuracy of all the information and statements contained in this Information Memorandum. After having made all reasonable enquiries, and to the best of their knowledge, information and belief, they confirm that there are no false or misleading statements or other material facts which, if omitted, would make any statement in this Information Memorandum false or misleading.

Sadec, being the Approved Adviser, Placement Agent and Continuing Adviser to our Proposed Listing acknowledges that, based on all available information, and to the best of its knowledge, this Information Memorandum constitutes a full and true disclosure of all material facts concerning the Proposed Listing and the Proposed Placement.

This Information Memorandum has been drawn up in accordance with the LEAP Market Listing Requirements for the Proposed Listing and the Proposed Placement and is not a prospectus and has not been registered, nor will it be registered as a prospectus under the CMSA. The Proposed Placement constitutes an excluded issue within the meanings of Section 230 of CMSA. This Information Memorandum has been prepared in the context of securities offering under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

A copy of this Information Memorandum has been deposited with the SC.

The SC and Bursa Securities take no responsibility for the contents of this Information Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Information Memorandum. The SC and Bursa Securities do not make any assessment on the suitability, viability or prospects of our Group. Sophisticated Investors are expected to make their own assessment on our Group or seek appropriate advice before making their investment decisions. The Approved Adviser has assessed the suitability of our Company for admission to the LEAP Market as per the Listing Requirements.

An application has been made to Bursa Securities for the admission of our Company and the listing of and quotation for the entire ordinary share capital of our Company on the LEAP Market. No monies shall be collected from Sophisticated Investors for the subscription of the Placement Shares, and no new Shares shall be allotted pursuant to the Proposed Placement until Bursa Securities has granted its approval-in-principle for the admission of our Company to the LEAP Market. Approval from Bursa Securities of the same is not an indication of the merits of our Proposed Listing, Proposed Placement, our Company or our Shares. This Information Memorandum can be viewed or downloaded from Bursa Securities’ website at www.bursamalaysia.com.

Sophisticated Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws and regulations including any statement in the Information Memorandum that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to the Information Memorandum. This Information Memorandum or any document delivered under or in relation to the issue, offer and sale of our Shares is not and should not be construed as a recommendation by us and/or the Approved Adviser to subscribe for or purchase or shares. This Information Memorandum is not a substitute for and should not be regarded as an independent evaluation and analysis and does not purport to be all inclusive. Each Sophisticated Investor should perform and is deemed to have made its own independent investigation, assess the merits and risks of the investment and analysis of our Company and all other relevant matters. You shall be solely responsible for your investment decision, and should rely on your own evaluation to assess the merits and risks of an investment in our Company, and should consult to the extent necessary, your own legal, financial, tax, accounting and/or other professional advisers in this respect prior to any investment in our Company.

IMPORTANT INFORMATION

The purpose of this Information Memorandum is to provide information on the business and affairs of our Group. This Information Memorandum does not constitute or form part of any offer or invitation to subscribe for or purchase, or solicitation of any offer to subscribe for or purchase of our Shares, nor is it intended to invite or permit the making of offers by the public to subscribe for or purchase our Shares.

This Information Memorandum is intended for circulation only to person whom an issue of securities would constitute an excluded issue within the meaning of Section 230 of the CMSA.

This Information Memorandum, if furnished to you, is strictly for your own use and is not to be circulated to any other party. Information in this Information Memorandum is subject to change from time to time as we and/or Sadeq shall deem fit. If the Information Memorandum is revised or amended in a manner, which would make this Information Memorandum, as so modified or amended, inaccurate or misleading, the revised Information Memorandum will be deposited with the SC.

MODE OF COMMUNICATION

In accordance with our constitution, we may send to our shareholders (“**Holders**”), such as but not limited to shareholders’ circulars, annual reports, written resolutions and notices as required by the Listing Requirements (“**Documents**”) by electronic means to the Holders’ registered email address last maintained with either our Company Secretary or Bursa Malaysia Depository Sdn Bhd (“**Bursa Depository**”), as the case may be. However, in the event that the electronic mail address of any of our shareholders is not available, or if our shareholders request for a hardcopy to be sent to them, our Company will forward a copy of the Documents to the Holders as soon as reasonably practicable after the receipt of the request, free of charge by ordinary mail.

We may also publish Documents on our website as a form of electronic communication with our Holders. In such event, we will separately and immediately notify our Holders through the following by way of:

- (i) ordinary mail;
- (ii) electronic means to the Holders’ registered email address;
- (iii) announcement(s) on Bursa Securities; and/or
- (iv) advertisement(s) in an English daily newspaper in Malaysia

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IMPORTANT INFORMATION

TERMS AND CONDITIONS BINDING ALL RECIPIENTS

By accepting this Information Memorandum, you agree and undertake to be bound by the following terms and conditions:

- (i) This Information Memorandum is issued by our Company and distributed by us as well as Sadec as our Approved Adviser and Placement Agent. The distribution of this Information Memorandum shall be in paper/printed copy and/or electronic copy upon request by interested recipient, free of charge. This Information Memorandum is distributed to interested recipient for information purposes only and upon the express understanding that such recipients will use it only for the purposes set forth below.
- (ii) The information contained in this Information Memorandum, including any statement or fact or opinion is solely for use by a limited number of prospective Sophisticated Investors for the purpose of evaluating their interest in investing in our Company (“**Proposed Investment**”). Nothing contained herein shall be taken as a recommendation or invitation by us and/or Sadec to undertake the Proposed Investment or as a commitment on our part to accept your Proposed Investment.
- (iii) We and Sadec each reserve the right (without notice or recourse) to alter, amend, terminate or suspend the process in respect of the Proposed Investment (“**Investment Process**”) without providing any reason therefor. All costs incurred by you during the Investment Process are for your account only and under no circumstances will we or Sadec be responsible for any part of such costs, notwithstanding any alteration, amendment, termination or suspension of the Investment Process or the reason thereof.
- (iv) Any document in relation to the Proposed Placement and Proposed Listing published or issued from time to time after the date hereof shall be deemed to form part of this Information Memorandum.
- (v) Subject to the provisions of any law, regulations and guidelines (“**Applicable Laws**”), we and Sadec each reserve the right to negotiate with one or more prospective Sophisticated Investors at any time. Subject to the Applicable Laws, we and Sadec each also reserve the rights (without notice or recourse) to terminate, at any time, further participation in the Investment Process by all or any recipients without assigning any reasons thereof.
- (vi) Neither the receipt of this Information Memorandum by any recipient nor any information made available in connection with the Proposed Investment is to be taken as constituting the giving of investment advice by Sadec. Sadec shall not advise you on the merits or risks of the Proposed Investment or potential valuation for the Proposed Investment.
- (vii) This Information Memorandum will not be distributed in any jurisdiction outside Malaysia except in accordance with the legal requirements applicable in such jurisdiction. No recipient in any jurisdiction outside Malaysia may take any action upon this Information Memorandum if, in the relevant jurisdiction, such action cannot be taken by the recipient without contravention of any relevant legal requirements. It is the sole responsibility of any recipient wishing to take any action upon this Information Memorandum to satisfy themselves as to the full observance of the law of the relevant jurisdiction and/or Malaysia in connection therewith, including without limitation, the receipt of our Shares or cash payment upon the sale of our Shares by the recipient, the repatriation of any money by the recipient out of Malaysia, the obtaining of any governmental, exchange control or other consents which may be required, and the payment of any tax or duty due in such jurisdiction. Such recipients shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and we and Sadec shall be entitled to be fully indemnified by such recipients for any tax or payment as the recipient may be required to pay. We and Sadec shall not accept any responsibility or liability in the event that any action taken by any recipient in any jurisdiction outside Malaysia or it shall become illegal, unenforceable, voidable or void in such jurisdiction for subscription of the Placement Shares.

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IMPORTANT INFORMATION

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” and “TOPVISION” in this Information Memorandum are to TOPVISION Eye Specialist Berhad. All references to “TOPVISION Group” and “our Group” in this Information Memorandum are to our Company and our subsidiaries taken as a whole and all references to “we”, “us”, “our” and “ourselves” are to our Company and our subsidiaries, save where the context otherwise requires. Statements as to our beliefs, expectations, estimates and opinions are those of our Company.

Unless the context otherwise requires, all references to “key management” are to our Directors and our key management personnel of TOPVISION as at of the date of this Information Memorandum, and statements to our key management’s beliefs, expectations, estimates and opinions are those of our key management.

In this Information Memorandum, all references to the “Promoters” and “substantial shareholders” are to Kenny Liew and Dr. Peter.

The word “approximately” used in this Information Memorandum is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or one (1) or two (2) decimal place. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” section appearing after this Section. Words importing the singular shall, where applicable, include the plural and vice-versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Any reference to a time of a day in this Information Memorandum shall be a reference to Malaysian time, unless otherwise stated.

Any reference in this Information Memorandum to any statutory legislation is a reference to that statutory legislation as for the time being amended, modified or re-enacted.

FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements. All statements other than statements of historical facts included in this Information Memorandum, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements are applicable only as at the date of this Information Memorandum.

Words such as “may”, “will”, “would”, “could”, “expect”, “anticipate”, “should”, “intend”, “plan”, “believe”, “seek”, “estimate”, “project” and variations of such words and similar expressions are intended to identify such forward-looking statements and expectations.

These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Our Company is not under any obligation to update or revise such forward-looking statements in this Information Memorandum. Neither our Company, the Approved Adviser nor any other person represents or warrants that our Group’s actual future results, performances or achievements will be as disclosed in those statements.

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IMPORTANT INFORMATION

Factors that could cause our actual results, performances or achievements to differ materially include, without limitation, those discussed in “Section 6: Risk Factors and Sections 11 and 12: Financial Information and Management Discussion and Analysis”. We cannot give any assurance that the forward-looking statements made in this Information Memorandum will be realised. Sophisticated Investors will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

INVESTMENT RISKS

Investment in our Company carries risk. There can be no assurance that our Company’s strategy will be achieved and investment results may vary substantially over time. Sophisticated Investors contemplating an investment in our Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of our Group. No assurance is given, express or implied, that Sophisticated Investors will receive back the amount of their investment in our Shares.

Sophisticated Investors should carefully consider whether an investment in our Shares is suitable for them in light of their circumstances and financial resources and whether they are able and willing to withstand the potential loss of their entire investment.

This Information Memorandum should be read in its entirety before making any investment in our Company.

PRIVACY NOTICE

The Personal Data Protection Act 2010 (“**PDPA**”) was introduced to regulate the processing of personal data in commercial transactions. The PDPA requires us to inform you of your rights in respect of your personal data that is to be collected and processed by us.

Consequently, please be informed that the personal data and other information (collectively, “**Personal Data**”) that you provide will be used and processed by us in connection with our Proposed Placement only (“**Purpose**”), and not for any other purpose.

If required for the Purpose, you hereby give consent that your Personal Data may be disclosed to our advisers who provide services to us, including our Placement Agent. Save for the foregoing, your Personal Data will not be knowingly disclosed to any other third party.

Without prejudice to the Terms and Conditions of our Proposed Placement as contained in this Information Memorandum, you may at any time hereafter make inquiries, complaints and upon payment of a prescribed fee, request in writing to access to, or correction of, your Personal Data or limit the processing of your Personal Data by submitting such request to the following:

Postal address : TOPVISION Eye Specialist Berhad
c/o Bina Management (M) Sdn Bhd (50164-V)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor, Malaysia

Kindly be informed that we will assume that you have consented and we will continue to process your Personal Data in accordance with this Privacy Notice unless we hear otherwise from you. You may exercise your rights in respect of your rights in respect of your Personal Data in the manner described above.

This Privacy Notice may be amended from time to time and would be in effect on the date as determined by us. Any amendment to this Privacy Notice shall be published on any medium as we deem fit.

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EXPECTED TIMETABLE FOR THE PROPOSED PLACEMENT AND PROPOSED LISTING

The indicative timing of events leading to the listing of and quotation for our entire enlarged issued share capital on the LEAP Market of Bursa Securities is set out below:

Events	Tentative dates
Date of Information Memorandum	18 September 2018
Allotment of the Placement Shares	Mid October 2018*
Listing of our Company on the LEAP Market	Mid October 2018*
<i>* Subject to receipt of approval from Bursa Securities for our Proposed Listing.</i>	

The timetable is indicative and is subject to changes which may be necessary to facilitate the implementation procedures. An announcement for the key relevant dates will be made after obtaining Bursa Securities' approval for our Proposed Listing.

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DEFINITIONS

Act	: Companies Act 2016, as amended, modified or re-enacted from time to time
Acquisitions	: Acquisitions of the Subsidiaries which was completed on 18 June 2018
Acquisition of TOPVISION Banting	: Acquisition by TOPVISION of the entire equity interest of TOPVISION Banting comprising 634,772 ordinary shares for a purchase consideration of RM2,409,106 which was entirely satisfied by the issuance of 80,303,533 new Shares. The acquisition was duly completed on 18 June 2018
Acquisition of TOPVISION Batu Pahat	: Acquisition by TOPVISION of the entire equity interest of TOPVISION Batu Pahat comprising 223,500 ordinary shares for a purchase consideration of RM47,727 which was entirely satisfied by the issuance of 1,590,900 new Shares. The acquisition was duly completed on 18 June 2018
Acquisition of TOPVISION Kuala Selangor	: Acquisition by TOPVISION of the entire equity interest of TOPVISION Kuala Selangor comprising 320,002 ordinary shares for a purchase consideration of RM23,526 which was entirely satisfied by the issuance of 784,200 new Shares. The acquisition was duly completed on 18 June 2018
Acquisition of TOPVISION Kulai	: Acquisition by TOPVISION of the entire equity interest of TOPVISION Kulai comprising 230,000 ordinary shares for a purchase consideration of RM165,250 which was entirely satisfied by the issuance of 5,508,333 new Shares. The acquisition was duly completed on 18 June 2018
Acquisition of TOPVISION Setia Alam	: Acquisition by TOPVISION of the entire equity interest of TOPVISION Setia Alam comprising 614,124 ordinary shares for a purchase consideration of RM3,018,257 which was entirely satisfied by the issuance of 100,608,567 new Shares. The acquisition was duly completed on 18 June 2018
Board	: Our Board of Directors
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
CMSA	: Capital Markets and Services Act 2007, as amended, modified or re-enacted from time to time
Constitution	: Constitution of our Company
Director(s)	: Director(s) of our Company
Dr. Peter	: Dr. Peter Chong Kuok Siong
EBITDA	: Earnings before interest, tax, depreciation and amortisation
EPS	: Earnings per share
FPE	: Financial period ended
FYE	: Financial year ended/ending
GP	: Gross profit
IMR Report	: Independent Market Researcher Report entitled “Strategic Analysis of the Medical Eye Care Industry in Malaysia” dated September 2018 prepared by Protégé Associates
Information Memorandum	: This Information Memorandum dated 18 September 2018 in relation to our Proposed Placement and Proposed Listing

DEFINITIONS

Issue Price	: RM0.18 per Issue Share, being the price at which each Placement Share is to be issued
Issue Share(s)	: 66,800,000 new Shares to be issued pursuant to the Proposed Placement
Kenny Liew	: Liew Hock Nean
LEAP Market	: LEAP Market of Bursa Securities
Listing Requirements	: LEAP Market Listing Requirements of Bursa Securities
LPD	: 7 September 2018, being the latest practicable date prior to the date of this Information Memorandum
Market Day	: Any day between Mondays and Fridays (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
NA	: Net Assets
Official List	: The list specifying all securities listed on Bursa Securities
PAT	: Profit after tax
PBT	: Profit before tax
Placement Share(s)	: 66,800,000 Shares to be issued pursuant to the Proposed Placement
Promoters	: Kenny Liew and Dr. Peter
Proposed Listing	: Proposed admission to the Official List and the listing of and quotation for our entire enlarged share capital of 255,595,535 Shares on the LEAP Market
Proposed Placement	: Proposed issuance of 66,800,000 Placement Shares at the Issue Price to Sophisticated Investors
Protégé Associates	: Protégé Associates Sdn Bhd (675767-H)
RM and sen	: Ringgit Malaysia and sen respectively
Sadec or Approved Adviser or Placement Agent or Continuing Adviser	: Sadec Corporate Advisory Sdn Bhd (1181381-D), being the Approved Adviser, Placement Agent and Continuing Adviser for our Proposed Placement and Proposed Listing
SC	: Securities Commission Malaysia
Share(s)	: Ordinary share(s) in our Company
Sophisticated Investor	: Any person who falls within any of the categories of investors set out in Part I of Schedule 7 of the CMSA
Subsidiaries	: TOPVISION Banting, TOPVISION Batu Pahat, TOPVISION Kuala Selangor, TOPVISION Kulai and TOPVISION Setia Alam
TOPVISION or Company	: TOPVISION Eye Specialist Berhad (1273832-U)

DEFINITIONS

TOPVISION Banting	:	Topvision Eye Specialist Centre Sdn Bhd (889415-M)
TOPVISION Batu Pahat	:	Top Vision Eye Specialist Centre (Batu Pahat) Sdn Bhd (1142221-W)
TOPVISION Group or Group	:	Collectively, TOPVISION and its Subsidiaries
TOPVISION Kuala Selangor	:	Topvision Eye Specialist Centre (Kuala Selangor) Sdn Bhd (1072532-V)
TOPVISION Kulai	:	Topvision Eye Specialist Centre (Kulai) Sdn Bhd (1206801-A)
TOPVISION Setia Alam	:	Topvision Eye Specialist Centre (Setia Alam) Sdn Bhd (926675-T)
TOPVISION Shares or Shares	:	Our ordinary shares
USA	:	United States of America

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GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanations of certain terms used throughout this Information Memorandum in connection with our Group and business. The terminologies and their meanings may not correspond to the standard industry meanings of usage of these terms.

Aberration	: Something that deviates from the normal way. Aberration in optics refers to a defect in a lens such that light is not focused to a point, hence an image formed by a lens with aberration is blurred or distorted.
Age-related macular degeneration (AMD) or macular degeneration	: The gradual loss of central vision due to a damaged macula, which consists of retinal cones necessary for sight.
Ambulatory care	: Medical services performed on an outpatient basis, without admission to a hospital. Ambulatory care can include surgical and medical procedures even when provided outside hospitals.
Astigmatism	: Optical defect in which refractive power is not uniform in all directions (meridians). Light rays entering the eye are bent unequally by different meridians, which prevents formation of a sharp image focus on the retina.
Cataract	: Clouding of the natural lens of the eye which is usually caused by aging resulting in reduced vision.
Diabetic retinopathy	: Leaking of retinal blood vessels in advanced or long-term diabetes, affecting the macula or retina.
Glaucoma	: An eye condition whereby the optic nerve is damaged predominantly due to raised intraocular (eye) pressure.
Hyperopia	: It is also known as far sightedness, a type of eye disorder where distant objects may be seen more clearly than objects that are near.
Intraocular lens	: An artificial lens implanted in the eye during cataract surgery or clear lens exchange surgery.
Ischaemic retinal disease	: A condition where there is a lack of oxygen supplied to the retina. This can be caused by a variety of conditions including diabetes, high cholesterol, embolism, autoimmune or retinal vascular disease. An embolism is a blocked artery caused by a foreign body, such as a blood clot or an air bubble.
LASIK (Laser-Assisted In Situ Keratomileusis)	: A surgical procedure that reshapes the cornea of the eye, thereby corrects and enhances eyesight. LASIK corrects myopia, hyperopia, astigmatism and presbyopia.
Lens capsule / Zonules	: A clear, thin membrane-like structure which holds the lens in the anatomical position within the eye.
Macula	: It is an oval-shaped pigmented area near the center of the retina and provides the vision needed for detailed activities such as reading and writing, and the ability to appreciate colour.
Myopia	: It is also called near-sightedness where a person can see near objects clearly but distant vision is blurred.
Ocular comorbidity	: The presence of one or more eye diseases or disorders co-occurring with each other.

GLOSSARY OF TECHNICAL TERMS

Ophthalmologist	:	A medical doctor who specializes in the diagnosis and treatment of eye diseases and disorders. Ophthalmologists perform eye exams, treat disease, prescribe medication and perform surgeries.
Ophthalmology	:	A medical sub-speciality in eye diseases.
Optician	:	A professional who makes and adjusts optical aids, e.g. eyeglass lenses, from refraction prescriptions supplied by an ophthalmologist or optometrist.
Optometrist	:	A professional who specializes in the function and disorders of the eye, detection of eye disease, and certain types of eye disease management.
Paediatric ophthalmology	:	A sub-speciality of ophthalmology related to eye diseases, visual development and vision care in children.
Presbyopia	:	A condition in which the aging eye is unable to focus at all distances, often noticed when print begins to blur.
Refractive error	:	Refractive error happens when the shape of the eye does not bend light correctly, resulting in a blurred image. The main types of refractive errors are myopia, hyperopia, presbyopia and astigmatism.
Retina	:	A tissue layer at the back of the eyeball that contains cells sensitive to light. The retina receives light that the lens has focused and converts the light into neural signals before sending these signals to the brain for visual recognition.
Retinopathy	:	Disease of the retina.
Visual acuity	:	Refers to the clarity of vision.
Vitreoretinal	:	Conditions affecting the vitreous and the retina. Vitreous is the clear jelly-like substance that fills the space in the eye while retina is the light-sensitive tissue lining the back of the eye.

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APPENDICES

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- II Unaudited Interim Combined Financial Statement of TOPVISION Eye Specialist Berhad for the 7-month FPE 31 July 2018

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1. CORPORATE DIRECTORY

- BOARD OF DIRECTORS** : Kenny Liew
Chief Executive Officer / Executive Director
- Dr. Peter
Medical Doctor / Executive Director
- Lee Yit Chin
Independent Non-Executive Director
- REGISTERED OFFICE** : Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia
Tel No.: 03 2241 5800
Fax No.: 03 2282 5022
- HEAD OFFICE** : Unit 11-2 & 11-3, No.2, Block 2
Jalan Setia Prima (S) U13/S
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan
Malaysia
- EMAIL ADDRESS** : enquiry@tvpsc.com
- WEBSITE ADDRESS** : www.tvpsc.com
- COMPANY SECRETARY** : Wong Youn Kim (MAICSA 7018778)
HMC Corporate Services Sdn Bhd (83556-P)
Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia
Tel No.: 03 2241 5800
Fax No.: 03 2282 5022
- APPROVED ADVISERS,
PLACEMENT AGENT AND
CONTINUING ADVISER** : Sadec Corporate Advisory Sdn Bhd (1181381-D)
Business Suite 19A-11-12, 11th Floor
UOA Centre, 19A, Jalan Pinang
50450 Kuala Lumpur
Malaysia
Tel No.: 03 2161 2126
Fax No.: 03 2161 1348
- AUDITORS AND
REPORTING ACCOUNTANTS** : Grant Thornton Malaysia (AF 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Tel No.: 03 2692 4022
Fax No.: 03 2732 5119

1. CORPORATE DIRECTORY

- SOLICITORS** : Chooi & Company + Cheang & Ariff
CCA @ BANGSAR
Level 5, Menara BRDB
285, Jalan Maarof
Bukit Bandaraya
59000 Kuala Lumpur
Malaysia
Tel No.: 03 2055 3888
Fax No.: 03 2055 3880
- INDEPENDENT MARKET RESEARCHER** : Protégé Associates Sdn Bhd (675767-H)
Suite C-06-06, Plaza Mont' Kiara
2, Jalan Kiara, Mon't Kiara
50480 Kuala Lumpur
Malaysia
Tel No.: 03 6201 9301
Fax No.: 03 6201 7302
- INTERNAL CONTROL AND RISK MANAGEMENT CONSULTANTS** : Sterling Business Alignment Consulting Sdn Bhd (654110-P)
Unit 216, Level 2, Lobby 3
Block A, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel No: 03 7662 8010
Fax No: 03 7725 0821
- PRINCIPAL BANKERS** : CIMB Bank Berhad
19th Floor, Menara Bumiputra-Commerce
No. 11, Jalan Raja Laut
50350 Kuala Lumpur
Malaysia
- Hong Leong Bank Berhad
A-G-10 & A-01-11, Galeria Hartamas
Jalan 26A/70A, Desa Sri Hartamas
50480 Kuala Lumpur
Malaysia
- Public Bank Berhad
Cawangan Kapar, 252, 252A & 256
Jalan Besar
42200 Kapar
Selangor Darul Ehsan
Malaysia
- SHARE REGISTRAR** : Bina Management (M) Sdn Bhd (50164-V)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel No: 03 7784 3922
Fax No: 03 7784 1988
- LISTING SOUGHT** : LEAP Market of Bursa Securities

2. INFORMATION SUMMARY

THE INFORMATION CONTAINED IN THIS SUMMARY IS DERIVED FROM THIS INFORMATION MEMORANDUM, AND SHOULD BE READ IN CONJUNCTION WITH, THE FULL TEXT OF THIS INFORMATION MEMORANDUM. AS IT IS A SUMMARY, IT DOES NOT CONTAIN ALL OF THE INFORMATION THAT SOPHISTICATED INVESTORS SHOULD CONSIDER BEFORE INVESTING IN OUR SHARES. SOPHISTICATED INVESTORS SHOULD READ THIS ENTIRE INFORMATION MEMORANDUM CAREFULLY, ESPECIALLY THE SECTION ENTITLED “SECTION 6: RISK FACTORS” OF THIS INFORMATION MEMORANDUM AND OUR FINANCIAL STATEMENTS AND RELATED NOTES BEFORE DECIDING ON WHETHER OR NOT TO INVEST IN OUR SHARES.

2.1 Our Company

Our Company was incorporated in Malaysia under the Act on 27 March 2018 as a private limited company, under the name of TOPVISION Eye Specialist Sdn Bhd. Subsequently, on 7 June 2018, our Company was converted into a public limited company and assumed our present name to facilitate our Proposed Listing. Our Company became the investment holding company of our Group following the completion of the Acquisitions on 18 June 2018.

As at LPD, our Company has 5 subsidiaries namely TOPVISION Banting, TOPVISION Batu Pahat, TOPVISION Kuala Selangor, TOPVISION Kulai and TOPVISION Setia Alam and has no associated company.

2.2 Business Overview

Our Group is a comprehensive medical eye care service provider with ambulatory surgical centres in Malaysia. Our ophthalmologists are specialised in the fields of cataract and retina surgery, glaucoma filtering surgery, corneal and external eye diseases, oculoplastic surgery, pterygium excision with conjunctival autograft, paediatric ophthalmology and our ophthalmologists are dynamic, experienced and energetic shareholders of our Company.

Further details of our Company and business overview are set out in Sections 4 and 5 of this Information Memorandum, respectively.

2.3 Competitive Strengths

Our Directors believe that our business sustainability and growth is built on the following competitive strengths:

- (i) Experienced management team;
- (ii) Strategically located facilities in secondary tiered cities;
- (iii) Established brand and medical team with proven track record; and
- (iv) Wide range of medical eye treatment services

Further details of our competitive strengths are set out in Section 5.4 of this Information Memorandum.

2.4 Business Strategies and Future Plans

Our future plans are as follows:

- (i) Expansion of the Group’s network;
- (ii) Expansion of the Group’s range of services; and
- (iii) Growing the international markets

Further details of our future plans are set out in Section 5.16 of this Information Memorandum.

2. INFORMATION SUMMARY

2.5 Financial Highlight

The summary of our financial information is as follows:

	Audited		Unaudited
	FYE 31 December 2016	FYE 31 December 2017	FPE 31 July 2018
	RM'000	RM'000	RM'000
Revenue	12,049	15,693	10,184
GP	4,710	6,588	5,301
EBITDA	2,259	3,721	2,828
PBT	831	2,168	1,613
PAT	436	1,574	1,231
GP margin (%)	39.09	41.98	52.06
PBT margin (%)	6.90	13.82	15.85
PAT margin (%)	3.62	10.03	12.09
Cash and cash equivalent	1,352	974	1,354
Total assets	13,368	14,376	15,769
Total liabilities	10,650	9,985	8,873
Total equity	2,718	4,391	6,896

Further details on our financial information and management discussion and analysis of our financial are set out in Sections 11 and 12 of this Information Memorandum, respectively.

2.6 Share Capital and Market Capitalisation

	No. of Shares	RM
Issued share capital as at the date of this Information Memorandum	188,795,535	5,663,867.99
Shares to be issued pursuant to the Proposed Placement	66,800,000	12,024,000.00
Enlarged issued share capital upon Proposed Listing	255,595,535	17,687,867.99
Issue Price per Share		0.18
Gross proceeds to be raised		12,024,000.00
Market capitalisation at the Issue Price upon Proposed Listing		46,007,196.30

Further details on our share capital are set out in Section 3.3 of this Information Memorandum.

2.7 Utilisation of Proceeds

Based on the Issue Price of RM0.18 per Share, the Proposed Placement is expected to raise gross proceeds of RM12,024,000 to be used for our future business expansion, working capital and to defray the estimated listing expenses incidental to our Proposed Listing.

Further details on the utilisation of proceeds are set out in Section 3.5 of this Information Memorandum.

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2. INFORMATION SUMMARY

2.8 Risk Factors

Before investing in our Shares, you should carefully consider, along with other matters in this Information Memorandum, the risk factors in particular risks relating to our business and operations as set out in Section 6 of this Information Memorandum, which are summarised below:

- (i) Risk relating to our business and our operation
 - (a) Dependency on Executive Directors, ophthalmologists and key management;
 - (b) Competition risks;
 - (c) Cost escalation risks; and
 - (d) Insurance coverage and indemnities may not be adequate to cover all our damages and losses.

- (ii) Risk relating to medical eye care industry
 - (a) Regulations set out by the authorities; and
 - (b) Complaints and medical negligence claims by patients

- (iii) Risks relating to investment in our Shares
 - (a) Delay or abortion of our Proposed Listing;
 - (b) No prior market for our Shares;
 - (c) Our Promoters can exercise significant control over our Company;
 - (d) We may not be able to pay dividends; and
 - (e) Forward-looking statements

Further details of the risks on our business operation, medical eye care industry as well as risks relating to investment in our Shares are set out in Section 6 of this Information Memorandum.

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3. DETAILS OF OUR PROPOSED LISTING

3.1 Purpose of our Proposed Listing

The purposes of our Proposed Listing are as follows:

- (i) to enable us to gain access to the capital market to raise funds for our future growth opportunities when the need arises, through other forms of capital raising avenues;
- (ii) to enhance our stature and heighten our public profile as well as increase market awareness of our services so as to assist us in expanding our customers base; and
- (iii) to provide an opportunity for Sophisticated Investors to participate in the future performance of our Company by way of equity participation.

3.2 Proposed Listing on Bursa Securities

Pursuant to our Proposed Listing, we intend to issue 66,800,000 Placement Shares, representing approximately 26.13% of our enlarged issued share capital at RM0.18 per Placement Share within the meanings of Section 230 of the CMSA to Sophisticated Investors.

Our Proposed Listing is subject to the receipt of an approval from Bursa Securities. Thus, we have concurrently made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM17.69 million comprising 255,595,535 Shares on the LEAP Market and are awaiting Bursa Securities' decision on the same.

3.3 Share Capital and Market Capitalisation

	No. of Shares	RM
Issued share capital as at the date of this Information Memorandum	188,795,535	5,663,867.99
Shares to be issued pursuant to the Proposed Placement	66,800,000	12,024,000.00
Enlarged issued share capital upon Proposed Listing	255,595,535	17,687,867.99
Issue Price per Share		0.18
Gross proceeds to be raised		12,024,000.00
Market capitalisation at the Issue Price upon Proposed Listing		46,007,196.30

Based on the Issue Price and our enlarged issued share capital of 255,595,535 Shares, we will have a market capitalisation upon Proposed Listing of RM46.01 million. The board lot size of our share capital upon Proposed Listing will be standardised at 100 units per board lot.

As at the LPD, our Company has a single class of shares, namely ordinary shares.

Our Shares rank *pari passu* in all aspects with one another including voting rights and rights to all dividends and other distributions that may be declared.

Subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the capital on the Shares held by them, be entitled to share in the profits paid out by us in the form of dividends and other distributions. In the event of our liquidation, our shareholders shall be entitled to any surplus in proportion to the capital at the commencement of the liquidation, in accordance with our Constitution and the provisions of the Act.

3. DETAILS OF OUR PROPOSED LISTING

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy or by attorney. On a poll, each present shareholder either in person, by proxy, by attorney or other duly authorised representative shall have one (1) vote for each Share held.

There are no limitations on the right to own securities, including limitations on the right of non-resident or foreign shareholders to hold or exercise voting rights on the securities imposed by law or by the constituent documents of our Company.

3.4 Basis of arriving at the Issue Price of the Shares

The Issue Price of RM0.18 was determined after taking into consideration, amongst others, the following factors:

- (i) our audited EPS of 0.62 sen, computed based on our Company's audited PAT of RM1.57 million for the FYE 31 December 2017 and our enlarged issued share capital of 255,595,535 Shares, translating to a price to earnings multiple of approximately 29 times based on our Issue Price of RM0.18;
- (ii) the indicative price to earnings multiple of 22 times derived from our annualised combined unaudited PAT of RM2.11 million for the 7-month FPE 31 July 2018;
- (iii) the prospects and future plans of our Company as set out in Sections 5.15 and 5.16 of this Information Memorandum;
- (iv) our operating history and competitive strengths that have been the keys to our achievements, which we believe would continuously contribute to the success and growth of our Group, the details of which are set out in Sections 4.1 and 5.4 of this Information Memorandum;
- (v) size of our fund-raising required for our business expansion as set out in Section 3.5 of this Information Memorandum and the level of dilution of shareholdings acceptable by our Promoters arising from the issuance of Placement Shares; and
- (vi) investors' feedback with regards to the demand for our Placement Shares.

Prior to our Proposed Listing, there was no public market for our Shares within or outside Malaysia. You should note that the market price of our Shares subsequent to our Proposed Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares being traded. You are reminded to carefully consider the risk factors as set out in Section 6 of this Information Memorandum and form your own views on the valuation of our Shares before deciding to invest in them.

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3. DETAILS OF OUR PROPOSED LISTING

3.5 Utilisation of Proceeds

Based on the Issue Price, the Proposed Placement is expected to raise gross proceed of RM12.02 million which is intended to be utilised in the following manner:

Details of utilisation	Amount	Percentage of gross proceeds	Estimated timeframe for utilisation from the date of Proposed Listing
	RM'000	%	
(a) Business expansion	10,000	83.17	Within 24 months
(b) Working capital	1,016	8.45	Within 12 months
(c) Estimated Proposed Listing expenses	1,008	8.38	Within 3 months
Total	12,024	100.00	

Further details on the proposed utilisation of the gross proceeds from our Proposed Placement are set out below:

(a) Business expansion

We are planning to utilise approximately RM10.00 million of the proceeds within 24 months after Proposed Listing for establishment of an International Eye Specialist Centre in Klang Valley and setting-up ambulatory care centres in Southern Region. With aging population and rise in disposable income in Malaysia, the Group aims to reach more patients in new locations across Malaysia.

(i) Establishment of an International Eye Specialist Centre

The Group's immediate plan is to establish TOPVISION International Eye Specialist Centre ("TVIESC") in Klang Valley, earmarked to be subspecialty multi-disciplinary tertiary eye centre, offering retina, cornea, glaucoma, paediatric, general, aesthetic and oculoplastics, refractive and LASIK services with in house general anaesthesia services for complex eye procedures, including cornea transplant. This centre is also targeted to cater to international patients, especially Indonesia market.

The total cost involved in land purchase is approximately RM7.50 million. We intend to spend part of the placement proceeds of RM5.00 million for the land acquisition and the remaining RM2.50 million will be funded by bank borrowings. The construction cost of the eye specialist centre, estimated to be approximately RM4.00 million will be funded by internal generated funds. We are in midst of identifying a suitable location for our TVIESC. We target to commence the set-up of our TVIESC in 4th quarter of 2018 as soon as the proceeds from our Placement Shares are obtained. Other cost involved in setting up of the TVIESC is estimated at RM3.00 million for the cost of equipment which our Group envisages to finance via leasing.

(ii) Setting-up Ambulatory Care Centres

We intend to allocate part of the placement proceeds of RM5.00 million to set-up two (2) ambulatory care centres in Southern Region. The setting-up of new ambulatory care centres in Southern Region will enable us to implement our business strategies, expand our market coverage and customer base, as well as strengthen our position in Southern Region which comprises the states of Negeri Sembilan, Melaka and Johor in Peninsula Malaysia.

3. DETAILS OF OUR PROPOSED LISTING

With the establishment of ambulatory care centres, we will be able to provide services which include medical treatment of various eye related conditions, as well as surgical treatment such as refractive lens exchange, vitreoretinal surgery, cataract, pterygium, eyelid and glaucoma surgeries in the Southern Region. The ambulatory care centres require a comprehensive range of ophthalmic equipment which is mostly fixed or non-portable and is usually expensive.

The breakdown of the estimated costs of setting-up ambulatory care centres in Southern Region is as follows:

Details	Centre 1 RM'000	Centre 2 RM'000
Renovation	1,700	1,700
IT infrastructure	200	200
Ophthalmic equipment, instruments and consumables	600	600
Total	2,500	2,500

The Company intends to hire 2 consultant ophthalmologists, 4 staff nurses, 2 optometrists and 6 nursing aides respectively to manage these ambulatory care centres.

(b) Working capital

Our requirement for working capital will increase in tandem with our future plans. Therefore, we expect to utilise approximately RM1.02 million of the placement proceeds to finance our day-to-day operations, including inter alia, payment to trade suppliers, salaries for an expanded workforce and defrayment of operational expenses.

(c) Estimated Proposed Listing expenses

The placement proceeds allocated for our Proposed Listing expenses include professional fees, fees payable to relevant authorities and other miscellaneous expenses. Any variation to the actual amount of expenses for the Proposed Listing will be adjusted accordingly against the allocation for our working capital.

Prior to being utilised, the placement proceeds will be placed in deposits with approved licensed financial institutions or short-term money market instruments, as our Board may deem fit. Any interest income earned from such deposits or instruments will be used as working capital of our Company.

3.6 Dividend Policy

Neither our Company nor our Subsidiaries have distributed any cash dividend on our Shares since incorporation. We do not have any formal dividend policy presently. Any declaration of interim dividends and recommendation of final dividends are subject to the discretion of our Board and any final dividend is subject to our shareholders' approval.

Our ability to pay future dividend to our shareholders is subject to various factors, including but not limited to our financial performance, cash flow requirements, availability of distributable reserves and capital expenditure plans.

As we are an investment holding company, our ability to pay dividends depends on the dividends we receive from our Subsidiaries. The payment of dividends by our Subsidiaries will depend on their distributable profits, financial performance, financial condition, capital expenditure plans and other factors that their respective board of directors deem relevant.

4. INFORMATION OF OUR COMPANY

4.1 Our History and Key Milestones

Our Group’s history began in August 2010 when our founder, Kenny Liew established our first ambulatory eye care centre in Banting, Selangor. It is a comprehensive one-stop eye specialist centre which provides high quality and affordable eye care and treatment to the local community in Banting. In the year 2011, our second centre was established in Setia Alam, Selangor, which is also a referral centre for complex eye diseases, including vitreoretinal surgeries. The Setia Alam centre also functions as our headquarters.

In 2015, our third centre was opened in Kuala Selangor, Selangor. We began expanding our operations to Johor, opening the Group’s fourth centre in Batu Pahat in the year 2016. The Group’s fifth centre was opened in Kulai, Johor in May 2018. In a short span of seven (7) years, TOPVISION has set up five (5) eye specialist centres.

Our doctors are experienced ophthalmologists in Malaysia, whom have mastered in many eye treatments enabling patients to enjoy maximum safety, accuracy and comfort when undergoing eye treatment and surgery with us.

As at LPD, our Company has five (5) ophthalmologists and one (1) visiting consultant ophthalmologist in 5 centres.

Subsequently, on 12 June 2018, TOPVISION entered into five (5) share sale and purchase agreements to acquire the five (5) Subsidiaries, namely TOPVISION Banting, TOPVISION Batu Pahat, TOPVISION Kuala Selangor, TOPVISION Kulai and TOPVISION Setia Alam. The purchase consideration for the Acquisitions was arrived at based on the audited NA of the respective companies as at 31 December 2017, adjusted for the subsequent capitalisation of amounts due to directors. The Acquisitions were completed on 18 June 2018 in accordance with the terms of the share sale and purchase agreements.

The areas that our centres cover are considerably well diversified in Central and Southern Region of Malaysia as well as patients from Indonesia. The table below lists the coverage area for each of our centres.

Location	Coverage Areas
Banting	<ul style="list-style-type: none"> Banting, Jenjarom, Tanjung Sepat, Dengkil, Sepang, Olak Lempit, Pulau Carey, Sungai Pelek, Port Dickson
Setia Alam	<ul style="list-style-type: none"> Malaysia: Klang, Setia Alam, Shah Alam, Jeram, Kapar, Meru Indonesia: Medan, Palembang, Bali, Aceh, Surabaya, Jakarta
Kuala Selangor	<ul style="list-style-type: none"> Kuala Selangor, Tanjung Karang, Sungai Buloh, Ijok, Sekinchang, Sungai Besar, Sabak Bernam, Teluk Intan
Batu Pahat	<ul style="list-style-type: none"> Batu Pahat, Ayer Hitam, Yong Peng, Kluang, Muar, Segamat
Kulai	<ul style="list-style-type: none"> Kulai, Senai, Skudai, Johor Bahru, Northern Iskandar, Kelapa Sawit, Singapore

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4. INFORMATION OF OUR COMPANY

4.2 Key Achievements & Milestones

The following table lists our Group's key achievements and milestones since our establishment.

Year	Description
2010	<ul style="list-style-type: none"> Established our 1st eye specialist centre known as TOPVISION Eye Specialist Centre in Banting, Selangor.
2011	<ul style="list-style-type: none"> Official opening of our 2nd centre TOPVISION Setia Alam in Selangor by Dato' Sri Liow Tiong Lai, the then Minister of Health of Malaysia and this centre is also our headquarters.
2013	<ul style="list-style-type: none"> Received the Asia Pacific International Honesty Enterprise Keris Award.
2014	<ul style="list-style-type: none"> Received the 1st Malaysian Golden Entrepreneur Award.
2015	<ul style="list-style-type: none"> Official opening of 3rd centre by TOPVISION Kuala Selangor in Selangor.
2016	<ul style="list-style-type: none"> Official opening of 4th centre by TOPVISION Batu Pahat in Johor.
2017	<ul style="list-style-type: none"> Received the Inaugural Malaysian Brand Award.
2018	<ul style="list-style-type: none"> Received the Malaysia Health & Wellness Brand Award. Official opening of 5th centre by TOPVISION Kulai in Johor. Our Company acquired TOPVISION Banting, TOPVISION Batu Pahat, TOPVISION Kuala Selangor, TOPVISION Kulai and TOPVISION Setia Alam as Subsidiaries

4.3 Share Capital of our Company

As at LPD, our issued share capital is RM5,663,867.99 comprising 188,795,535 ordinary shares.

The movements in the issued share capital since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Nature of transaction/ Consideration	Cumulative issued share capital
27.03.2018	2	Incorporation of Company	2
		<u>Acquisitions:</u>	
18.06.2018	80,303,533	Acquisition of TOPVISION Banting	80,303,535
18.06.2018	1,590,900	Acquisition of TOPVISION Batu Pahat	81,894,435
18.06.2018	784,200	Acquisition of TOPVISION Kuala Selangor	82,678,635
18.06.2018	5,508,333	Acquisition of TOPVISION Kulai	88,186,968
18.06.2018	100,608,567	Acquisition of TOPVISION Setia Alam	188,795,535

Upon completion of the Proposed Listing, our issued share capital will increase to RM17,687,867.99 comprising 255,595,535 shares.

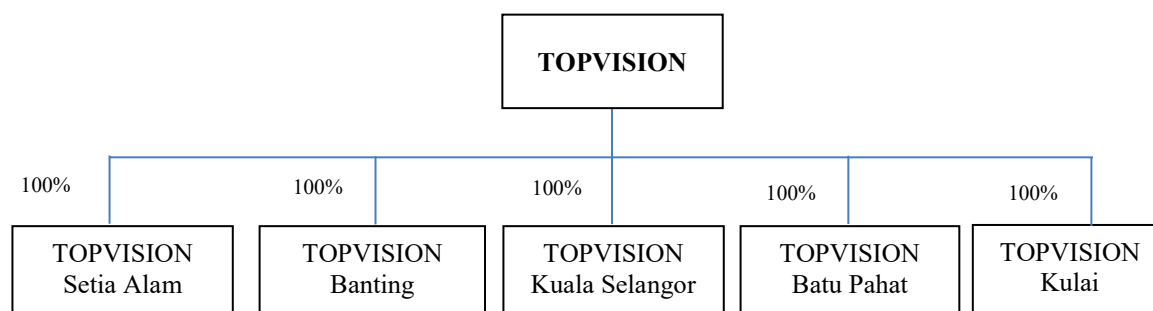
As at the LPD, neither us nor our Subsidiaries have any outstanding warrants, options or convertible securities.

4. INFORMATION OF OUR COMPANY

4.4 Corporate Structure

Our Company was incorporated in Malaysia under the Act on 27 March 2018 as a private limited company, under the name of TOPVISION Eye Specialist Sdn Bhd. Subsequently, on 7 June 2018, our Company was converted into a public limited company and assumed our present name to facilitate our Proposed Listing. Our Company became the investment holding company of our Group following the completion of the Acquisitions on 18 June 2018. The principal activity of the Company is investment holding.

As at LPD, our Group's corporate structure is as follows:



The details of our Subsidiaries are as follows:

Subsidiary	Date and Place of Incorporation	Date of Commencement of Business	Issued Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
TOPVISION Banting (889415-M)	8 February 2010 Kuala Lumpur	9 August 2010	634,772	100	Provision of ophthalmology service and related medical consultancy
TOPVISION Setia Alam (926675-T)	23 December 2010 Kuala Lumpur	14 September 2011	614,124	100	Provision of ophthalmology service and related medical consultancy
TOPVISION Kuala Selangor (1072532-V)	3 December 2013 Kuala Lumpur	1 June 2015	320,002	100	Provision of ophthalmology service and related medical consultancy
TOPVISION Batu Pahat (1142221-W)	27 April 2015 Kuala Lumpur	1 June 2016	223,500	100	Provision of ophthalmology service and related medical consultancy
TOPVISION Kulai (1206801-A)	26 October 2016 Kuala Lumpur	17 May 2018	230,000	100	Provision of ophthalmology service and related medical consultancy

We do not have any associate company as at the LPD.

4. INFORMATION OF OUR COMPANY

4.5 Shareholding Structure

Our Company's shareholding structure, before and after the Proposed Placement is as follows:

Before the Proposed Placement

Shareholders	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	%
Kenny Liew	117,767,071	62.38	-	-
Dr. Peter	53,390,173	28.28	-	-
Dr. Gan Chee Chong	6,950,301	3.68	-	-
Dr. Koay Chiang Ling	4,572,567	2.42	-	-
Dr. Ooi Yoon Lim	3,200,797	1.70	-	-
Chong Zyh Siong	1,638,246	0.87	-	-
Dr. Leslie Wong Tat Way	1,276,380	0.68	-	-

After the Proposed Placement

Shareholders	Direct		Indirect	
	No. of Shares	% ⁽²⁾	No. of Shares	%
Kenny Liew	117,767,071	46.08	-	-
Dr. Peter	53,390,173	20.89	-	-
Dr. Gan Chee Chong	6,950,301	2.72	-	-
Dr. Koay Chiang Ling	4,572,567	1.79	-	-
Dr. Ooi Yoon Lim	3,200,797	1.25	-	-
Chong Zyh Siong	1,638,246	0.64	-	-
Dr. Leslie Wong Tat Way	1,276,380	0.50	-	-
Placees	66,800,000	26.13	-	-

Notes:

⁽¹⁾ Based on issued share capital of 188,795,535 Shares as at LPD

⁽²⁾ Based on enlarged issued share capital of 255,595,535 Shares upon completion of the Proposed Placement

4.6 Cost of Investments

Details of the cost of investments of our shareholders in our Group are as follows:

Shareholders	Date	Total Consideration (RM)	No. of Shares (as at LPD)	% ⁽¹⁾
Kenny Liew	Since 09.08.2010	1,238,373	117,767,071	62.38
Dr. Peter	Since 09.08.2010	769,025	53,390,173	28.28
Dr. Gan Chee Chong	11.06.2018 ⁽²⁾	760,000	6,950,301	3.68
Dr. Koay Chiang Ling	11.06.2018 ⁽²⁾	500,000	4,572,567	2.42
Chong Zyh Siong	09.10.2013	100,000	1,638,246	0.87
Dr. Ooi Yoon Lim	11.06.2018 ⁽²⁾	350,000	3,200,797	1.70
Dr. Leslie Wong Tat Way	09.10.2013	50,000	819,123	0.43
Way	11.06.2018 ⁽²⁾	50,000	457,257	0.24

Notes:

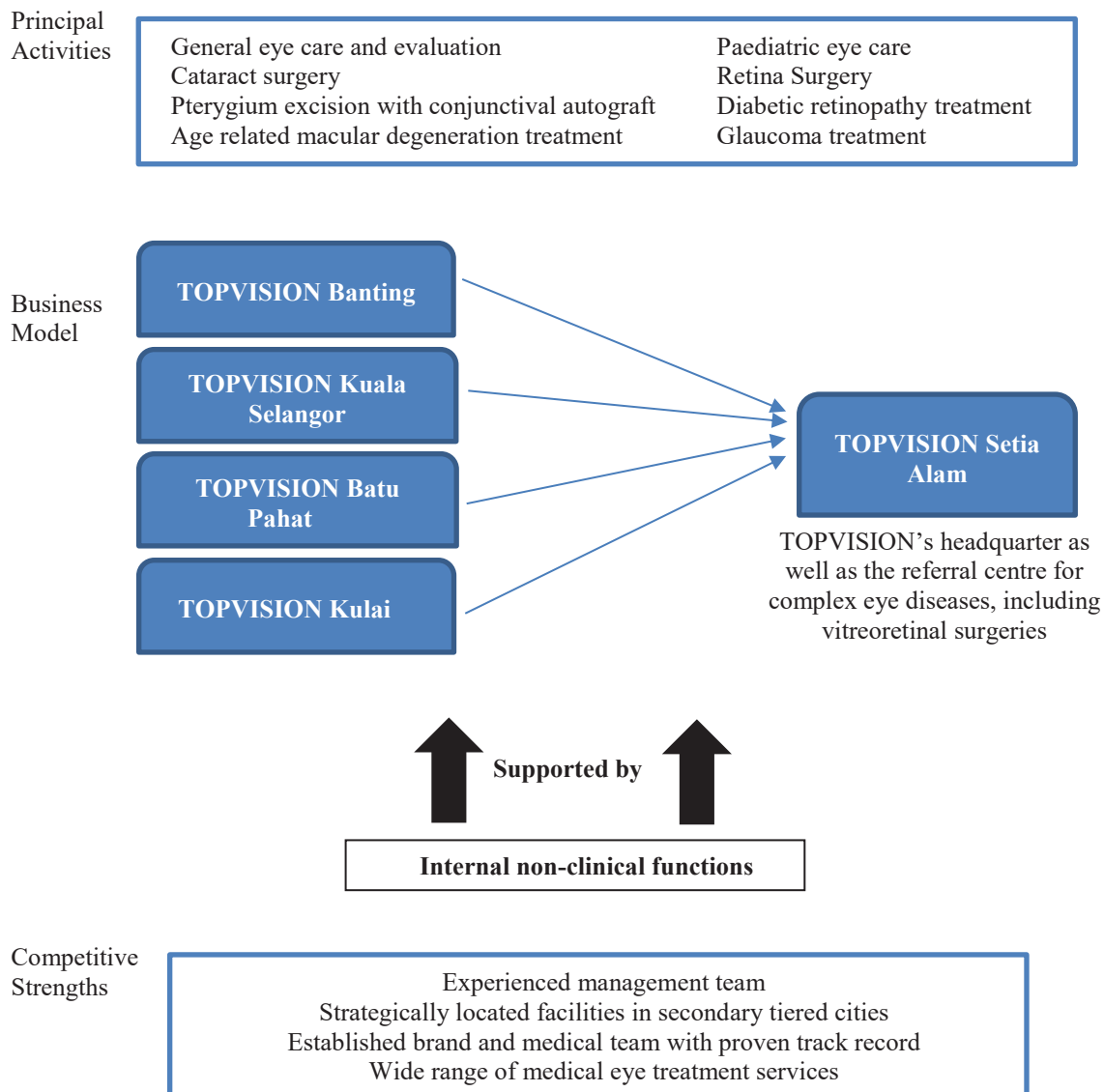
⁽¹⁾ Based on issued share capital of 188,795,535 Shares as at LPD

⁽²⁾ Being the date of shares in TOPVISION Banting transferred from Kenny Liew and Dr. Peter to 4 ophthalmologists prior to the Acquisition of TOPVISION Banting by TOPVISION

5. BUSINESS OVERVIEW OF OUR GROUP

5.1 Principal Activities and Business Model

Our Group’s principal activities and business model are summarised as below:



Our Group is principally a medical eye care group offering a multitude of eye care services ranging from general eye care and evaluation to treatment of complex eye diseases such as vitreoretinal surgeries. We currently have five (5) eye specialist centres located in the states of Selangor and Johor. Each specialist centre is an ambulatory care centre which does not provide in-patient treatment. Our medical eye care services are supported by an internal non-clinical functions at our Head Office located at Setia Alam for all our centres which includes but not limited to human resource, accounting, legal as well as purchasing.

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5. BUSINESS OVERVIEW OF OUR GROUP

The following table lists the types of medical eye care services that we provide:

Type	Description
General eye care and evaluation	Diagnosis and treatment of outpatient eye disorders such as cornea ulcer, dry eyes etc.
Cataract surgery	Cataract refers to the clouding of the natural lens of the eye which is usually caused by aging resulting in reduced vision. Surgery is needed to remove and replace the affected lens.
Pterygium excision with conjunctival autograft	A technique that prevents reappearance of pterygium. Pterygium is a degenerative eye disorder characterised by a fleshy and benign growth of conjunctiva on the nasal or temporal corner of the eye.
Diabetic retinopathy management	Diabetic retinopathy refers to the leaking of retinal blood vessels in advanced or long-term diabetes, affecting the macula or retina. Treatments include laser therapy, anti-VEGF injections to the eye or surgery.
Retina Surgery	Retinal detachment occurs when the thin lining at the back of the eye (retina) begins to pull away from the blood vessels that supply it with oxygen and nutrients. Most people will experience warning signs which include floaters (black dots, specks or streaks that float across your field of vision). Without prompt treatment which may include surgery or laser therapy, retinal detachment will lead to blindness in the affected eye.
Management of age related macular degeneration	Macular degeneration refers to the gradual loss of central vision due to a damaged macula, which consists of retinal cones necessary for sight. Treatments include photodynamic / laser therapy, anti-VEGF injections to the eye or surgery.
Screening and management of glaucoma	Glaucoma refers to an eye condition whereby the optic nerve is damaged predominantly due to raised intraocular (eye) pressure. Check-ups and screening are done for an accurate diagnosis and treatment. Generally, glaucoma is managed using eye drops, failing which will require filtering surgery.
Paediatric eye care	Diagnosis and treatment of eye disorders in children.

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5. BUSINESS OVERVIEW OF OUR GROUP

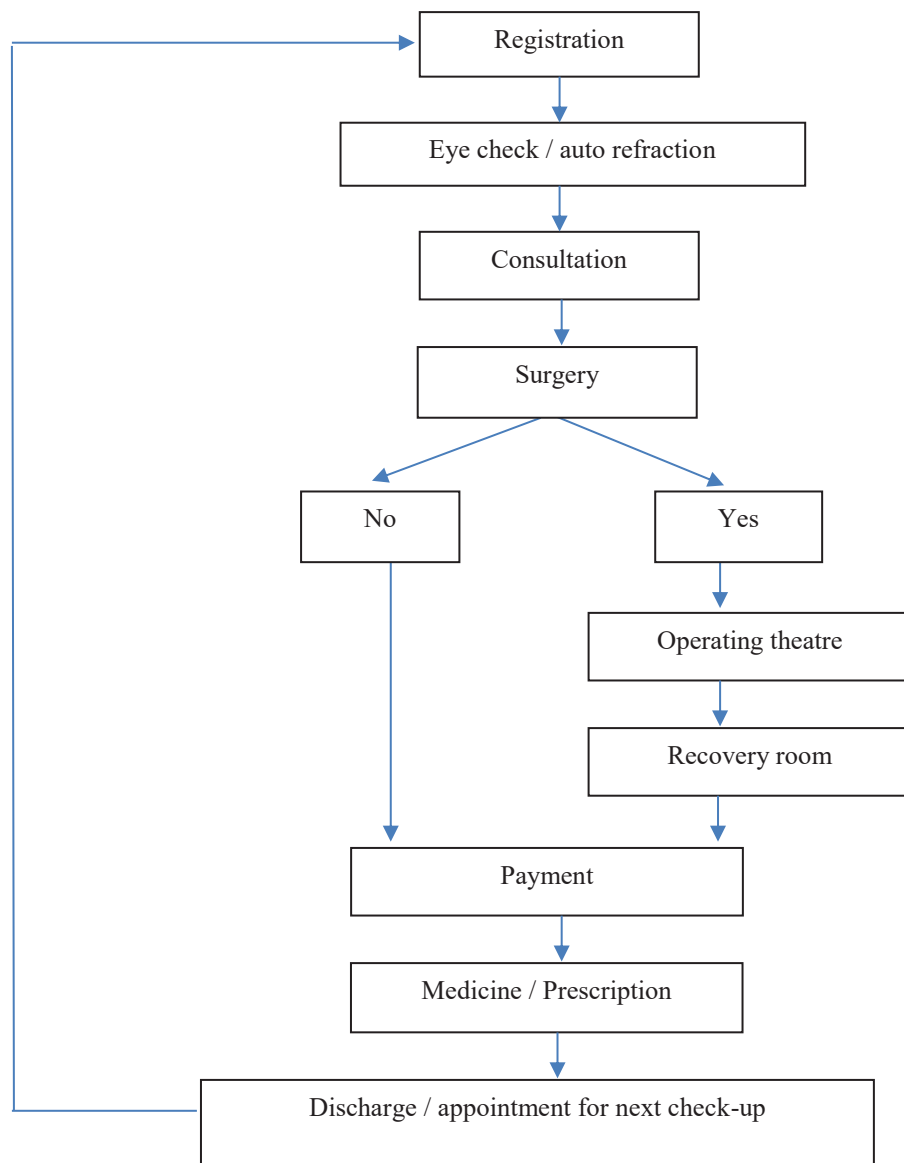
5.2 Principal Markets

Our Group has predominantly served the Malaysian market. The majority of our patients are local patients and we have approximately 5% of the FYE 2017's revenue contribution from Indonesian patients.

5.3 Business Process

The process is divided into non-emergency and emergency cases. The flow charts for non-emergency and emergency cases are as shown below.

Non-emergency cases



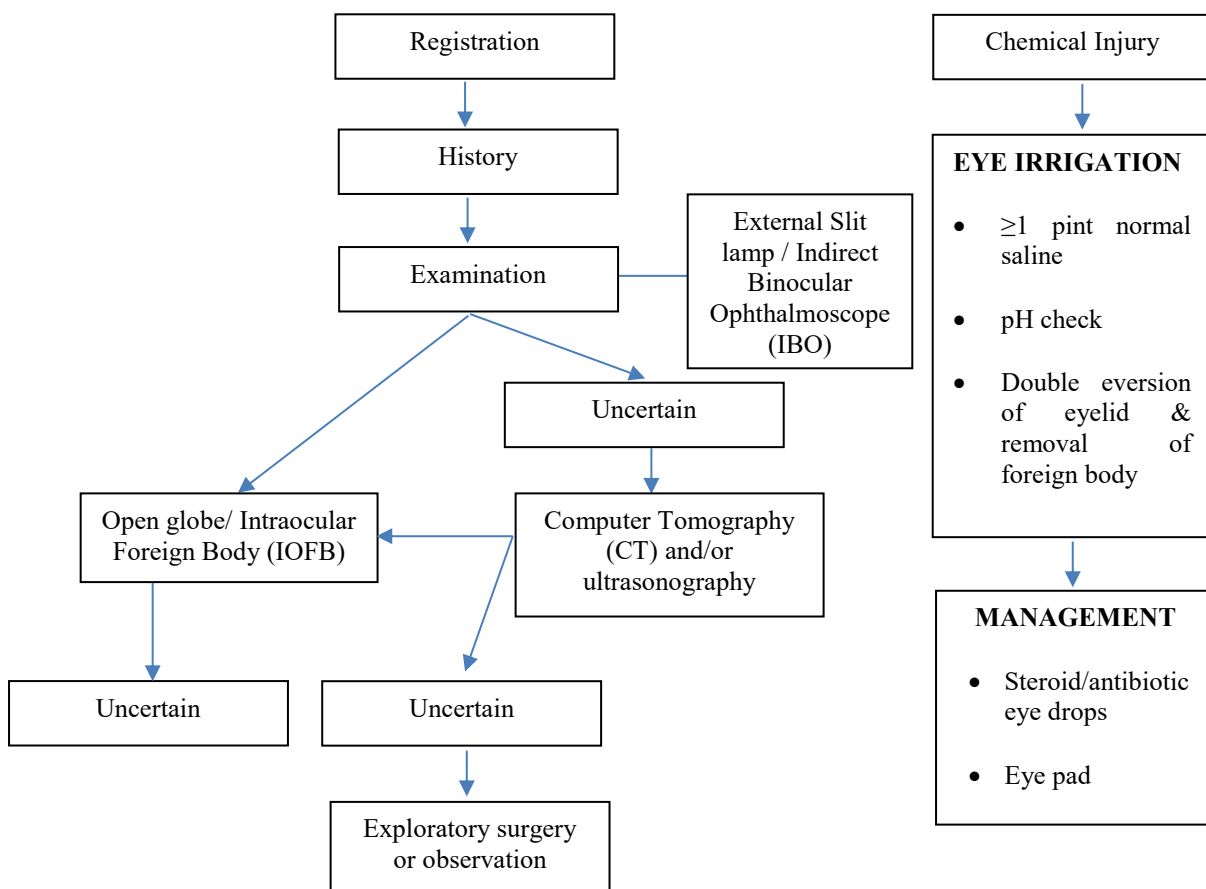
For non-emergency cases, patients will first register at the registration counter. For new patients, personal details such as name, address, telephone number, identification number and occupation are recorded and a new file is opened for the patient. For patients that have been to the centre before, the patient's record is pulled out from the computer system for the ophthalmologist's reference.

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After registration, patient is taken to the vision room for eye check using both the Snellen chart and the auto refractor machine before meeting the ophthalmologist for consultation and treatment where appropriate. A Snellen chart is an eye chart used to measure visual acuity. During the visual acuity test, the smallest letters the patient can read on the Snellen chart is determined. If surgery is needed, an appointment will be made for the patient accordingly.

Once all procedures are completed and patient is ready to be discharged, patient will return to the counter to make payment, obtain the prescription given by the ophthalmologist as well as make an appointment for the next check-up if necessary.

Emergency cases



For emergency cases such as eye trauma or injury caused by chemicals, such cases are dealt with on an immediate basis. Injuries to the eye will be examined immediately after finding out the history of the patient. Once a diagnosis has been confirmed, treatment or surgery is carried out. In cases where there is an uncertainty, further checks are carried out using CT scan or ultrasonography before treatment can be carried out. If uncertainty still persists, the ophthalmologist will decide if it is necessary to carry out an exploratory surgery or observe the patient for a certain duration before proceeding to the next course of action.

For eyes that sustained chemical injuries, treatment is done via eye irrigation using saline water as well as checking the eyes for pH value and presence of foreign body. Once the affected eye or eyes have been irrigated, steroid or antibiotic eye drops are given if necessary before placing an eye pad on the affected eye or eyes.

5. BUSINESS OVERVIEW OF OUR GROUP

5.4 Competitive Strengths

Our competitive strengths are as follows:

5.4.1 Experienced management team

Our Group is led by a group of experienced management team that has played significant roles in contributing to the growth and development. We are led by Kenny Liew, who established TOPVISION Group based on the concept that significant reforms are needed in the medical eye care industry where even complicated eye surgeries such as retinal detachment can be carried out under day care arrangement, thereby providing patients with high quality yet affordable eye care treatment. As the Group's founder, he has played an instrumental role in expanding our Group's facilities from one (1) centre in 2010 to five (5) currently.

Dr. Peter on the other hand, is our Group's Medical Doctor as well as Executive Director. He oversees and manages the clinical and operational matters at the various eye specialist centres. Both of them are well supported by our qualified and experienced medical team as well as key personnel comprising individuals with relevant experiences in dealing with the main areas of operations, back end processing and management of clinical and non-clinical staff. Our ophthalmologists are also shareholders of the Company, hence, our Group has been able to retain a pool of highly qualified and experienced ophthalmologists.

5.4.2 Strategically located facilities in secondary tiered cities

In general, medical eye treatment services in Malaysia are located in large cities where most of the medical specialists including ophthalmologists are based as well as a large population of high income earners who can afford such treatments.

However, we realised early on that tier two cities such as Banting, Kuala Selangor and Batu Pahat are largely underserved and have very few eye treatment facilities in the surrounding areas. Hence, we made the strategic decision to establish our network of eye specialist centres in the tier two cities as we recognise the increasing demand for medical eye care treatments by this group of underserved population as a result of increasing public awareness and rising income levels.

5.4.3 Established brand and medical team with proven track record

Since our Group's establishment in 2010, it has expanded from the Klang Valley area towards the south of Peninsula Malaysia, providing high quality yet affordable eye care treatment to our patients, comprising both local and international medical tourists.

All our ophthalmologists are highly committed and qualified, with years of experience ranging from 6 years to 14 years in providing medical eye care treatment. Our team of ophthalmologists regularly participated in and contributed to local and international conferences and scientific meetings. They are also members of prestigious medical associations and societies in addition to having published papers in numerous medical journals showcasing their continuous interest in getting updated with the latest news in medical technological advancement.

The strength and skills of our medical team coupled with the good teamwork among the members including our nurses, optometrists and supporting staff have largely contributed to our success in the provision of medical eye care treatment services. Our track record in providing such services is further cemented with recognition from various parties. Since 2013, we have received a number of awards such as the Asia Pacific International Honesty Enterprise Keris Award, the 1st Malaysian Golden Entrepreneur Award, the Inaugural Malaysian Brand Award and the Malaysia Health & Wellness Brand Award.

5. BUSINESS OVERVIEW OF OUR GROUP

5.4.4 Wide range of medical eye treatment services

Our Group is currently one of the fastest growing eye specialist centres in Malaysia with the establishment of five (5) centres within a span of seven years. Our network of facilities offers a comprehensive range of medical eye care treatment. Apart from general eye care and evaluation, our provision of services includes cataract surgery, retina surgery, management of age related macular degeneration and diabetic retinopathy, screening and management of glaucoma as well as paediatric eye care. In the near future, our Group will start up a refractive suite, offering refractive surgeries such as LASIK and Implantable Collamer Lens (ICL) procedures for our patients.

With the exception of TOPVISION Setia Alam, there is one general ophthalmologist at each centre. The types of surgeries performed at each centre comprise cataract surgery, pterygium surgery, eyelid surgery, laser and anti-vascular endothelial growth factor (antiVEGF) treatment of diabetic retinopathy and age related macular degeneration. There are one general ophthalmologist and one vitreoretinal surgeon in TOPVISION Setia Alam. The types of surgeries performed include cataract surgery, pterygium surgery, glaucoma surgery, eyelid surgery, laser and antiVEGF treatment of diabetic retinopathy, age related macular degeneration and vitreoretinal surgery.

All TOPVISION ophthalmologists are anterior segment eye surgeons specialising in complex and refractive cataract surgeries. The visiting consultant ophthalmologist at TOPVISION Setia Alam is a posterior segment eye surgeon who specializes in vitreoretinal surgeries, as well as complex and refractive cataract surgeries. Despite the respective specialisations, all our ophthalmologists are able to provide the full range of treatment offered by our Group with the exception of vitreoretinal surgeries, of which our centres refer such cases to TOPVISION Setia Alam which possess the relevant expertise to perform vitreoretinal surgeries.

5.5 Seasonality

TOPVISION Group's business is not subjected to any cyclical or seasonal trend.

5.6 Major Customers

Due to the nature of our business activities, our Group's customers consist mainly of private patients and thus, our business is not materially dependent on any single individual patient. Over the past two (2) FYE 31 December 2016 and FYE 31 December 2017, there is no individual patient or corporate client that accounted for more than 10% of our Group's revenue.

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5. BUSINESS OVERVIEW OF OUR GROUP

5.7 Major Suppliers

We purchase consumables, lenses and drugs from numerous local suppliers of which most of the local suppliers distribute products through their distribution partners, amongst others DKSH Malaysia Sdn Bhd, Swissmed Sdn Bhd and Zuellig Pharma Sdn Bhd.

Our suppliers (being those who contributed 10% or more of our total purchases) for the last two (2) years from FYE 31 December 2016 and FYE 31 December 2017 are as follows:

Suppliers	Country	Approximate Length of Relationship (Years)	Audited			
			FYE 2016		FYE 2017	
			(RM)	%	(RM)	%
DKSH Malaysia Sdn Bhd	Malaysia	8	783,756	28	1,340,694	37
Swissmed Sdn Bhd	Malaysia	4	875,443	31	904,625	25
Zuellig Pharma Sdn Bhd	Malaysia	7	195,876	7	405,176	11

We are not dependent on any single suppliers as we are able to source consumables, lenses and drugs from other supplier in Malaysia.

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5. BUSINESS OVERVIEW OF OUR GROUP

5.8 Properties of our Group

5.8.1 Properties Owned by Our Group

Details of the properties owned by our Group at the LPD are as follows:

Registered / Beneficial Owner	Address / Title identification	Description / Existing Use	Tenure	Date of issuance of certificate of fitness for occupation	Encumbrance
TOPVISION Banting ⁽¹⁾	HS(D) 63841, PTD 103275, Bandar Putra, Mukim Kulai, Tempat Bandar Putra Daerah Kulai, Johor Bahru, Johor Darul Takzim Address: No. 56, Jalan Sri Putra 2, Bandar Putra, 81000 Kulai, Johor Darul Takzim	Three Storey Commercial Building with Basement As Ambulatory Eye Care Centre for TOPVISION Kulai	Freehold	21 February 2017	Beneficial interest assigned to CIMB Bank Berhad pending issuance of a separate document of individual title / strata title to the property
TOPVISION Banting	HS(D) 280932, PT 794, Seksyen 3, Pekan Pasir Penambang, Daerah Kuala Selangor, Selangor Darul Ehsan Address: No. 55, Jalan Peninsula Utama 1, Peninsula Park, Pasir Penambang, 45000 Kuala Selangor, Selangor Darul Ehsan	Two Storey Shop Office As Ambulatory Eye Care Centre for TOPVISION Kuala Selangor	Freehold	8 November 2013	Charged to Public Bank Berhad
TOPVISION Banting	H.S(D) 280933, PT 795, Seksyen 3, Pekan Pasir Penambang, Daerah Kuala Selangor, Selangor Darul Ehsan Address: No. 53A & 53A-1, Jalan Peninsula Utama 1, Peninsula Park, Pasir Penambang, 45000 Kuala Selangor, Selangor Darul Ehsan	Two Storey Shop Office As Ambulatory Eye Care Centre for TOPVISION Kuala Selangor	Freehold	8 November 2013	Charged to Public Bank Berhad

5. BUSINESS OVERVIEW OF OUR GROUP

Registered / Beneficial Owner	Address / Title identification	Description / Existing Use	Tenure	Date of issuance of certificate of fitness for occupation	Encumbrance
TOPVISION Setia Alam	GRN 116947, Lot 25714, Mukim Simpang Kanan, Daerah Batu Pahat, Johor Darul Takzim Add: No. 1, 1A, 1B, Jalan Maju, Taman Maju, 83000 Batu Pahat, Johor Darul Takzim	3 Storey Shop Office As Ambulatory Eye Care Centre for TOPVISION Batu Pahat	Freehold	13 December 2016	Charged to Hong Leong Bank Berhad

Note:

- ⁽¹⁾ *TOPVISION Banting is the beneficial owner as the land is still under master title held in the name of land proprietor, Property Skyline Sdn Bhd and the property will only be registered in the name of TOPVISION Banting upon issuance of individual/strata title for the unit which was purchased by TOPVISION Banting pursuant to sale and purchase agreement dated 16 November 2016.*

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5. BUSINESS OVERVIEW OF OUR GROUP

5.8.2 Properties Occupied which are Rented by Our Group

Details of the properties rented by our Group as at the LPD are as follows:

Tenant	Landlord	Address	Description/ Existing Use	Floor area (square metres)	Rental payable per month (RM)	Tenure of tenancy (years)
TOPVISION Banting ⁽⁴⁾	Kenny Liew ⁽¹⁾	1-G-A & 1-1-A, Jalan Sultan Abdul Samad, 42700 Banting, Selangor Darul Ehsan	Commercial Lot / Ambulatory Eye Care Centre	195 (195 sq meter is equivalent to 2,099 sq ft. whereas this commercial lot occupied two floors)	5,300	3 ⁽⁴⁾
TOPVISION Setia Alam ⁽⁵⁾	Dr. Angela Loo Voon Pei ⁽²⁾	Unit 11-2, 11-3, 11-4 & 11-5, No. 2, Block 2, Jalan Setia Prima (S) U13/S, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan	Commercial Lot / Ambulatory Eye Care Centre	907.43	12,000	3 ⁽⁴⁾
TOPVISION Setia Alam	Lim Eng Kian / Lim Eng Sheng ⁽³⁾	No. 2, 2A, 2B, Jalan Maju, Taman Maju, 83000 Batu Pahat, Johor Darul Takzim	Commercial Lot / Ambulatory Eye Care Centre for TOPVISION Batu Pahat	242	3,300	3 ⁽⁵⁾

Notes:

- ⁽¹⁾ Promoter, substantial shareholder, Chief Executive Officer and Executive Director of TOPVISION Group
- ⁽²⁾ Dr. Angela Loo Voon Pei is the spouse of Kenny Liew
- ⁽³⁾ This property is sub-let by TOPVISION Setia Alam to TOPVISION Batu Pahat together with the next-door property owned by TOPVISION Setia Alam with the address No. 1, 1A & 1B, Jalan Maju, Taman Maju, 83000 Batu Pahat, Johor Darul Takzim with the consent of the landlord.
- ⁽⁴⁾ 3 years commencing from 1 January 2018 to 31 December 2020 with an option to renew for a further term of 3 years.
The landlord may terminate the tenancy as follows: - (a) by giving 2 months' prior written notice in the event that the tenant infringes any by-laws or regulations in force or cause any nuisance or annoyance or inconvenience to the occupants of the adjacent or neighbouring properties; or (b) if the rent remains unpaid for 7 days or if there is a breach or non-performance of the terms of the tenancy agreement.
- ⁽⁵⁾ 3 years commencing from 1 March 2018 to 28 February 2021 with the option to renew for a further term of 12 years.
The landlord may terminate the tenancy as follows: - (a) if the rent remains unpaid for 10 days; or (b) if there is a breach or non-performance of the terms of the tenancy agreement; or (c) if the tenant goes into liquidation.

The risk of our Group's operations/financials being materially affected should any of the tenancy agreements be terminated or not renewed by the landlord is low as majority of the properties are either owned by Kenny Liew or his spouse as well as our subsidiary companies.

5. BUSINESS OVERVIEW OF OUR GROUP

5.9 Marketing Strategies

Marketing activities in the medical eye care industry is regulated by the authorities and where the type and scope of marketing activities are limited. Despite this, we have implemented the following marketing strategies:

(i) Organising and participating in corporate social responsibility events

TOPVISION Group has in the past, organised and participated in a number of corporate social responsibility events aimed at increasing the awareness of eye care such as providing free eye screenings at various locations including at corporations, non-governmental organizations, government offices and optical shops as well as having roadshows in conjunction with World Sight Day, Glaucoma Day and Diabetic Day.

In addition, we have an outreach programme dedicated to the less fortunate by providing free cataract surgery to these patients who are not able to afford the surgery cost.

(ii) Participation in medical eye care-related talks, events and publications

We have participated in medical eye care-related events organised by local institutions such as speaking at public talks on eye diseases and have been featured in publications and articles from newspapers and magazines on topics related to eye health. Participation in these events not only raises the awareness on eye care, it has also raised the profile of our Group.

(iii) Increasing awareness through various marketing channels

We utilise various marketing channels to reach out to targeted consumers when promoting our services and driving brand building efforts. We have placed advertisements in local mainstream newspapers, placed billboards and banners at prominent locations as well as distributed flyers to the public. In addition, we have also been actively providing updates and promoting our services online via our dedicated corporate website, www.tvesc.com and social media such as Facebook. As our society becomes more Internet-savvy, this allows us to target a large pool of the population and promote our direct engagement with them.

(iv) Corporate network partnerships

We are part of the corporate panel for several insurance companies and third party administrators (“TPA”) such as AIA Group Limited, Allianz Life Insurance and Allianz General Insurance and Asia Assistance Network (M) Sdn Bhd. A TPA is an organisation that processes insurance claims or certain areas of employee benefits for a separate organisation. With the provision of cashless facility in the form of guarantee letters from these insurance companies and TPAs, this segment of patients is able to seek our services and treatment with ease.

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5. BUSINESS OVERVIEW OF OUR GROUP

5.10 Technology Used

As at LPD, the Group has invested in a number of machinery at selected eye specialist centres which facilitates certain procedures and processes. At the end of the lease periods, the machinery / equipment currently under leased will belong to the Group.

The table below lists the machinery / equipment used in our operations:

Machinery/ Equipment	Country of Origin	Leased	Unit(s) owned	Total	Function	Leasing term
Infinity Phacoemulsification Machine	USA	-	4	4	Used for cataract surgery	-
Constellation Vision System	USA	-	1	1	Used for anterior and posterior segment surgery	-
Humphrey Visual Field Analyser	USA	1	-	1	To analyse visual field in glaucoma patients	Pac Lease Berhad - September 2015 to August 2020 (60 instalments)
Optical Coherence Tomography	USA	1	-	1	To scan and analyse macula and optic nerve head	Orix Credit Malaysia Sdn Bhd - September 2014 to August 2019 (60 instalments)
Optical Coherence Tomography With Fundus Photo	USA	1	-	1	To scan and analyse macula and optic nerve head as well as to take picture of retina	Pac Lease Berhad - May 2018 to April 2023 (60 instalments)
Fundus Camera	USA	-	1	1	To take picture of retina	-
YAG Laser	USA	3	2	5	To do photo-disruptive laser on iris or lens capsule	Pac Lease Berhad - August 2016 to July 2021 (60 instalments) Pac Lease Berhad - September 2015 to August 2020 (60 instalments) Pac Lease Berhad - May 2018 to April 2023 (60 instalments)

5. BUSINESS OVERVIEW OF OUR GROUP

Machinery/ Equipment	Country of Origin	Leased	Unit(s) owned	Total	Function	Leasing term
Argon Laser Machine	USA	2	2	4	To do photocoagulation of retina in ischaemic retinal diseases	Pac Lease Berhad - August 2016 to July 2021 (60 instalments) Pac Lease Berhad - May 2018 to April 2023 (60 instalments)
Autokeratometer	USA	-	5	5	To measure refractive errors	-
IOL Master	USA	-	2	2	To measure and calculate the power of intraocular lens for implantation during lens surgery	-
A-Scan Machine	France	1	4	5	To measure and calculate the power of intraocular lens for implantation during lens surgery	Pac Lease Berhad - August 2016 to July 2019 (36 instalments)
Total:		9	21	30		

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5. BUSINESS OVERVIEW OF OUR GROUP

5.11 Location of Clinic Operations



Our Group currently operates from the following locations:

No.	Company	Business Address	Purpose	Utilisation rate as at LPD
1	TOPVISION Setia Alam	Unit 11-2 & 11-3 No. 2, Block 2 Jalan Setia Prima (S) U13/S Setia Alam Seksyen U13 40170 Shah Alam Selangor Darul Ehsan	Eye specialist centre and headquarters	Unit 11-2, 11-3, 11-4 & 11-5 fully utilised
2	TOPVISION Banting	1-G-A Jalan Sultan Abdul Samad 42700 Banting Selangor Darul Ehsan	Eye specialist centre	No. 1-G-A, 1-1-A & 1-2-A fully utilised, No. 1-3- A not utilised
3	TOPVISION Kuala Selangor	Tingkat bawah, No. 53A & 55 Jalan Peninsula Utama 1 Peninsula Park Pasar Penambang 45000 Kuala Selangor Selangor Darul Ehsan	Eye specialist centre	No. 53A, 53A-1 & 55 fully utilised
4	TOPVISION Batu Pahat	Tingkat bawah No. 1 & 2 Jalan Maju Taman Maju 83000 Batu Pahat Johor Darul Takzim	Eye specialist centre	No. 1, 1A, 1B, & 2, 2A fully utilised. 2B not utilised
5	TOPVISION Kulai	Tingkat bawah, No. 56, Jalan Sri Putra 2 Bandar Putra 81000 Kulai Johor Darul Ehsan	Eye specialist centre	No. 56, fully utilised

5. BUSINESS OVERVIEW OF OUR GROUP

5.12 Intellectual Property Rights

As at LPD, all our trademarks have been duly registered with Registrar of Trade Marks, Intellectual Property Corporation of Malaysia, details as follows:

No	Trademark	Registered owner	Trademark no.	Validity period	Product	Country of registration
1	PUSAT PAKAR MATA TOP VISION EYE SPECIALIST CENTRE 	TOPVISION Eye Specialist Centre (Setia Alam) Sdn Bhd	2011020520	21/11/2011 – 21/11/2021	Medical Services, Clinic Services, Optometry Centre, Advisory Services Relating to Healthcare; All Included in Class 44	Malaysia
2	Top Vision Is Our Mission Top Vision Is Our Mission, 視界因我們天天明亮®	TOPVISION Eye Specialist Centre (Setia Alam) Sdn Bhd	2011020517	21/11/2011 – 21/11/2021	Medical Services, Clinic Services, Optometry Centre, Advisory Services Relating to Healthcare; All included in Class 44	Malaysia
3	PUSAT PAKAR MATA TOP VISION EYE SPECIALIST CENTRE 	TOPVISION Eye Specialist Centre (Setia Alam) Sdn Bhd	2015059982	24/06/2016 – 24/06/2025	The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a retail stores, wholesale outlets, or from a general merchandise web site provided on the global communication network; presentation of goods on communication media, for retail purposes; advertising; distribution of samples; import-export agencies; marketing; publicity; demonstration of goods; business inquiries; business	Malaysia

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No	Trademark	Registered owner	Trademark no.	Validity period	Product	Country of registration
					information; on-line advertising on a computer network; All included in Class 35	
4	Top Vision Is Our Mission Top Vision Is Our Mission, 視界因我們天天明亮®	TOPVISION Eye Specialist Centre (Setia Alam) Sdn Bhd	2015059981	24/06/2016 – 24/06/2025	The bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a retail stores, wholesale outlets, or from a general merchandise web site provided on the global communication network; presentation of goods on communication media, for retail purposes; advertising; distribution of samples; import-export agencies; marketing; publicity; demonstration of goods; business inquiries; business information; on-line advertising on a computer network; All included in Class 35	Malaysia

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5. BUSINESS OVERVIEW OF OUR GROUP

5.13 Operating Licenses

Our Group has the following material licences, permits and approvals require for our business and operations:

Company	Approving authority	Type of Licenses/ Permits/ Registrations (Including licence or certificate No.)	Issue date / Validity period	Conditions imposed	Status of compliance
TOPVISION Banting	Ministry of Health	Private Ambulatory Care Centre (931003-00044-03/2018)	19 August 2018 – 18 August 2020	Nil	Complied
TOPVISION Setia Alam	Ministry of Health	Private Ambulatory Care Centre (931005-00056-03/2017)	7 September 2017 – 6 September 2019	Nil	Complied
TOPVISION Kuala Selangor	Ministry of Health	Private Ambulatory Care Centre (931004-00120-03/2017)	21 May 2017 – 20 May 2019	Nil	Complied
TOPVISION Batu Pahat	Ministry of Health	Private Ambulatory Care Centre (930101-00138-03/2018)	1 June 2018 – 31 May 2020	Nil	Complied
TOPVISION Kulai	Ministry of Health	Private Ambulatory Care Centre (930102-00166-03/2018)	17 May 2018 – 16 May 2020	Nil	Complied
TOPVISION Banting	Kuala Langat District Council	Signage license 50/06000: Papan Iklan Mengunjur Keluar Bersinar 50/02000: Papan Iklan Bersinar	1 January 2018 – 31 December 2018	This license shall be displayed. This license shall not be valid unless printed receipt is stamped and included in the license.	Complied
TOPVISION Batu Pahat	Batu Pahat Municipal Council	Business License L10016438	12 April 2016 – 31 December 2018	This license shall be displayed	Complied
TOPVISION Kulai	Kulai Municipal Council	Business and Signage License	1 January 2018 – 31 December 2018	Nil	Complied
TOPVISION Kuala Selangor	Kuala Selangor District Council	Trade and Business License	9 February 2018 – 8 February 2019	The renewal of this license shall be applied 3 months prior to the date of its expiry.	Complied

5. BUSINESS OVERVIEW OF OUR GROUP

Company	Approving authority	Type of Licenses/ Permits/ Registrations (Including licence or certificate No.)	Issue date / Validity period	Conditions imposed	Status of compliance
TOPVISION Setia Alam	Shah Alam City Council	Signage License	1 January 2018 – 31 December 2018	Nil	Complied

Our Group has obtained all licenses, permits, and approvals as required for our business and operations.

5.14 Health, Safety & Environmental Policies

We place heavy emphasis on health, safety and environment as they are vital parts of our operations and if not managed properly, can cause loss of life, monetary damages and disruption of work.

We have implemented an in-house health, safety and environmental policy which aims at controlling and eliminating recognised hazards and managing the risks as reasonably practicable. The emphasis of the health, safety and environmental program covers the following:

- (a) A Standard Operating Procedure on Infection Control which is guided by a Housekeeping Policy as well as an Environmental Cleaning Guidelines for Healthcare Settings;
- (b) All requirements relating to health, safety and environmental policy are met by implementing regular audits;
- (c) Sustained effort in accident or injury prevention with guidelines on incident reporting should it happen;
- (d) An emphasis on patients' rights with a documented patients grievance mechanism plan; and
- (e) Proper operation and maintenance of our Group's equipment and machinery.

5.15 Prospects of our Company

According to the IMR Report, the medical eye care industry in Malaysia is projected to expand by a Compound Annual Growth Rate (CAGR) of 9.8 percent from 2017 to 2022, expanding from RM343.2 million in 2017 to reach approximately RM548.2 million in 2022.

Factors priming the growth are expected to come from a growing and aging population that spurs more need for medical eye care services. The private medical eye care industry is also set to expand in tandem with a higher demand arising from the increase in awareness of eye diseases and a higher disposable income among the population. The increase in the number of patients suffering from diabetes who will need eye care arising from their diabetes illness will also drive growth. In addition to the Malaysian population, demand is also likely to come from a higher number of healthcare travellers in line with an expansion of healthcare tourism industry.

In terms of supply, the medical eye care industry is expected to benefit from strong government support in charting the direction and goals of eye health in Malaysia. The Malaysian population is also set to benefit from the potential expansion in medical eye care services coverage arising from an increasing number of eye health practitioners in the public and private sectors. Furthermore, advancement in technology is also anticipated to improve the medical and surgical procedures related to the eye, making them more comfortable, efficient and effective.

Source: IMR Report

5. BUSINESS OVERVIEW OF OUR GROUP

5.16 Business Strategies and Future Plans

In tandem with the positive outlook for the medical eye care industry in Malaysia, our Group intends to leverage on our existing capabilities and competencies to become one of the leading medical eye care group in the country, and we have accordingly put in place the following development plans to help us achieve this:

(i) Expansion of the Group's network

We intend to continue with our expansion plan to cater to the demand for medical eye care services in the country. Our fifth centre has just established in May 2018 in Kulai, Johor.

In addition, we plan to open TVIESC and two (2) ambulatory care centres in the near future. The TVIESC will be established in the Klang Valley. TVIESC is a subspecialty multidisciplinary tertiary eye hospital, which will offer retina, cornea, glaucoma, paediatric, general, aesthetic and oculoplastics, refractive and LASIK services with in house admission and general anaesthesia services for complex eye procedures, including cornea transplant. This will also be the hub for international patients. Meanwhile, an additional two (2) eye specialist centres are targeted to be opened in Southern Region. With this planned expansion, we will be recruiting new talents in terms of ophthalmologists, optometrists and other supporting staff as well as equip our centres with modern and state of the art medical equipment.

(ii) Expansion of the Group's range of services

We also plan to expand our range of services offered to cater to increasing demands from customers. Our Group will start up a refractive suite, offering refractive surgeries for customers wanting spectacle independence such as LASIK and Implantable Collamer Lens (ICL) procedures. Aesthetic double eyelid surgical procedure is also being planned as an added offering.

(iii) Growing the international markets

In view of penetrating into the international markets, TOPVISION is in the midst of negotiating with Indonesian partners to set up Regional Marketing Offices in Palembang, Medan and Jakarta. These offices will strengthen our market presence in Indonesia and, facilitate greater marketing and promotional activities to attract customers from the country.

Currently, our Group is in the corporate panel for two of the larger TPA groups in Indonesian, namely PT Administrasi Medika and PT AA International Indonesia, which refers panel patients directly to TOPVISION for treatment. We have also partnered with local travel facilitators in Medan such as PT Hans Travel to refer patients to us. These efforts will contribute to the increase in medical tourists coming to Malaysia.

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6. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS INFORMATION MEMORANDUM, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS INFORMATION MEMORANDUM.

The following are potential risks which our Board views as having a possible material adverse impact on the future performance of our Group or on the market price of our Shares. Some of these risks can be mitigated by deploying contingency plans and/or safeguard. Other risks however are inherent or beyond our control and cannot be mitigated.

6.1 Risk relating to our business and operation

(a) Dependency on Executive Directors, ophthalmologists and key management

Our Group's financial performance is dependent upon the experience of our executive directors and continuous support of ophthalmologists and key management team. The departure of such executive directors, ophthalmologists and key management team without appropriate replacement may affect our operations and financial performance. Our Group currently employs/engages one (1) ophthalmologist for each centre, and the departure of key ophthalmologists may affect the operations of the centre. In such event, our ophthalmologist is required to serve a notice period of one (1) month prior to leaving our Group, of which our Group will engage visiting consultants or locum doctors from our pool of contacts to ensure seamless transition to a new ophthalmologist and minimise any disruption to our operations. Our Group has a wide pool of contact in which we are able to recruit full time ophthalmologist(s).

Ophthalmologists require professional licences to practice and take many years to train as eye care specialists. In addition, we are highly dependent on the technical knowledge and experience and established pool of patients of such ophthalmologists. Our Group recognises the importance of these ophthalmologists and we have made efforts to put in place human resource strategies such as competitive compensation packages and by making the ophthalmologists shareholders of the Company.

Notwithstanding efforts in seeking to limit and minimise this risk, there can be no assurance that our efforts will be successful in attracting and retaining executive directors, ophthalmologists and key management personnel or ensure smooth management succession plan in the event of their departure.

(b) Competition risks

The medical eye care industry in Malaysia is participated by both the public and private sectors. With the growing demand for medical eye care due to the growth in population as well as increase in age-related eye diseases, players in the industry are facing increased competition. Some of these competitors have greater financial resources with better and more modern medical equipment and infrastructure. If our Group is unable to maintain our competitive services or keep up with the industry, we may lose our patients and market share and ultimately, affect our revenue and profits.

(c) Cost escalation risks

The fluctuation in foreign exchange rates may have an impact on the prices of medications and instruments that we purchase. The costs can be passed on to the patients where possible. However, higher exchange rates may cause our Group to purchase those items at a higher cost thereby affecting our Group's revenue and profitability in the longer term.

6. RISK FACTORS

Another factor which could negatively impact the margins of our Group is the possibility of insurance companies seeking better terms on medical claims. In this respect, our Group hopes to use economies of scale gained through bulk purchases as well as the practise of buying more during promotion period for fast moving medications and disposables to mitigate this risk.

(d) Insurance coverage and indemnities may not be adequate to cover all our damages and losses

We are exposed to potential liability risks that come with the provision of healthcare services and there is no assurance that our insurance would be sufficient to cover all damages and losses. Hence, any uninsured damages and loss in excess of insured limits may affect our business and financial results.

We have obtained professional indemnity insurance as well as Public Liability Insurance to cover such risks but we are not able to ensure that these will be sufficient to cover all potential liabilities that we face. All our ophthalmologists, including our consultant ophthalmologists, each have their individual medical indemnity insurance. Of all our ophthalmologists, four (4) of them are engaged as consultant ophthalmologists, including one (1) visiting consultant ophthalmologist, by TOPVISION Kuala Selangor, TOPVISION Batu Pahat and TOPVISION Setia Alam, respectively. Our visiting consultant ophthalmologist is engaged by TOPVISION Setia Alam.

There is also no assurance that any or all of our insurers will be able to meet their contracted obligations to provide the coverage we are contracted for. If there is a case or cases of claims that exceed our policy aggregate limitations, we may be required to make substantial payments. This may negatively impact our business results.

6.2 Risks relating to medical eye care industry

(a) Regulations set out by the authorities

Ophthalmologists in Malaysia are required to register with the Malaysian Medical Council in order to practise legally in Malaysia. Eye specialist centres operating as private ambulatory care centres on the other hand, are required to adhere to the standards set out in the Private Healthcare Facilities and Services Act 1998 in order to register with the Ministry of Health.

While the renewal of our licenses depends on our Group's compliance with the regulations, there may be delay in processing the licenses if the requirements are not fulfilled accordingly. In the past, our Group has not encountered difficulties in renewing our registrations and will strive to fulfil the conditions imposed by respective ministries.

(b) Complaints and medical negligence claims by patients

Our Group's business operations are subject to complaints and medical negligence claims from patients. These complaints range from the quality of service, treatment results as well as pricing. Depending on the severity of the complaint or claim made, our Group may receive negative reviews and/or investigations by relevant authorities which may adversely affect the involved staff and our Group's reputation.

In the event that these complaints and medical claims result in disciplinary actions or legal proceedings against our Group and/or our involved personnel, there may be an adverse effect on our Group's reputation and ultimately, our financial performance. In addition, personnel identified in the complaint(s) may also be subject to disciplinary actions from relevant authorities where the punishment ranges from monetary fines to suspension or revocation of their licence, which may have an adverse effect on the personnel and our Group's financial performance.

6. RISK FACTORS

In order to mitigate claims arising from medical negligence, we have obtained professional indemnity insurance to cover such risks with policies renewed annually. TOPVISION is also covered with the Public Liability Insurance. Our Group's consultants are our ophthalmologists and each has his/her own medical indemnity insurance. As at the LPD, our Group has not encountered such medical claims from our patients.

6.3 Risks relating to investment in our Shares

(a) Delay or abortion of our Proposed Listing

Our Proposed Listing may be potentially delayed or aborted on the occurrence of the following events:

- (i) Bursa Securities may not grant an approval-in-principle for our Proposed Listing if we are unable to meet the public shareholding spread requirement as determined by Bursa Securities, whereby at least 10.0% of our enlarged issued share capital for which the Proposed Listing is sought is in the hands of public shareholders;
- (ii) the identified Sophisticated Investors fail to subscribe for the portions of the Issue Shares allotted to them; or
- (iii) the occurrence of any force majeure events, which are beyond our control, before our Proposed Listing.

Nevertheless, we will endeavour to ensure compliance with the Listing Requirements for our successful listing on the LEAP Market of Bursa Securities.

If our Proposed Listing does not take place within 6 months from the date of the approval-in-principle by Bursa Securities (or such further extension of time as Bursa Securities may allow) or we abort the Proposed Listing on the LEAP Market, Sophisticated Investors will not receive any Shares and we will return in full, without interest, all monies paid in respect of any application for our Shares within 14 days. If we fail to do so, our Directors shall be jointly and severally liable to repay the monies with interest at the rate of 10% per annum or such other rate as may be prescribed by Bursa Securities upon expiration of that period until full refund is made.

If our Proposed Listing is aborted and/or terminated, and our Shares have been allotted to the Sophisticated Investors, the return of monies could only be achieved via cancellation of share capital as provided under the Act and its related rules. Such cancellation will require the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaysia) and the confirmation of the High Court of Malaysia. There can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

(b) No prior market for our Shares

There has been no prior public market for our Shares prior to our Proposed Listing. There can be no assurance that an active market for our Shares will develop or be sustained after our Proposed Listing or that the market price of our Shares will not decline below the Issue Price. Sophisticated investors may find it difficult to sell our Shares at an acceptable price. We believe that a variety of factors could cause our share price to fluctuate and such fluctuation may adversely affect the market price of our Shares.

If an active trading market does not develop or is not maintained, the liquidity and trading price of our Shares could be affected and investors may have difficulty selling our Shares and may lose their investment. Any investment in our Shares should be viewed as long-term investment.

6. RISK FACTORS

(c) Our Promoters can exercise significant control over our Company

Upon listing, our Promoters will collectively hold approximately 66.97% of our enlarged issued share capital. As a result, our Promoters will be able to exercise significant influence over the business direction and will have voting control over our Company, unless our Promoters are required to abstain from voting by law and/or by the relevant guidelines or regulations.

Nevertheless, our Company has appointed Lee Yit Chin as our Independent Non-Executive Director and she will play an active role in our Board's deliberations to ensure future transactions involving related parties are entered into on an arms-length basis, so as to facilitate good corporate governance whilst promoting greater corporate transparency.

(d) We may not be able to pay dividends

Our Company, being an investment holding company derives income mainly from dividends received from our Subsidiaries. Hence, our ability to pay future dividends is largely dependent on the performance of our Subsidiaries.

In determining the size of any dividend recommendation, we will also take into consideration a number of factors, including but are not limited to our financial performance, cash flow requirements, future expansion plans, loan covenants and compliance with regulatory requirements.

(e) Forward-looking statements

Certain statements contained in this Information Memorandum may constitute forward-looking statements. Such statements include, amongst other things, statements regarding the Group's or management's beliefs, expectations, estimations, plans, anticipations and similar statements. Any such forward-looking statements involve risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this Information Memorandum and there can be no assurance that the results and events contemplated by such forward-looking statements will, in fact occur. Our Group and our Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein, or to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances or which any such statement is based, save as required to comply with any legal or regulatory obligations (including the Listing Requirements).

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7. INDEPENDENT MARKET RESEARCH REPORT



The Board of Directors
TOPVISION Eye Specialist Berhad
Unit 11-2 & 11-3, No. 2,
Jalan Setia Prima (S) U13/S,
Setia Alam, Seksyen U13,
40170 Shah Alam, Selangor.

Dear Sirs,

Strategic Analysis of the Medical Eye Care Industry in Malaysia

Protégé Associates Sdn. Bhd. ("Protégé Associates") has prepared the 'Strategic Analysis of the Medical Eye Care Industry in Malaysia' for inclusion in the Information Memorandum of TOPVISION Eye Specialist Berhad ("TOPVISION Group" or "Group") in relation to the proposed listing of and quotation for the entire issued share capital of TOPVISION Group on the LEAP Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

Protégé Associates is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Mr. Tan Chin How is the Director of Protégé Associates. He has 14 years of experience in consulting and market research for multiple industries ranging from manufacturing, IT, renewable energy, steel, oil and gas, aquaculture to various other sectors. He has also provided his market research expertise to government agencies such as Malaysia Technology Development Corporation Sdn Bhd ("MTDC"), Department of Fisheries Malaysia ("DOF") and Malaysian Green Technology Corporation ("Greentech").

We have prepared this report in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you.

Yours sincerely,

TAN CHIN HOW
Director

1 MALAYSIAN ECONOMIC OVERVIEW

The Malaysian economy registered a 5.9% growth in its real gross domestic product (“GDP”) in 2017 – a faster pace than the 4.2% growth recorded in 2016. The growth of the Malaysian economy was supported by the continued expansion in domestic demand. The Malaysian economy was also boosted by a better external trade performance as exports were spurred by robust demand for manufactured products. In the second quarter of 2018 (“Q2 2018”), the Malaysian economy grew by 4.5%, a slower pace than the 5.4% recorded in the first quarter of 2018 (“Q1 2018”). The slow growth was due to low production in the mining and agricultural sectors coupled with decline in public sector spending and export demands.

The Malaysian Government is mindful of various external challenges, such as the uncertainty on the trend of global oil prices as well as international geopolitical tension that may be economic headwinds for the local economy. The Malaysian economy is forecast to expand by 5.0% in 2018. The growth in the Malaysian economy is expected to be anchored again by domestic demand. Private consumption is anticipated to remain supported by wage growth under a stable labour market, coupled with a low interest rate environment to spur spending.

2 THE MEDICAL EYE CARE INDUSTRY IN MALAYSIA

This report will begin with an introduction on the technical terms that will be used in the remainder sections of the report, followed by a comprehensive analysis on the medical eye care industry in Malaysia.

2.1 DEFINITIONS

The following figure lists out the technical terms used in this report and their definitions.

Figure 1: Technical Terms and Definitions

Term	Definition
Aberration	Something that deviates from the normal way. Aberration in optics refers to a defect in a lens such that light is not focused to a point, hence an image formed by a lens with aberration is blurred or distorted.

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Term	Definition
Age-related macular degeneration (AMD)	The gradual loss of central vision due to a damaged macula, which consists of retinal cones necessary for sight.
Astigmatism	Optical defect in which refractive power is not uniform in all directions (meridians). Light rays entering the eye are bent unequally by different meridians, which prevents formation of a sharp image focus on the retina.
Cataract	Clouding of the natural lens of the eye which is usually caused by aging resulting in reduced vision.
Diabetic retinopathy	Leaking of retinal blood vessels in advanced or long-term diabetes, affecting the macula or retina.
Glaucoma	An eye condition whereby the optic nerve is damaged predominantly due to raised intraocular (eye) pressure
Hyperopia	It is also known as far sightedness, a type of eye disorder where distant objects may be seen more clearly than objects that are near.
LASIK (Laser-Assisted In Situ Keratomileusis)	A surgical procedure that reshapes the cornea of the eye, thereby corrects and enhances eyesight. LASIK corrects myopia, hyperopia, astigmatism and presbyopia.
Myopia	It is also called near-sightedness where a person can see near objects clearly but distant vision is blurred.
Ocular comorbidity	The presence of one or more eye diseases or disorders co-occurring with each other.
Ophthalmologist	A medical doctor who specializes in the diagnosis and treatment of eye diseases and disorders. Ophthalmologists perform eye exams, treat disease, prescribe medication and perform surgeries.
Ophthalmology	A medical sub-speciality in eye diseases.
Optician	A professional who makes and adjusts optical aids, e.g. eyeglass lenses, from refraction prescriptions supplied by an ophthalmologist or optometrist.
Optometrist	A professional who specializes in the function and disorders of the eye, detection of eye disease, and certain types of eye disease management.
Paediatric ophthalmology	A sub-speciality of ophthalmology related to eye diseases, visual development and vision care in children.
Presbyopia	A condition in which the aging eye is unable to focus at all distances, often noticed when print begins to blur.
Refractive error	Refractive error happens when the shape of the eye does not bend light correctly, resulting in a blurred image. The main types of refractive errors are myopia, hyperopia, presbyopia and astigmatism.
Retinopathy	Disease of the retina.
Visual acuity	Refers to the clarity of vision.
Vitreoretinal disease	Conditions affecting the vitreous and the retina. Vitreous is the clear jelly-like substance that fills the space in the eye while retina is the light-sensitive tissue lining the back of the eye.

Source: Protégé Associates

2.2 INTRODUCTION TO THE MEDICAL EYE CARE INDUSTRY

The World Health Organisation (“WHO”) stated that the main cause of avoidable blindness and visual impairment is cataract and uncorrected refractive error. Globally, up to 80% of blindness and visual impairment is preventable or treatable.

In Malaysia, a National Eye Survey conducted in 2014 found that a total of 216,000 Malaysians became blind due to delays in cataract surgery and that the condition also caused 272,000 others to be visually impaired. The survey also found 63,000 Malaysians aged 50 years and above were blind with 60% of them treatable, while 350,000 of people in same age group had low vision with 80% of them treatable.

The ophthalmology or medical eye care industry revolves around the provision of medical eye care services. Medical eye care encompasses a range of clinical, technical and rehabilitative services that includes diagnosis and treatment of visual impairment in adults and children as well as provision of medical and surgical treatment to correct vision threatening conditions and other eye disorders. A section of the eye care industry related to the provision of corrective lenses or other visual aids for correction of vision which are normally carried out by opticians are not covered in this report.

Medical eye care services are offered at multiple types of facilities. The service offerings vary across different types of facilities.

2.3 TYPES OF MEDICAL EYE CARE FACILITIES

Medical eye care services in Malaysia are provided by a dual healthcare system which are the public system, commonly through the hospitals operated by the Ministry of Health and a fee-for-service private system through the hospitals and standalone ambulatory care centres.

In general, the public sector operates medical eye care services in a hospital setting. The private sector participates in the form of standalone eye clinics, eye specialist centres with ambulatory care centre facilities and eye clinics in hospitals. These private facilities are mainly located in the urban areas to cater to the demand of the more affluent community.

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Figure below lists out the different types and descriptions of medical eye care facilities in Malaysia.

Figure 2: Types of Medical Eye Care Facilities

Types of Facility	Description
Main Eye Clinic	Urban clinic with a clinical team comprising ophthalmologists and/or optometrists, nurses and other personnel, providing general outpatient services involving diagnosis and treatment of visual impairment. Main eye clinic is operated by the private sector. It is defined as main eye clinic to differentiate this with other types of eye clinics such as those in the hospitals.
Mobile Eye Clinic	'Eye clinic on wheels' that provides eye health examinations, eye disease screenings and even surgeries to the rural communities. Mobile eye clinic is operated by the public sector.
Eye Specialist Clinic	Hospital-based clinic with ophthalmologists based in-house. Eye specialist clinic is operated by both the public and private sectors.
Eye Specialist Centre	Urban clinic with a clinical team comprising ophthalmologist and/or optometrists, nurses and other personnel, providing more comprehensive eye care services including medical and surgical treatment of visual impairment. These centres are also usually certified ambulatory eye care centres. Eye specialist centre is operated by the private sector.
Eye Hospital	A hospital that provides medical eye care services only and operated by the private sector.

Source: Protégé Associates

2.4 HISTORICAL MARKET PERFORMANCE AND GROWTH FORECAST

The medical eye care industry was valued at RM343.2 million in 2017, representing an increase of 9.5% from RM313.4 million in 2016. Figure below shows the historical market size and growth forecast for the main eye clinics and eye specialist centres in Malaysia from 2016 to 2022.

Figure 3: Historical Market Size and Growth Forecast for the Medical Eye Care Industry (covering Main Eye Clinics and Specialist Centres) in Malaysia, 2016-2022

Year	Market Size (RM million)	Growth (%)
2016	313.4	-
2017	343.2	9.5
2018	376.5	9.7

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2019	413.4	9.8
2020	453.9	9.8
2021	498.8	9.9
2022	548.2	9.9

Compound annual growth rate ("CAGR") (2017-2022): 9.8%

Notes:

- 1. Market size and growth forecast based on provision of medical eye care services by the main eye clinics and eye specialist centres in the private sector. It excludes the eye specialist clinics that are based in the private hospitals;*
- 2. All figures are rounded; the base year is 2017.*

Source: Protégé Associates

Moving forward, the medical eye care industry is projected to expand to approximately RM548.2 million in 2022, representing a CAGR of 9.8% during the period. Growth will mainly be driven by a growing and aging population that increases demand for eye care services, the rising income level which will encourage more to seek treatment from the private ophthalmology service providers, the increasing awareness of eye diseases and the growing healthcare travel industry. The increasing prevalence of diabetes leading to vision disorders due to complications from this disease will also spur the growth of the medical eye care industry.

In terms of supply, the medical eye care industry will stand to benefit from the strong government support to increase collaboration between the public, private and non-governmental organisations to widen the healthcare coverage in Malaysia by opening up more opportunities for the private sector to be directly involved in the provision of healthcare services to the population. The increasing number of eye care practitioners and advancement in medical eye care technologies are also likely to drive the expansion of the industry through wider coverage and better eye care service provision.

2.5 COMPETITIVE ANALYSIS

2.5.1 Comparable Market Players

TOPVISION Group is established as a private medical eye care service provider with ambulatory care centres at different locations. As at the date of publication, it has 5 facilities under the Group. For the purpose of comparison, Protégé Associates has selected the following private

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companies that are also established in the medical eye care industry offering similar services and have multiple facilities in Malaysia as at the date of publication.

ISEC Malaysia

ISEC Malaysia is part of ISEC Healthcare Ltd. that is headquartered out of Singapore. Their expertise are wide ranging and include the fields of cataract and refractive surgery such as LASIK, vitreoretinal diseases, corneal and external eye diseases, glaucoma and paediatric ophthalmology. Most of their ophthalmologists are shareholders of their company.

For the financial year ended 31 December 2016, ISEC recorded revenue of RM77.9 million and profit after tax of RM14.7 million. This revenue is only for its Malaysian operations. As at the date of publication, there are 4 facilities in Malaysia, with one each in Kuala Lumpur, Penang, Melaka and Sarawak.

Optimax Eye Specialist Centre Sdn Bhd

Optimax Eye Specialist Centre Sdn Bhd ("Optimax") was established in Malaysia in 1995 with 1 facility in Kuala Lumpur. It specialises in laser vision correction such as LASIK. Other services provision include the management of various eye diseases such as glaucoma, cataract, dry eyes, contact lens related complications and retinal disorders including retinal detachment, diabetic retinopathy and age-related macular degeneration.

For the financial year ended 31 December 2016, Optimax recorded revenue of RM30.0 million and profit after tax of RM3.1 million. As at the date of publication, Optimax operates 11 medical eye care facilities with 3 in Selangor, 2 in Kuala Lumpur, 1 in Penang, 1 in Negeri Sembilan, 1 in Perak, 2 in Johor and 1 in Sarawak.

Vista Laser Eye Centre Sdn Bhd

Vista Laser Eye Centre Sdn Bhd ("Vista") was incorporated in Malaysia in 1999 as an eye specialist centre. Vista offers a wide range of eye care services and treatment such as vision evaluation, glaucoma screening, diabetic eye disease treatment, paediatric eye care, age-related macular degeneration, corneal diseases and dry eye disorder. They also specialised in cataract and LASIK surgeries.

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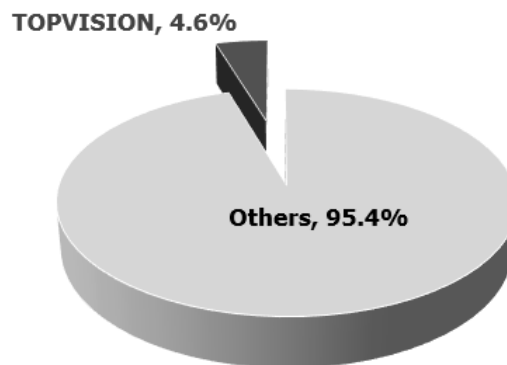


For the financial year ended 31 December 2016, Vista recorded revenue of approximately RM24.0 million and profit after tax of RM18,323 As at the date of publication, Vista operates 6 facilities with 3 facilities located in Selangor, 2 in Penang and 1 in Johor.

Market Share

The revenue generated by TOPVISION Group in its financial year ended 31 December 2017 was RM15.7 million, which is equivalent to 4.6% of the estimated market size of the medical eye care industry in Malaysia in 2017. The market share is derived from dividing TOPVISION Group's revenue of RM15.7 million with the market size of approximately RM343.2 million in 2017.

Figure 4: Market Share of TOPVISION (by revenue) in the Medical Eye Care Industry, 2017



Source: Protégé Associates

2.6 DEMAND AND SUPPLY CONDITIONS

Demand and supply conditions refer to market factors that can positively or negatively affect future market size and growth by specifically altering demand or supply dynamics. These demand and supply factors can include trends, key developments or events that spur market expansion, leading to increases in sales or revenues, or developments that negatively affect market growth.

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2.6.1 Demand Conditions

The following factors represent key trends, developments and events influencing market demand of the medical eye care industry in Malaysia.

Steady Population Growth and an Aging Population

A higher population indicates a growing pool of potential consumers requiring eye care services. Demand is also set to rise in tandem with an expanding aging population suffering from age-related eye conditions such as cataract or age-related macular degeneration.

The Malaysian population is expected to continue growing at a steady pace. According to the Population and Housing Census, Malaysia 2010, the total population of Malaysia was 28.6 million in 2010. This figure is projected to grow steadily to reach 41.5 million in 2040. More importantly, the proportion of population aged 65 years and above is projected to increase from 5.0% in 2010 to 14.5% in 2040. Thus, the eye care industry in Malaysia can look forward to more demand for eye care services with the expected growth in population.

Rising Income Level

The increase in affluence among Malaysians has made them more likely to seek private ophthalmology services. According to Budget 2018 that was tabled at the Parliament last October 2017, the per capita income in Malaysia has increased from RM27,819 in 2010 to reach RM40,713 in 2017. It is expected to increase further to RM42,777 in 2018. Therefore, more consumers are expected to enjoy higher disposable income that allows them to afford private healthcare services including eye care.

Increasing Prevalence of Diabetes

The National Health and Morbidity Survey (NHMS) has shown that the prevalence of diabetes mellitus among the adults aged 18 years old and above in Malaysia has increased over the years, from 11.6% in 2006 to 17.5% in 2015. The Ministry of Health estimated that by the year 2025, Malaysia's diabetes prevalence will be about 31.3% for adults aged 18 years and above, with an estimated population of 7 million adults with diabetes (both diagnosed and undiagnosed).

The Ministry of Health also stated that all diabetics are at risk of developing diabetic retinopathy and it is the commonest cause of visual loss among working adults in Malaysia as well as the second highest cause of blindness after cataract. Often times, glaucoma is also found when a

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person has diabetic retinopathy. With more people inflicted with diabetes every year, this would contribute to the growth of patients needing medical eye care.

Increasing Awareness

Increased access to the internet has increased patients' awareness of eye diseases and likelihood to seek treatment. According to the Malaysian Communications and Multimedia Commission (MCMC), the number of internet users in Malaysia rose from 66.6% in 2014 to 76.9% in 2016, accounting for 24.5 million of the population who are Internet users in 2016. More Malaysians are now able to seek better and more relevant information from the internet regarding eye disorders and the treatments available for them. This in turn has increased their likelihood to seek treatment.

A Growing Medical Tourism Industry

Growth in Malaysia's healthcare tourism industry brings in a larger pool of potential consumers from other countries, thus creating greater demand for medical eye care services. According to the Malaysia Healthcare Travel Council ("MHTC"), number of healthcare travellers rose from 643,000 travellers in 2011 to 921,000 travellers in 2016. Malaysia's healthcare tourism is popular among travellers from countries like Indonesia, India, China, Japan, the United Kingdom, Australia and Middle Eastern countries. Among the treatments they sought are in cardiology, orthopaedics, oncology, neurology, fertility treatments, dental treatments, medical eye care and cosmetic surgery and rehabilitation services.

Other factors that drive the growth of medical tourism are the availability of low-cost air travel at travellers' affordability, and easy access to information via World Wide Web. The healthcare travel industry is poised to grow in long term with its inclusion as one of the Entry Point Projects ("EPP") in the Economic Transformation Programme ("ETP"). Number of health travellers is expected to reach 1.9 million in 2020 and this will accordingly provide higher demand potential for medical eye care services in Malaysia.

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2.6.2 Supply Conditions

The following factors represent key trends, developments and events influencing market supply of the medical eye care industry in Malaysia.

Strong Government Support

Being part of the larger healthcare sector, the importance of eye health is well-recognised by the Malaysian Government. Two of the key indicators outlined in the Ministry of Health Strategic Plan for the period of 2016 to 2020 are linked to eye health. Information on this is detailed in Figure 8.

In addition, the fourth core strategy in the Ministry of Health Strategic Plan (2016-2020) stated that the government will increase collaboration between the public, private and non-governmental organisations to widen the healthcare coverage in Malaysia. To this end, the government will promote and open up more opportunities for the private sector to be directly involved in the provision of healthcare services to the population. Such strong and continuous support from the Malaysian Government are set to provide the impetus to growth moving forward.

Increasing Number of Eye Care Practitioners such as Optometrists and Ophthalmologists

The eye care industry in Malaysia has seen an increasing number of practitioners in both the public and private sectors to meet the demand from an increasing population. Optometrists play an important role in providing primary eye care services to the population and the increase in the number of optometrists will greatly assist ophthalmologists in the effort to improve the quality of eye health services in the country.

As illustrated in Figure 5, the total number of optometrists have increased from 899 practitioners in 2011 to 1,801 practitioners in 2016 while Figure 6 showed that the number of ophthalmologists have increased from 385 in 2009 to 516 in 2017.

There are more optometrists in the private sector compared to the public sector but in the case of ophthalmologists, there are more of them practising in the public sector compared to the private sector. Further expansion in number of eye care practitioners is likely to improve the coverage of eye care services provision in Malaysia.

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**Figure 5: Number of Optometrists by Sector, 2011-2016**

Year	2011	2012	2013	2014	2015	2016
Public	249	281	308	336	336	345
Private	650	855	1,015	1,081	1,264	1,456
Total	899	1,136	1,323	1,417	1,600	1,801
Population	29,062,000	29,510,000	30,213,700	30,708,500	31,186,100	31,633,500
Number of Optometrists per One Million Population	31	38	44	46	51	57

Source: Ministry of Health Malaysia and Protégé Associates

Figure 6: Number of Ophthalmologists by Sector, 2009-2017

Year	2009	2010	2011	2013	2017
Public	201	216	218	245	298
Private	184	159	164	185	218
Total	385	375	382	430	516
Population	28,081,500	28,588,600	29,062,000	30,213,700	32,049,700
Number of Ophthalmologists per One Million Population	14	13	13	14	16

Note: 2012, 2014, 2015 and 2016 data are not publicly available.

Source: National Clinical Research Centre (National Healthcare Establishment & Workforce Statistics, 2015), National Specialist Register and Protégé Associates

Advancement in Medical Eye Care Technology

The adoption of technology in eye care has been growing for the past few decades. Such advancements have yielded better patient outcomes for eye treatments making it more comfortable, effective and efficient.

Surgical procedures involving the eye have benefited from huge improvements in technology, resulting in increased success rates while reducing the time for recovery with vast improvements in patient lifestyle. In recent years, further improvements have occurred in the delivery of eye surgery, with most operations being treated as day cases.

7. INDEPENDENT MARKET RESEARCH REPORT



The following figure details the advancements in the medical eye care industry with the aid of technology.

Figure 7: Medical Eye Care Advancements by Technology

Technology	Description
Wavefront analysis	This technology measures the way eye focuses light and creates an eye map to provide a better diagnosis on eye problems.
Adaptive optics	This technology accurately detects the early signs of vision loss that other screening techniques fail to determine in diabetic patients. It efficiently targets those areas that were initially overlooked by other machines.
Femtosecond laser	This method allows surgeons to create extremely thin flaps or to precisely remove eye tissue. The incision is made with thousands of laser pulses rather than with a blade. This method is safe, accurate, painless and fast. It can be used for cataract or LASIK surgeries.
Argon or Diode laser	Prevents retinal detachment and treats retinal tears by scarring the retina and bonding it with the underlying tissues
Implantable Collamer Lens	Implantable collamer lens ("ICL") is an artificial lens which is implanted in front of the eye's natural lens, but behind the iris, which makes the lens invisible to outside observers. The procedure is often recommended for patients with high prescriptions for short-sightedness or long-sightedness as the cornea is not thick enough to be treated safely with laser eye surgery procedures such as LASIK.
Minimally invasive glaucoma surgery (MIGS)	Any surgery that involves creating a tiny incision to implant a microscopic device and help reduce pressure inside the eye of patients suffering from glaucoma. MIGS procedures have a low risk of complications and provides an option to the traditional treatment of using eye drops to help lower intraocular pressure.

Source: Protégé Associates

The advancement in eye care technology, ranging from imaging aids for diagnosis and treatment planning as well as the use of innovative surgical appliances have simplified the treatment procedures and improved the quality of eye health services. Further technological advancement in medical eye care is set to enhance the service offerings of this industry.

7. INDEPENDENT MARKET RESEARCH REPORT



2.7 DEPENDENCIES ON OTHER INDUSTRIES

The medical eye care industry is not dependent on other industries.

2.8 INDUSTRY'S RELIANCE ON AND VULNERABILITY TO IMPORTS

Ophthalmologists play a critical role in the medical eye care industry and the recruitment of qualified medical staff is one of the key factors in ensuring the smooth operations and growth of this industry. Over the years, Malaysia has been able to produce many specialists in the medical sector including the medical eye care segment. In addition, the clinical support staff are also domestically sourced. While Malaysia is generally self-sufficient in terms of human resource in the medical eye care industry, some high technology equipment and medications may need to be imported to fulfil the growing local demand for certain medical or surgical procedures.

Therefore, the medical eye care industry in Malaysia is not reliant on or vulnerable to foreign expertise and services. If and when necessary, foreign products and services are sourced to fulfil local demand.

2.9 GOVERNMENT REGULATIONS AND POLICIES

2.9.1 Regulations

The main regulations governing the provision of medical eye care services are the Medical (Amendment) Act 2012, Medical Regulations 2017, Optical Act 1991 and the Private Healthcare Facilities and Services Act 1998.

Ophthalmologists who are medical practitioners are under the purview of the Medical (Amendment) Act 2012 which came into force on 1 July 2017, replacing the Medical Act 1971. The Medical Act 1971 mandated the establishment of the Malaysian Medical Council ("MMC") which requires all medical practitioners to register with the MMC and obtain an Annual Practising Certificate ("APC") in order to practise legally in Malaysia.

7. INDEPENDENT MARKET RESEARCH REPORT



The amended Act and its Regulations 2017 strengthened the functionality of the MMC as a corporate entity to regulate and to ensure that safe and quality medical care is being provided. Under the Medical Regulations 2017, doctors must have indemnity insurance and attend continuing education courses to upgrade their skills before they are eligible to renew their APCs. In addition, specialists will also have to register with the MMC and placed in the National Specialist Register established by the MMC as required by the amended Act.

Under the Optical Act 1991, all practising optometrists must register with the Malaysian Optical Council and obtain an APC and Photo Name Certificate in order to practise in Malaysia.

Meanwhile, the Private Healthcare Facilities and Services Act 1998 outlines the minimum standards of facilities, equipment and infection control processes that all private eye care facilities need to attain in order to register themselves with the Ministry of Health Malaysia.

The operation of healthcare business including eye care in Malaysia is also subject to other ancillary laws and regulations, including

- a) The Medicines (Advertisement and Sale) Act 1956 of Malaysia, the Medicine Advertisements Board Regulations 1976 of Malaysia, and the Advertising Guidelines for Healthcare Facilities and Services that govern the advertisement and dissemination of information to the general public in relation to healthcare matters and regulates the sale of substances recommended as medicine.;
- b) The Poisons Act 1952 (Revised 1989) of Malaysia which requires pharmacist handling medicine in a private healthcare facility to have a valid license to store, import and manage the permitted poisons; and
- c) The Prevention and Control of Infectious Diseases Act 1988 of Malaysia which regulates the surveillance and disease control and prevention activities.

2.9.2 Government Policy

The main government policy related to the medical eye care industry is the Ministry of Health Strategic Plan for the period of 2016 to 2020. It outlines multiple strategies to be implemented by both public and private sectors in order to achieve the designated goals by 2020.

Two of the key indicators outlined in the strategic plan are linked to eye health. The figure below outlines these two indicators as well as the target given and departments responsible.

7. INDEPENDENT MARKET RESEARCH REPORT

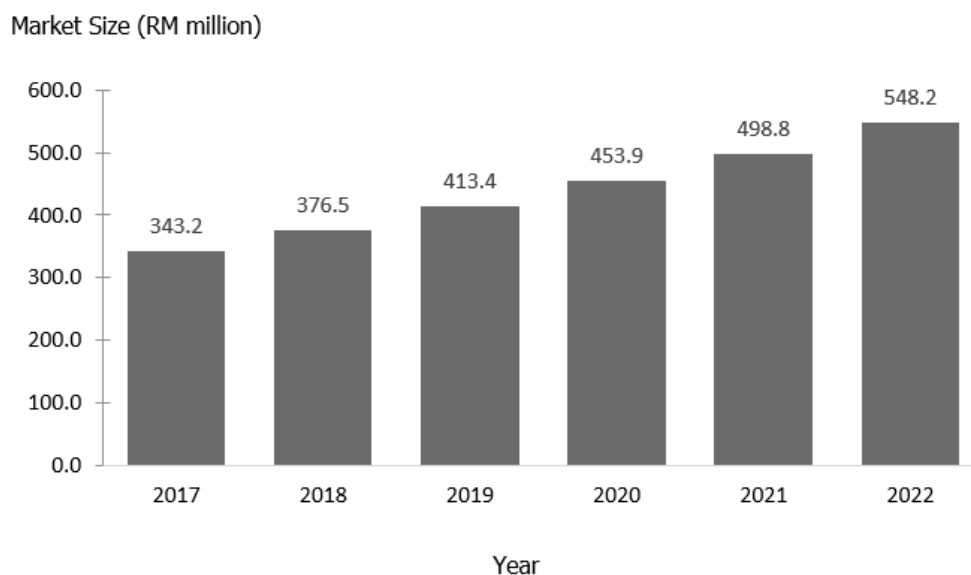
Figure 8: Ministry of Health Strategic Plan, 2016-2020

Key Goals	Target						Department
	2015	2016	2017	2018	2019	2020	
Prevalence of diabetes mellitus among those aged 18 and above	17.5%	17.0%	16.5%	16.0%	15.5%	15.0%	Disease Control
Percentage of patients without ocular comorbidity with visual acuity of $\geq 6/12$ in 3 months after cataract operation	>85%	>85%	>85%	>85%	>85%	>85%	Medical Development

Source: Ministry of Health

2.10 MARKET OUTLOOK AND FUTURE PROSPECT

Moving forward, the medical eye care industry is forecast to grow from 2017 to 2022. Figure below illustrates the market size and forecast for the medical eye care industry in Malaysia from 2017 to 2022.

Figure 9: Market Size and Forecast for the Medical Eye Care Industry (covering Main Eye Clinics and Specialist Centres) in Malaysia, 2017-2022

Source: Protégé Associates

7. INDEPENDENT MARKET RESEARCH REPORT



Factors priming the growth are expected to come from a growing and aging population that spurs more need for medical eye care services. The private medical eye care industry is also set to expand in tandem with a higher demand arising from the increase in awareness of eye diseases and a higher disposable income among the population. The increase in the number of patients suffering from diabetes who will need eye care arising from their diabetes illness will also drive growth. In addition to the Malaysian population, demand is also likely to come from a higher number of healthcare travellers in line with an expansion of healthcare tourism industry.

In terms of supply, the medical eye care industry is expected to benefit from strong government support in charting the direction and goals of eye health in Malaysia. The Malaysian population is also set to benefit from the potential expansion in medical eye care services coverage arising from an increasing number of eye health practitioners in the public and private sectors. Furthermore, advancement in technology is also anticipated to improve the medical and surgical procedures related to the eye, making them more comfortable, efficient and effective.

The medical eye care industry in Malaysia is projected to expand from RM343.2 million in 2017 to reach approximately RM548.2 million in 2022.

8. DETAILS OF THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

8.1 Promoters and Substantial Shareholders

8.1.1 Shareholdings of our Promoters and Substantial Shareholders

The shareholdings of our Promoters and substantial shareholders in our Company before and after our Proposed Placement are set out below:

Name	Nationality	As at the LPD ⁽¹⁾				After Proposed Placement ⁽²⁾			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kenny Liew	Malaysian	117,767,071	62.38	-	-	117,767,071	46.08	-	-
Dr. Peter	Malaysian	53,390,173	28.28	-	-	53,390,173	20.89	-	-

Notes:

⁽¹⁾ Based on issued share capital of 188,795,535 Shares

⁽²⁾ Based on enlarged issue share capital of 255,595,535 Shares upon completion of the Proposed Placement

8.1.2 Profile of the Promoters and Substantial Shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(a) Kenny Liew

Kenny Liew, a Malaysian age 61, is the founder of our Group and the Chief Executive Director. He was appointed to our Board on 27 March 2018. He is responsible for the overall management of our Group's operations, strategic planning and development of our business strategies and direction. He graduated with a Bachelor of Science (Honours) in Civil Engineering in 1983, a Master in Science (Operational Research) in 1985 and a Master in Business Administration in 1986, with all three qualifications from the University of Strathclyde, United Kingdom.

Soon after his graduation in 1986, he started his early career as a marketing assistance in Yee Lee Trading Co. Sdn Bhd in 1986 where he was responsible in promoting the consumer products of the company to retailers. In 1988 he was given the opportunity to grow and develop the new division of the Yee Lee Oils Industries Bhd's glove manufacturing entity, Cranberry (M) Sdn Bhd. During that period, he was responsible for promoting latex exam gloves to the healthcare and medical industries worldwide especially the USA, Canada and the European gloves Markets. A year later, he was based in San Francisco, USA as Vice President, tasked to set up the group's office and warehouses in San Francisco, New Jersey and Houston, establish brandname for the group's proprietary latex exam gloves named "Cranberry" and aggressively market "Cranberry" gloves in the USA via international events, conferences, products launch and exhibitions under the entity Malaytex USA, Inc, where he stayed for about four (4) years.

He returned to Malaysia in 1993 and joined Seal Polymer Industries Sdn Bhd as a Marketing Manager to oversee the international trade of exam gloves for that company and subsequently joined Sime Darby Plantations Sdn Bhd (Sime Latex Division) in 1994, and subsequently SJ Medical Products (M) Sdn Bhd in 1995. He was the Marketing Manager at both Sime Latex and SJ Medical Products (M) Sdn Bhd and was tasked to develop and explore new markets for gloves for these companies. He was actively involved in promoting products, services or brands

8. DETAILS OF THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

and oversees all marketing and business development activities of these companies.

In 1997, he ventured into the property development sector and joined Tiaraview Sdn Bhd as an Assistant Project Manager. He became part of the team which developed housing projects for the company. During his time as an Assistant Project Manager, he was involved in oversee the property development projects by ensuring appropriate services are delivered through technical, engineering, project controls and commercial support function. In the second half of 1999, he established a partnership in glove manufacturing business named Flexitech Sdn Bhd (“Flexitech”), manufacturing high premium specialty cleanroom gloves for usage in the semi-conductor, pharmaceutical and medical sectors. He was the Marketing Director responsible in overseeing the domestic and international markets especially the USA, European countries, Japan, Singapore, Thailand, Taiwan and Philippines for the company. Flexitech was subsequently listed in Singapore under its holding company, called Medi-Flex Limited in 2004.

He left Flexitech in 2007 to join Hup Lek Engineering & Trading Sdn Bhd, a gloves machine fabricator as the company’s Marketing Manager with the responsibility to promote its gloves machines for domestic gloves factories. In 2010, he set up our first TOPVISION Eye Specialist Centre in Banting, Selangor as he views that significant reforms are needed in the medical eye care industry where the complicated eye surgeries such as retinal detachment can be carried out under day care arrangement. Under his leadership, our Group’s centres expanded to current five (5) centres with a fifth centre opened in the May 2018. From 2010 until 2015, he also served as the General Manager at HL Rubber Industries Sdn Bhd on a part time basis to help the company develop its gloves business.

(b) Dr. Peter

Dr. Peter, a Malaysian age 41, is our Medical Doctor as well as an Executive Director. He was appointed to our Board on 27 March 2018. Dr. Peter graduated from University of Malaya with a Bachelor of Medicine and Bachelor of Surgery in 2001. He started his career as a house officer in Hospital Sibu, Sarawak from 2001 until May 2003 and later as a medical officer at Hospital Kuala Lumpur until May 2005.

He developed a strong interest in ophthalmology and was awarded a certification by the International Council of Ophthalmology, United Kingdom in May 2005. He did his post graduate training under the Ophthalmology Department of Hospital Kuala Lumpur and University of Malaya from 2005 to 2009, and obtained a Master of Ophthalmology from University of Malaya in 2009.

Upon completion of his post graduate training in 2009, he became the head of the Ophthalmology Department in Hospital Sibu, Sarawak in 2009. He joined TOPVISION Eye Specialist Centre, Banting in 2010 as our first Consultant Ophthalmologist and Eye Surgeon in our Banting centre. Over the years, Dr. Peter manages various types of surgeries such as advanced cataract surgery with premium intraocular lens implantation, glaucoma filtering surgery, pterygium excision with conjunctival autograft, paediatric surgery and oculoplastics surgery.

Besides providing medical eye care consultation and carrying out treatment and surgical procedures, Dr. Peter is also involved in the management of clinical and operational matters of our Group’s eye specialist centres, supervising resident doctors and other practitioners in TOPVISION Group, setting up of new centres as well as recruitment of qualified doctors with the appropriate skills and experience to join the Group.

8. DETAILS OF THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

He is a registered medical practitioner with the Malaysian Medical Council since 2001, and the National Specialist Registry since 2012. He is also an ordinary member of the Academy of Medicine Malaysia and a lifetime member of the Malaysian Society of Ophthalmology since 2010.

He is the spouse of Soong Yoke Voon.

8.2 Directors

8.2.1 Shareholdings of our Directors

The shareholdings of our Directors in our Company before and after our Proposed Placement are set out below:

Name	Designation	As at the LPD				After the Proposed Placement			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kenny Liew	Chief Executive Officer / Executive Director	117,767,071	62.38	-	-	117,767,071	46.08	-	-
Dr. Peter	Medical Doctor / Executive Director	53,390,173	28.28	-	-	53,390,173	20.89	-	-
Lee Yit Chin	Independent Non-Executive Director	-	-	-	-	-	-	-	-

8.2.2 Profile of our Directors

The profiles of Kenny Liew and Dr. Peter, who are also our Promoters / substantial shareholders and Directors are disclosed in Section 8.1.2 of this Information Memorandum.

(a) Lee Yit Chin

Lee Yit Chin, a Malaysian age 52, is an Independent Non-Executive Director. She was appointed to our Board on 12 June 2018.

Ms. Lee is a Barrister-at-Law of the Middle Temple and was admitted to the Malaysian Bar on 14 October 1994.

She studied in the chamber with Messrs Raja Elena Siew Ang & Tan, Advocates and Solicitors, before she was called to the Bar. Thereafter she practiced law as a legal assistant for Messrs Michael Chen & Lee, Advocates and Solicitors (now dissolved) from 1994 to 1995 and for Messrs J.M. Chong Vincent Chee & Co, Advocates & Solicitors, from 1997 to 1999 and she subsequently joined Messrs Michael Chen, Gan, Muzafar & Azwar, Advocates and Solicitors, as legal assistant until July 2001.

In August 2001, she joined Messrs Joseph Ting & Co as a partner at the Puchong office from July 2001 till November 2002. In order to serve her clients who are located in city centre of Kuala Lumpur better, she set up an office in Kuala Lumpur on 1 December 2002 under the same firm name and running the Kuala Lumpur office as the administrative partner until November 2005.

8. DETAILS OF THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

In December 2005, Ms. Lee set up her own law firm under the name of Messrs Yvonne Lee & Co where she practices until today.

Throughout her tenure as a practicing advocate and solicitor, she has the opportunity to provide a wide range of services to her clients including commercial work and conveyancing matters. She has been handling banking, conveyancing and commercial matters. She is familiar with the preparation of all types of conveyancing agreements, documents and instruments and banking security documents for all classes of clients whether they are individuals, corporate or body unincorporated and for all types of properties be it residential commercial, industrial or retail. Apart from all area of law relating to property conveyance, Ms Lee is also conversant with legal intricacies of drafting various commercial contracts for a variety of commercial transactions. She has participated in many developer's project launch and she is well versed with the process of conveyance of landed properties in Malaysia.

8.3 Further information on our Directors

None of our Directors:

- (a) are undischarged bankrupts nor are they subject to any proceedings under bankruptcy laws;
- (b) have ever been charged with, convicted for or compounded for any offence under securities laws, corporation laws or any laws involving fraud or dishonesty in a court of law;
- (c) have ever had any action taken against them for any breach for the listing requirements or rules issued by Bursa Securities, for the past 5 years; and
- (d) have been subjected to any inquiry or investigation by any government or regulatory authority or body for the past 5 years.

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8. DETAILS OF THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

8.4 Key Management

8.4.1 Shareholdings of our key management

The shareholdings of our key management in our Company before and after our Proposed Placement are set out below:

Name	Designation	As at the LPD				After the Proposed Placement			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kenny Liew	Chief Executive Officer / Executive Director	117,767,071	62.38	-	-	117,767,071	46.08	-	-
Dr. Peter	Medical Doctor / Executive Director	53,390,173	28.28	-	-	53,390,173	20.89	-	-
Soong Yoke Voon	Chief Operating Officer	-	-	-	-	-	-	-	-
Tan Mei Hui	Chief Financial Officer	-	-	-	-	-	-	-	-

8.4.2 Profile of the Key Management

The profiles of Kenny Liew and Dr. Peter, who are also our Promoters / substantial shareholders and Directors are disclosed in Section 8.1.2 of this Information Memorandum.

(a) Soong Yoke Voon

Soong Yoke Voon, a Malaysian age 39, is the Chief Operating Officer of our Group. She heads the Group Marketing Department and Human Resources & Administrative Department. Her job scope includes business development, brand building and advertising as well as administrative and human resource matters and day to day clinic operational issues.

She graduated from Monash University, Australia in 2000 with a Bachelor of Business (Marketing). She started her career in 2001 as a Product Manager at Body Fashion (M) Sdn Bhd, heading the key brand Triumph International where she was responsible for marketing, product development and brand building till 2007. She was employed at Levi's Strauss (M) Sdn Bhd from 2008 to 2012 as the Regional Brand Lead for Levi's Women ASEAN division and oversaw markets in Indonesia, Philippines, Vietnam and Singapore.

She has been assisting TOPVISION Group since 2012 as a marketing consultant and oversaw the marketing portfolio. She joined our Group as full-time consultant in 2015 as a Marketing Director to oversee the marketing activities, brand building, setting up new centres, building up corporate network with insurance companies as well as expanding our Group's business into the Indonesian market. She became the Chief Operating Officer with effect from 1 January 2018.

She is the spouse of Dr. Peter.

8. DETAILS OF THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

(b) Tan Mei Hui

Tan Mei Hui, a Malaysian age 35, is our Chief Financial Officer. She is responsible for overseeing the finance and accounting functions, treasury and taxation matters of our Group. She graduated from University of Wollongong, Australia in 2003 with a Bachelor of Accountancy. She is a Certified Practising Accountant of CPA Australia.

She began her career at Horwath Mok & Poon, Malaysia in 2003 as an Audit Assistant. During her tenure in Horwath Mok & Poon, she was responsible for undertaking statutory audit functions of small and medium sized companies as well as public listed companies involved in manufacturing, construction, property development and trading. She was also involved in special projects such as due diligence exercises for initial public offerings. She left Crowe Horwath (*formerly known as Horwath Mok & Poon*) as an Assistant Manager in 2012 and subsequently joined Silverlake Sprints Sdn Bhd as an accountant. She was in charge of financial reporting, and other aspects of the financial operations such as tax planning and liaison person with their subsidiary in China and State of Administration of Taxation in China. She joined our Company in 2016.

8.4.3 Further information on our key management

None of our key management:

- (a) are undischarged bankrupts nor are they subject to any proceedings under bankruptcy laws;
- (b) have ever been charged with, convicted for or compounded for any offence under securities laws, corporation laws or any laws involving fraud or dishonesty in a court of law;
- (c) have ever had any action taken against them for any breach for the listing requirements or rules issued by Bursa Securities, for the past 5 years; and
- (d) have been subjected to any inquiry or investigation by any government or regulatory authority or body for the past 5 years.

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8. DETAILS OF THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

8.5 Involvement of our Promoters, Substantial Shareholders, Directors and key management in other businesses and corporations outside our Group

Save as disclosed below, none of our Promoters, substantial shareholders, Directors and key management is involved in other businesses or corporations outside our Group, for the past 3 years and as at the LPD:

Name/position in TOPVISION	Company	Principal activities	Position held	Date of appointment	Date of resignation	Equity holdings (%)
Previous involvement						
Kenny Liew/ Chief Executive Officer / Executive Director	Universal Eye Centre Sdn Bhd ⁽¹⁾	Consultancy and medical services to TOPVISION Group	Director	29 June 2009	31 December 2017	50% (indirect) ⁽¹⁾
	Present Involvement					
-	-	-	-	-	-	-
Present involvement						
Dr. Peter / Medical Doctor / Executive Director	PC Eye Consultancy PLT ⁽²⁾⁽³⁾	Consultancy and medical services to TOPVISION Group	Partner	1 January 2015	-	60%
Present involvement						
Lee Yit Chin / Independent Non-Executive Director	Yvonne Lee & Co	Legal firm specialising in conveyancing, banking and commercial matters	Partner	1 December 2005	-	100%
Present involvement						
Soong Yoke Voon / Chief Operating Officer	PC Eye Consultancy PLT ⁽³⁾	Consultancy and medical services to TOPVISION Group	Partner	1 January 2015	-	40%

Notes:

⁽¹⁾ Dr. Angela Loo Voon Pei, spouse of Kenny Liew is currently providing consultancy and medical services to our Group. Her consultancy fees are credited into Universal Eye Centre Sdn Bhd where she is a director and shareholder of the company. By virtue of this, Kenny Liew has an indirect interest of 50% equity holdings in Universal Eye Centre Sdn Bhd pursuant to Section 197 of the Act. Our non-interested Director, Dr. Peter is of the opinion that the consultancy fees payable to Dr. Angela Loo Voon Pei is on normal commercial terms and on arm's length basis.

⁽²⁾ Our Group had paid consultancy fees to Dr. Peter for FYE 31 December 2016 and FYE 31 December 2017 through his partnership, PC Eye Consultancy PLT. Our non-interested Director, Kenny Liew is of the opinion that the consultancy fees paid to PC Eye Consultancy PLT were on normal commercial terms and on arm's length basis. With effect from 1 January 2018, Dr. Peter's consultancy agreement has been terminated and Dr. Peter has entered into an employment agreement with the Company pursuant to which he is employed by our Group and shall serve as Medical Doctor and Executive Director.

8. DETAILS OF THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

⁽³⁾ *PC Eye Consultancy PLT. PC Eye Consultancy PLT ceased to provide consultancy and medical services to TOPVISION Group with effect from 1 January 2018 and the partners of PC Eye Consultancy PLT have agreed to change the principal activity of the same to dormant. As such, Dr. Peter and Soong Yoke Voon's involvement in the partnership do not give rise to any conflict of interest situation and do not affect their contribution to our Group or adversely impact their ability to act as our Medical Doctor / Executive Director and key management of our Group.*

8.6 Employees

Over the years, we have not experienced major turnover in terms of our employees. The working relationship between the management and the employees have always been good and is expected will remain with low turnover in the future. The tables below show our Group's total employees for FYE 31 December 2017 and as at LPD.

Category of employees	Length of service (years)			FYE 2017	LPD
	Less than 1 year	More than 1 year but less than 5 years	More than 5 years	Total number of employees	Total number of employees
Directors	-	-	2	2 ⁽¹⁾	2 ⁽¹⁾
Ophthalmologist ⁽²⁾	1	2	1	3	4 ⁽³⁾
Management	-	1	1	2	3
Nurses	3	10	1	14	15
Other Medical Personnel	5	12	5	22	26
Administrative/ Marketing	-	3	-	3	4
General Workers	-	2	1	3	3
TOTAL	9	30	11	49	57

Notes:

⁽¹⁾ *Including Dr. Peter, who is also an ophthalmologist*

⁽²⁾ *Include full time consultant ophthalmologists but exclude visiting consultant ophthalmologist*

⁽³⁾ *Our Group has recruited a new ophthalmologist who joined TOPVISION Kulai as a full time employee*

As at LPD, we have 57 full-times local employees. None of our employees belong to any trade union.

All our ophthalmologists have valid Annual Practising Certificate, registered with the National Specialist Register established by the Malaysian Medical Council, undergraduate and postgraduate degrees recognised by the Academy of Medicine Malaysia and the Malaysian Society of Ophthalmology and are qualified and recognised by Ministry of Health. Consultancy fees of our ophthalmologists are paid based on an agreed schedule between TOPVISION Group and the ophthalmologists.

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9. APPROVALS REQUIRED, CONDITIONS AND UNDERTAKINGS

9.1 Approval Required/ Conditions

The listing of and quotations for our entire enlarged issued share capital on the LEAP Market is subject to the following:

- (a) approval from Bursa Securities for the listing of the Shares; and
- (b) the successful completion of the Proposed Placement.

9.2 Moratorium

In compliance with Rule 3.07 of the LEAP Market Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of the 171,157,244 Shares (representing approximately 66.97% of the enlarged issued share capital upon our Proposed Listing) held by our Promoters.

Our Promoters, who hold any of our Shares directly and indirectly upon our Proposed Listing, have fully accepted the moratorium whereby they will not be permitted to sell, transfer or assign any part of their interest in the Shares during the moratorium period as follows (“**Promoters’ Moratorium Period**”)

- (a) the moratorium applies to our Promoters’ entire shareholdings for a period of twelve (12) months from the date of our listing on the LEAP Market; and
- (b) upon expiry of the twelve (12) months period stated above, our Promoters’ aggregate shareholdings amounting to 115,017,991 Shares representing 45.0% of the total number of issued Shares shall remain under moratorium for another period of 36 months.

Our Promoters have also provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the Promoters’ Moratorium Period.

In addition, our ophthalmologists, namely Dr. Ooi Yoon Lim, Dr. Gan Chee Chong, Dr. Leslie Wong Tat Way and Dr. Koay Chiang Ling have agreed to place their Shares amounting to a total of 16,000,045 Shares (representing approximately 6.26% of our enlarged issued share capital upon our Proposed Listing) under moratorium for a period of twelve (12) months from the date of our admission to the Official List of Bursa Securities. They have also provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium for a period of twelve (12) months.

The moratorium shall be imposed as follows:

Name	Moratorium Shares during the 12-months moratorium ⁽¹⁾		Moratorium Shares during the 36-months moratorium ⁽²⁾	
	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
<u>Promoters</u>				
Kenny Liew	117,767,071	46.08	79,139,694	30.96
Dr. Peter	53,390,173	20.89	35,878,297	14.04
<u>Ophthalmologists</u>				
Dr. Gan Chee Chong	6,950,301	2.72	-	-
Dr. Koay Chiang Ling	4,572,567	1.79	-	-
Dr. Ooi Yoon Lim	3,200,797	1.25	-	-
Dr. Leslie Wong Tat Way	1,276,380	0.50	-	-
Total	187,157,289	73.23	115,017,991	45.00

9. APPROVALS REQUIRED, CONDITIONS AND UNDERTAKINGS

Notes:

- (1) From the date of our Proposed Listing*
- (2) Upon the expiry of the 12-months from the date of our Proposed Listing*
- (3) Based on the enlarged issued share capital of 255,595,535 Shares upon the completion of the Proposed Placement*

The moratorium, which is fully acknowledged by our Promoters and our ophthalmologists, is specifically endorsed on our share certificates representing their shareholdings to ensure that our share registrar will not register any sale, transfer or assignment that is not in compliance with the above moratorium.

9.3 Undertakings in relation to the Proposed Placement

- (a) TOPVISION undertakes to open a trust account with a financial institution licensed by Bank Negara Malaysia (“**Trust Account**”) in accordance with Rule 3.10 of the Listing Requirements where all monies received from the Sophisticated Investors pursuant to subscription of our Shares will be deposited therein. The Trust Account will be jointly operated by TOPVISION and Sadec;
- (b) TOPVISION and Sadec undertake that all monies deposited in the Trust Account will not be withdrawn until the date of listing of our Shares on the LEAP Market; and
- (c) TOPVISION undertakes to forthwith repay within fourteen (14) days without interest all monies received from the Sophisticated Investors if:
 - (i) the Proposed Listing does not take place within six (6) months from the date of Bursa Securities’ approval for the Proposed Listing on the LEAP Market or such further extension of time as Bursa Securities may allow (“**Period**”); or
 - (ii) the Proposed Listing is aborted by TOPVISION.

In such event, the monies will be repaid within fourteen (14) days from the end of the Period or the date when we notify Bursa Securities of our decision to abort our Proposed Listing. Should we fail to do so, in addition to our Company’s liabilities, our Board shall be jointly and severally liable to repay such money with interest at the rate of 10% per annum from the end of the Period or such other rate as Bursa Securities may prescribe.

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10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS**10.1 Related Party Transactions**

Under the Listing Requirements, a “related party transaction” is a transaction entered into between the listed corporation or its subsidiaries and a related party, other than a transaction of a revenue nature in the ordinary course of business. A “related party” of a listed corporation or its subsidiaries is:

- (a) a director having the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of the listed corporation or its subsidiaries; or
- (b) a major shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon and is a person who has an interest of 10.0% or more of the total number of voting shares in a corporation; or
- (c) a person connected with such director or major shareholder.

Save as disclosed below, our Board confirms that there are no existing or presently proposed related party transactions entered into between our Group and our Directors, major shareholders and/or persons connected with them for the FYE 31 December 2017 and subsequent period up to the LPD.

Transacting parties	Nature of relationship	Nature of transaction	Value of transaction	
			FYE 31 December 2017 RM'000	LPD RM'000
Kenny Liew and TOPVISION Banting	Kenny Liew is our Promoter, substantial shareholder and Chief Executive Officer / Executive Director	Rental paid to Kenny Liew for rental of property located at 1-G-A & 1-1-A, Jalan Sultan Abdul Samad, 42700 Banting, Selangor	63.60	42.40
Dr. Angela Loo Voon Pei and TOPVISION Setia Alam	Dr. Angela Loo Voon Pei is the spouse of Kenny Liew, our Promoter, substantial shareholder and Chief Executive Officer / Executive Director	Rental paid to Dr. Angela Loo Voon Pei for rental of property located at Unit 11-2, 11-3, 11-4 & 11-5, No. 2, Block 2, Jalan Setia Prima (S) U13/S Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor	153	99.60
Universal Eye Centre Sdn Bhd and TOPVISION Setia Alam ⁽¹⁾	Dr. Angela Loo Voon Pei is the spouse of Kenny Liew, our Promoter, substantial shareholder and Chief Executive Officer / Executive Director	Consultancy fee paid to Universal Eye Centre Sdn Bhd where Dr. Angela Loo Voon Pei is a director and shareholder	1,877	1,144.94

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

Transacting parties	Nature of relationship	Nature of transaction	Value of transaction	
			FYE 31 December 2017 RM'000	LPD RM'000
PC Eye Consultancy PLT and TOPVISION Banting, TOPVISION Batu Pahat, TOPVISION Kuala Selangor and TOPVISION Setia Alam ⁽²⁾	Dr. Peter and his spouse, Soong Yoke Voon are partners in PC Eye Consultancy PLT	Consultancy fee paid to PC Eye Consultancy PLT where Dr. Peter is the partner	1,412	-
	Dr. Peter is our Promoter, substantial shareholder, Medical Doctor / Executive Director Soong Yoke Voon is our Chief Operating Officer	Marketing fee	51	-

Notes:

- ⁽¹⁾ *Dr. Angela Loo Voon Pei was a specialist registrar at the Oxford Eye Hospital and was a retinal fellow at the Birmingham & Midland Eye Centre. She had worked in Hong Kong as a retinal specialist in charge of all Kowloon East Hospitals. Upon returning to Malaysia, she became the first Chinese female retinal surgeon with full retinal fellowship to offer her expertise in Malaysia. She manages various types of vitreo-retinal diseases e.g. retinal detachment, diabetic eye diseases, maculopathy (macular degeneration, macular hole), ocular trauma and complicated cataract cases to TOPVISION Group. She is currently the visiting consultant Ophthalmologist of TOPVISION Setia Alam and her provision of consultation services to TOPVISION Setia Alam is allowed under her current employment terms.*
- ⁽²⁾ *Dr. Peter and his spouse, Soong Yoke Voon are partners in PC Eye Consultancy PLT.*

We anticipate that our Group will in the ordinary course of business, continue to enter into certain transactions as disclosed above with the related parties as the transactions are necessary for our day-to-day operations. They are recurring transactions which are likely to occur at any time and from time to time.

Our Directors (save for the interested Directors, Kenny Liew and/or Dr. Peter on their respective related party transactions), are of the view that the above related party transactions were carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties. In addition, our interested Directors have also abstained from opining that their respective related party transactions as disclosed above were carried out at arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to third parties.

In the event there are any proposed related party transactions (recurrent inclusive, if any) that require the prior approval of shareholders, our Directors (Kenny Liew and/or Dr. Peter, being the interested Directors in their respective related party transactions), major shareholders and/or persons connected with our Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with our Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, our Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS

connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

10.2 Interests in similar businesses and in businesses of our customers or suppliers

As at the LPD, save as disclosed in Section 8.5 and Section 10.1, none of our Promoters, substantial shareholders, Directors and/or key management personnel have any interests, direct and indirect, in the following:

- (a) any other businesses and corporations carrying on a similar trade as our Group; and/or
- (b) any other businesses and corporations which are the customers or suppliers of our Group.

10.3 Other transaction

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party during the FYE 31 December 2017 up to the LPD.

There are no outstanding loans, including guarantees of any kind made by our Group to or for the benefit of related parties during the FYE 31 December 2017 up to the LPD.

10.4 Declaration by advisers

- (a) Sadeq confirms that there is no existing or potential conflict of interest in relation to its capacity as the Approved Adviser, Continuing Adviser and Placement Agent pursuant to our Proposed Listing.
- (b) Grant Thornton Malaysia confirms that there is no existing or potential conflict of interest in relation to its capacity as the Auditors and Reporting Accountants for our Proposed Listing.
- (c) Chooi & Company + Cheang & Ariff confirms that there is no existing or potential conflict of interest in relation to its capacity as Solicitors for our Proposed Listing.
- (d) Protégé Associates Sdn Bhd confirms that there is no existing or potential conflict of interest in relation to its capacity as the Independent Market Researcher for our Proposed Listing.
- (e) Sterling Business Alignment Consulting Sdn Bhd confirms that there is no existing or potential conflict of interest in relation to its capacity as the Internal Control and Risk Management Consultants for our Proposed Listing.
- (f) Bina Management (M) Sdn Bhd confirms that there is no existing or potential conflict of interest in relation to its capacity as the Share Registrar for our Proposed Listing.
- (g) HMC Corporate Services Sdn Bhd confirms that there is no existing or potential conflict of interest in relation to its capacity as the Company Secretary for our Proposed Listing.

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11. FINANCIAL INFORMATION**11.1 Combined Statements of Profit or Loss and Other Comprehensive Income**

The table below sets out our Combined Statements of Profit or Loss and Other Comprehensive Income for the past two (2) FYE 31 December 2016 and FYE 31 December 2017, and the Unaudited Combined Financial Statement of Profit or Loss and Other Comprehensive Income for 7-month FPE 31 July 2018.

You should read the summary of our Combined Statements of Profit or Loss and Other Comprehensive Income which has been presented below together with the management's discussion and analysis of financial condition and results of operations as set out in Section 12, the Audited Combined Financial Statements and the Unaudited Interim Combined Financial Statement for the 7-month FPE 31 July 2018 as set out in Appendices I and II of this Information Memorandum.

	Audited		Unaudited
	FYE 31 December 2016 RM'000	FYE 31 December 2017 RM'000	FPE 31 July 2018 RM'000
Revenue	12,049	15,693	10,184
Cost of services	(7,339)	(9,105)	(4,883)
GP	4,710	6,588	5,301
Other income	26	24	-
Administrative expenses	(3,704)	(4,110)	(3,474)
Other expenses	(7)	-	-
Finance costs	(194)	(334)	(214)
PBT	831	2,168	1,613
Tax expense	(395)	(594)	(382)
PAT	436	1,574	1,231
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	436	1,574	1,231
PAT/ Total comprehensive income for the financial year attributable to:-			
- Owners of the combining entities	436	1,574	1,231
EPS attributable to owners of the combining entities:-			
- Basic (sen)	101.82	209.81	5.41
- Diluted (sen) ⁽¹⁾	-	-	-
EBITDA	2,259	3,721	2,828
Depreciation	1,234	1,219	1,001
GP margin (%) ⁽²⁾	39.09	41.98	52.06
PBT margin (%) ⁽³⁾	6.90	13.82	15.85
PAT margin (%) ⁽⁴⁾	3.62	10.03	12.09

11. FINANCIAL INFORMATION

Notes:

- (1) There are no dilutive potential equity instruments that would give a diluted effect to the basic EPS
- (2) Computed based on GP divided by revenue
- (3) Computed based on PBT divided by revenue
- (4) Computed based on PAT divided by revenue

11.2 Combined Statements of Financial Position

The table below sets out our Combined Statements of Financial Position for past two (2) FYE 31 December 2016 and FYE 31 December 2017, and the Unaudited Combined Financial Statement of Financial Position for 7-month FPE 31 July 2018.

You should read the summary of our Combined Statements of Financial Position which has been presented below together with the management's discussion and analysis of financial condition and results of operations as set out in Section 12, the Audited Combined Financial Statements and the Unaudited Interim Combined Financial Statement for the 7-month FPE 31 July 2018 as set out in Appendices I and II of this Information Memorandum.

	Audited		Unaudited
	FYE 31 December 2016 RM'000	FYE 31 December 2017 RM'000	FPE 31 July 2018 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11,107	11,964	11,961
Deferred tax assets	3	25	25
Total non-current assets	<u>11,110</u>	<u>11,989</u>	<u>11,986</u>
Current assets			
Inventories	411	716	1,131
Trade receivables	182	214	336
Other receivables	237	445	856
Tax recoverable	76	38	106
Cash and bank balances	1,352	974	1,354
Total current assets	<u>2,258</u>	<u>2,387</u>	<u>3,783</u>
TOTAL ASSETS	<u><u>13,368</u></u>	<u><u>14,376</u></u>	<u><u>15,769</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the combining entities:-			
Share capital	650	750	5,664
Retained earnings	2,068	3,641	4,873
Merger deficit	-	-	(3,641)
Total equity	<u>2,718</u>	<u>4,391</u>	<u>6,896</u>
LIABILITIES			
Non-current liabilities			
Finance lease liabilities	886	777	1,062
Borrowings	2,615	5,666	5,666
Deferred tax liabilities	12	17	17
Total non-current liabilities	<u>3,513</u>	<u>6,460</u>	<u>6,745</u>

11. FINANCIAL INFORMATION

	Audited		Unaudited
	FYE 31 December 2016 RM'000	FYE 31 December 2017 RM'000	FPE 31 July 2018 RM'000
Current liabilities			
Trade payables	711	515	393
Other payables	4,839	949	954
Amount due to Directors	1,143	1,272	-
Finance lease liabilities	369	360	461
Borrowings	75	429	320
Total current liabilities	<u>7,137</u>	<u>3,525</u>	<u>2,128</u>
Total liabilities	10,650	9,985	8,873
TOTAL EQUITY AND LIABILITIES	<u>13,368</u>	<u>14,376</u>	<u>15,769</u>

11.3 Pro Forma Consolidated Statements of Financial Position

Our Pro Forma Consolidated Statements of Financial Position has been prepared for illustrative purpose only, based on our Audited Combined Statements of Financial Position as at 31 December 2017 assuming that the Acquisitions and Proposed Placement and utilisation of proceeds has been effected on 31 December 2017.

Pro Forma I: After the Acquisitions and Proposed Placement

Pro Forma II: After utilisation of proceeds from the Proposed Placement

We advise you to read the Pro Forma Consolidated Statements of Financial Position presented below together with the notes included in the Audited Combined Financial Statements as set out in Appendix I of this Information Memorandum.

	At date of incorporation	Adjustment for Acquisitions and Proposed Placement	Pro Forma I	Adjustment for Proposed Utilisation from Proposed Placement	Pro Forma II
	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	-	11,964	11,964	10,000	21,964
Deferred tax assets	-	25	25	-	25
Total non-current assets	<u>-</u>	<u>11,989</u>	<u>11,989</u>	<u>10,000</u>	<u>21,989</u>
Current assets					
Inventories	-	716	716	-	716
Trade receivables	-	214	214	-	214
Other receivables	-	445	445	-	445
Tax recoverable	-	38	38	-	38
Cash and bank balances	*	12,998	12,998	(11,008)	1,990
Total current assets	<u>*</u>	<u>14,411</u>	<u>14,411</u>	<u>(11,008)</u>	<u>3,403</u>
TOTAL ASSETS	<u>*</u>	<u>26,400</u>	<u>26,400</u>	<u>(1,008)</u>	<u>25,392</u>

11. FINANCIAL INFORMATION

	At date of incorporation	Adjustment for Acquisitions and Proposed Placement	Pro Forma I	Adjustment for Proposed Utilisation from Proposed Placement	Pro Forma II
	RM'000	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the combining entities:-					
Share capital	*	17,688	17,688	(487)	17,201
Merger deficit ⁽¹⁾	-	(3,642)	(3,642)	-	(3,642)
Retained earnings	-	3,641	3,641	(521)	3,120
Total equity	*	17,687	17,687	(1,008)	16,679
LIABILITIES					
Non-current liabilities					
Finance lease liabilities	-	777	777	-	777
Borrowings	-	5,666	5,666	-	5,666
Deferred tax liabilities	-	17	17	-	17
Total non-current liabilities	-	6,460	6,460	-	6,460
Current liabilities					
Trade payables	-	515	515	-	515
Other payables	-	949	949	-	949
Finance lease liabilities	-	360	360	-	360
Borrowings	-	429	429	-	429
Total current liabilities	-	2,253	2,253	-	2,253
Total liabilities	-	8,713	8,713	-	8,713
TOTAL EQUITY AND LIABILITIES	*	26,400	26,400	(1,008)	25,392

Notes:

* Less than RM1,000 as only consist RM2

(1) Merger deficit is arisen when the total value of share capital of TOPVISION issued to purchase the equity interest in Subsidiaries is less than the total value of the equity interest purchased

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11. FINANCIAL INFORMATION**11.4 Combined Statements of Cash Flows**

The table below sets out a summary of our Combined Statements of Cash Flows for the past two (2) FYE 31 December 2016 and FYE 31 December 2017, and the Unaudited Combined Financial Statement of Cash Flow for 7-month FPE 31 July 2018.

You should read the summary of our Combined Statements of Cash Flows which has been presented below together with the management's discussion and analysis of financial condition and results of operations as set out in Section 12, the Audited Combined Financial Statements and the Unaudited Interim Combined Financial Statement for the 7-month FPE 31 July 2018 as set out in Appendices I and II of this Information Memorandum.

	Audited		Unaudited
	FYE 31 December 2016 RM'000	FYE 31 December 2017 RM'000	FPE 31 July 2018 RM'000
Net cash from/(used in) operating activities	5,234	(1,841)	1,100
Net cash used in investing activities	(4,332)	(1,787)	(382)
Net cash from/(used in) financing activities	76	3,250	(338)
Net increase/(decrease) in cash and cash equivalents	978	(378)	380
Cash and cash equivalents brought forward	374	1,352	974
Cash and cash equivalents at the end of the financial year	1,352	974	1,354

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12. MANAGEMENT DISCUSSIONS AND ANALYSIS

The following Management's discussion and analysis of our past financial condition and results of operations should read in conjunction with our Audited Combined Financial Statements and the Unaudited Interim Combined Financial Statement for the 7-month FPE 31 July 2018 as set out in the Appendices I and II of this Information Memorandum.

This discussion and analysis contains data derived from our audited financial statements as well as forward-looking statements that involve risk and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including but not limited to, those risk factors set out in Section 6 of this Information Memorandum.

12.1 Overview of Our Operations

TOPVISION Group is principally a medical eye care group offering a multitude of eye care services ranging from general eye care and evaluation to treatment of complex eye diseases such as vitreoretinal surgeries. During the financial years under review, we have four eye specialist centres located in the states of Selangor and Johor, with a fifth centre opening in May 2018. Our medical eye care services are supported by our ophthalmologists and the advanced ophthalmic treatment technology as disclosed in Section 5.10 of this Information Memorandum as well as our internal non-clinical functions at our Head Office located at Setia Alam.

Our Group has predominantly served the Malaysian market. The majority of our patients are local patients and we have approximately 5% of the FYE 2017's revenue contribution from Indonesian patients.

12.2 Revenue

Our revenue is derived from our eye specialist services provided by all our centres which includes fee for clinical consultation, surgeries, treatment procedures, services rendered and sale of vision aid products including lenses.

The following tables set out our revenue by companies for the FYE 31 December 2016, FYE 31 December 2017 and FPE 31 July 2018:

(i) Revenue by Companies

Companies	< ----- Audited ----- >				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
TOPVISION Setia Alam	6,507	54	6,670	42	4,058	40
TOPVISION Batu Pahat	1,031	9	3,403	22	2,235	22
TOPVISION Kuala Selangor	1,087	9	1,651	11	1,056	10
TOPVISION Banting	3,424	28	3,969	25	2,549	25
TOPVISION Kulai	-	-	-	-	286	3
TOTAL	12,049	100	15,693	100	10,184	100

FYE 31 December 2017 compared to FYE 31 December 2016

For FYE 31 December 2017, our total revenue increased from RM12.05 million to RM15.69 million, an increase of RM3.64 million or 30% as compared to the previous financial year. The increase in revenue was mainly due to the improvement in revenue contribution from TOPVISION Batu Pahat, TOPVISION Kuala Selangor and TOPVISION Banting.

12. MANAGEMENT DISCUSSIONS AND ANALYSIS

TOPVISION Batu Pahat registered higher revenue of RM3.40 million in FYE 31 December 2017 as compared to RM1.03 million in previous financial year as in the financial year of 2016, TOPVISION Batu Pahat only captured 7 months revenue contribution in FYE 31 December 2016 as it was set up in June 2016. Nevertheless, in FYE 31 December 2017, TOPVISION Batu Pahat has demonstrated progressive growth in revenue mainly due to Batu Pahat ophthalmology market was underserved before TOPVISION Batu Pahat commences its business operations. The volume of patients has been growing substantially in the second year of business operation as our ambulatory care centre, TOPVISION Batu Pahat provides patients with comfort, less waiting time, well supported by an experienced medical team.

Our revenue in TOPVISION Kuala Selangor increased by approximately RM0.56 million or 52% from RM1.09 million in FYE 31 December 2016 to RM1.65 million in FYE 31 December 2017 mainly due to growth in new patient registration of approximately 16% and increase in footfall of 39% as a results of extra marketing efforts conducted for this centre. TOPVISION Kuala Selangor is the only ambulatory care centre catering to Kuala Selangor town and also serving the surrounding areas such as Ijok, Tanjung Karang, Sungai Buloh, Sekinchan, Sungai Besar, Teluk Intan and Sabak Bernam.

Our revenue in TOPVISION Banting increased by approximately RM0.55 million or 16.0% from RM3.42 million in FYE December 2016 to RM3.97 million in FYE 31 December 2017 mainly due to the higher contribution from the types of surgeries package consumed by the patients for multifocal/premium lense.

Our revenue in TOPVISION Setia Alam continued to contribute the largest proportion of our total revenue with RM6.67 million or 42% in FYE 31 December 2017. TOPVISION Setia Alam serves as headquarter, the steady growth in revenue was mainly attributable as it being the referral centre for complex eye diseases including vitreoretinal surgeries as well as the inflow of patients from Indonesia especially from Medan and Palembang. The growth in Indonesian market for TOPVISION Setia Alam is mainly due to our visiting consultant ophthalmologist Dr. Angela Loo Voon Pei is a well-known Vitreoretinal Surgeon amongst the Indonesians. In addition, our Group has been actively in promoting TOPVISION services to the Indonesian market during the financial years under review where we had secured TPA empanelment with PT Administrasi Medika and PT AA International Indonesia.

FPE 31 July 2018

For FPE 31 July 2018, our Group's revenue registered RM10.18 million which continued to move in an upward trend. With our new ambulatory care centre at Kulai, Johor commencing operation and generating revenue in May 2018, our Group's revenue is expected to further improve in the second half of 2018.

(ii) Revenue by business activities

The following tables set out our revenue by business activities for the FYE 31 December 2016, FYE 31 December 2017 and FPE 31 July 2018:

	< ----- Audited ----- >				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Surgery fees	9,281	77	11,869	76	7,520	74
Consultation and other medical service fees	2,768	23	3,824	24	2,664	26
TOTAL	12,049	100	15,693	100	10,184	100

12. MANAGEMENT DISCUSSIONS AND ANALYSIS

In FYE 31 December 2017, our main revenue by business activities continued to be surgery fees, which contributed approximately 76% of our total revenue. The revenue contribution from surgery fees was quite consistent for both financial years under review.

In FPE 31 July 2018, our main revenue by business activities continued to be surgery fees, which contributed approximately 74% of our total revenue.

12.3 Cost of Services

The following tables set out our cost of services for the FYE 31 December 2016, FYE 31 December 2017 and FPE 31 July 2018:

	< ----- Audited ----- >				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
TOPVISION Setia Alam	4,162	57	3,810	42	2,128	43
TOPVISION Batu Pahat	410	5	2,012	22	727	15
TOPVISION Kuala Selangor	588	8	890	10	631	13
TOPVISION Banting	2,179	30	2,393	26	1,245	26
TOPVISION Kulai	-	-	-	-	152	3
TOTAL	7,339	100	9,105	100	4,883	100

Cost of services comprises cost of inventories and doctors' consultancy fees as follows:

	< ----- Audited ----- >				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Cost of inventories	2,758	38	3,440	38	1,440	29
Doctors' consultancy fees	4,581	62	5,665	62	3,443	71
TOTAL	7,339	100	9,105	100	4,883	100

Cost of inventories:-

The cost of inventories relates to the purchase of medication, lenses, medical supplies and medical consumables used in the course of the provision of ophthalmic services and various eye surgeries provided by the Group.

Doctors' consultancy fees:-

The doctors' consultancy fees relates to consultancy fees and surgeon fees which are paid to our 5 full time consultant ophthalmologists and/or ophthalmologists whom are our employees, visiting consultant ophthalmologist, and locum doctors for their provision of consultancy services and surgeries performed.

FYE 31 December 2017 compared to FYE 31 December 2016

For FYE 31 December 2017, our cost of services increased from RM7.34 million to RM9.10 million, an increase of RM1.77 million or 24% as compared to the previous financial year. The increased in cost of services was mainly attributable to the increase in business volume of services in FYE 31 December 2017.

12. MANAGEMENT DISCUSSIONS AND ANALYSIS

The doctors' consultancy fees accounted for 62% of our total cost of services for both the financial years under review. The increased in doctors' consultancy fees of RM1.08 million or 24% was generally consistent with the increased in number of surgeries performed in FYE 31 December 2017, similarly, the cost of inventories consumed during the FYE 31 December 2017 of RM3.44 million increased by RM0.68 million or 25% as compared to RM2.76 million in FYE 31 December 2016, in line with increased in business volume of services provided in our centres.

TOPVISION Setia Alam's cost of services declined by RM0.35 million or 8% in FYE 31 December 2017 as compared to FYE 31 December 2016 mainly due to lower purchases of inventories in FYE 31 December 2017 as the centre utilised the remaining inventories purchased in the previous year.

FPE 31 July 2018

For FPE 31 July 2018, the doctors' consultancy fee was in line with the higher revenue recorded during the FPE under review.

Cost of inventories was lower as we utilised the inventories purchased in previous year which are sufficient to cater for our revenue generated for FPE 31 July 2018.

12.4 GP and GP Margin

The following tables set out our GP and GP margin for the FYE 31 December 2016, FYE 31 December 2017 and FPE 31 July 2018:

	< ----- Audited ----- >				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
GP						
TOPVISION Setia Alam	2,345	50	2,860	43	1,930	36
TOPVISION Batu Pahat	621	13	1,391	21	1,508	28
TOPVISION Kuala Selangor	499	11	761	12	425	8
TOPVISION Banting	1,245	26	1,576	24	1,304	25
TOPVISION Kulai	-	-	-	-	134	3
TOTAL	4,710	100	6,588	100	5,301	100
GP Margin (%)						
TOPVISION Setia Alam		36		43		47
TOPVISION Batu Pahat		60		41		67
TOPVISION Kuala Selangor		46		46		40
TOPVISION Banting		36		40		51
TOPVISION Kulai		-		-		47
Group		39		42		52

FYE 31 December 2017 compared to FYE 31 December 2016

Our GP represents our revenue net of the cost of services. Our Group's GP increased from RM4.71 million in FYE 31 December 2016 to RM6.59 million in FYE 31 December 2017 and our Group's GP margin increased from 39% in FYE 31 December 2016 to 42% in FYE 31 December 2017. The increase in overall Group's GP was mainly from TOPVISION Batu Pahat due to higher volume of patients in the second half of 2017.

TOPVISION Setia Alam's GP margin increased from 36% in FYE 31 December 2016 to 43% in FYE 31 December 2017 due to increase in number of surgeries performed and the inflow of patients from Indonesia.

12. MANAGEMENT DISCUSSIONS AND ANALYSIS

TOPVISION Batu Pahat's GP margin decreased from 60% in FYE 31 December 2016 to 41% in FYE 31 December 2017 due to higher inventories purchases and cost of doctors' consultancy fee incurred in FYE 31 December 2017 in tandem with the growth of business volume.

TOPVISION Banting's GP margin increased from 36% in FYE 31 December 2016 to 40% in FYE 31 December 2017 due to higher contribution from the types of surgeries package consumed by the patients for multifocal/premium lenses in FYE 31 December 2017.

FPE 31 July 2018

Our Group's overall GP margin registered an upward trend for FPE 31 July 2018 mainly due to lower cost of services incurred for TOPVISION Batu Pahat, TOPVISION Setia Alam and TOPVISION Banting coupled with contribution from higher margin surgery packages consumed by patients for multifocal/premium lenses.

12.5 Other Income

The components of our other income for the FYE 31 December 2016, FYE 31 December 2017 and FPE 31 July 2018 are as follows:

	< ----- Audited ----- >				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Other income	26	100	-	-	-	-
Gain on disposal of plant and equipment	-	-	24	100	-	-
TOTAL	26	100	24	100	-	-

FYE 31 December 2017 compared to FYE 31 December 2016

The other income mainly consist of gain on disposal of plant and equipment at TOPVISION Banting in FYE 31 December 2017 and collections receive from corporate panel for several insurance companies and TPA in FYE 31 December 2016. In FYE 31 December 2017, the collection received from corporate panel has been reclassified as trade receivable.

FPE 31 July 2018

No other income registered in FPE 31 July 2018.

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12. MANAGEMENT DISCUSSIONS AND ANALYSIS**12.6 Administrative Expenses**

The components of our administrative expenses for the FYE 31 December 2016, FYE 31 December 2017 and FPE 31 July 2018 are as follows:-

	< ----- Audited ----- >				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Employee benefits expenses	1,238	34	1,534	37	1,268	36
Depreciation of property, plant and equipment	1,234	33	1,219	30	1,001	29
Rental of premises	252	7	252	6	147	4
Marketing expenses	187	5	216	5	190	6
Travelling expenses	124	3	63	2	45	1
Electricity and water	105	3	113	3	86	2
Upkeep of office	38	1	139	3	159	5
Director's remuneration	-	-	-	-	284	8
Other administrative expenses	526	14	574	14	294	9
TOTAL	3,704	100	4,110	100	3,474	100

FYE 31 December 2017 compared to FYE 31 December 2016*Employee benefits expenses:-*

Employee benefits expenses comprise mainly salaries paid to nurses, optometrists, as well as other medical and administrative support staff. These include fixed and variable components of salaries and wages, allowances, bonuses, defined contribution plan, social security contribution and PCB contribution.

All our employees are remunerated on a fixed salary scheme and their variable component of the salary scheme is tied to the performance of the individual employee evaluated based on the Group's internal key performance indicator. The employee benefits expenses accounted for approximately 10% of the revenue for both FYE 31 December 2016 and FYE 31 December 2017. Higher employee benefits expenses incurred in FYE 31 December 2017 was mainly due to increase in the number of employees from 34 to 46 employees in FYE 31 December 2017.

Administrative expenses increased by RM0.4 million or 11% from RM3.7 million in FYE 31 December 2016 to RM4.1 million in FYE 31 December 2017 mainly due to higher employee benefits expense of RM0.3 million as well as other expenses which include insurance payments, credit card commission and audit fee.

FPE 31 July 2018

Our administrative expenses increased due to the higher employee benefits expenses and remuneration paid to our key management.

12.7 Other Expenses

Our other expenses in FYE 31 December 2016 comprises the bad debts written off of RM7,064.

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12. MANAGEMENT DISCUSSIONS AND ANALYSIS**12.8 Finance Costs**

The components of our finance costs for FYE 31 December 2016, FYE 31 December 2017 and FPE 31 July 2018 are as follows:-

	< ----- Audited ----- >				Unaudited	
	FYE 2016		FYE 2017		FPE 2018	
	RM'000	%	RM'000	%	RM'000	%
Finance lease interest	58	30	77	23	47	22
Term loan interest	136	70	257	77	166	78
TOTAL	194	100	334	100	213	100

FYE 31 December 2017 compared to FYE 31 December 2016

Our finance costs increased by RM0.1 million or 71% from RM0.2 million in FYE 31 December 2016 to RM0.3 million in FYE 31 December 2017 mainly due to the increase in bank borrowings of RM3.4 million in TOPVISION Banting to finance the acquisition of a freehold three storey commercial building as the ambulatory care centre in Kulai, Johor.

FPE 31 July 2018

The finance cost incurred in FPE 31 July 2018 was mainly due to service of our finance lease and term loan.

12.9 PAT and PAT Margin

The following tables set out our PAT and PAT margin for the FYE 31 December 2016, FYE 31 December 2017 and FPE 31 July 2018:

	FYE 2016 RM'000	FYE 2017 RM'000	FPE 2018 RM'000
PAT	436	1,574	1,231
PAT Margin (%)	3.6	10.0	12.1

FYE 31 December 2017 compared to FYE 31 December 2016

Our PAT increased from RM0.4 million in FYE 31 December 2016 to RM1.6 million in FYE 31 December 2017 and our PAT margin increased from 3.6% in FYE 31 December 2016 to 10.0% in FYE 31 December 2017. The increased in overall PAT and PAT margin were mainly attributable to the higher revenue and GP as explained above.

FPE 31 July 2018

PAT and PAT margin was on the upward trend due to improvement in revenue and lower cost of services incurred as stated above.

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12. MANAGEMENT DISCUSSIONS AND ANALYSIS**12.10 Cash Flows**

A summary of our Group's cash flow position for FYE 31 December 2016, FYE 31 December 2017 and FPE 31 July 2018 based on the Combined Statements of Cash Flows as set out in Section 11.4 is as follows:-

	Audited		Unaudited
	FYE 2016 RM'000	FYE 2017 RM'000	FPE 2018 RM'000
Net cash from/(used in) operating activities	5,234	(1,841)	1,100
Net cash used in investing activities	(4,332)	(1,787)	(382)
Net cash from/(used in) financing activities	76	3,250	(338)
Net increase/(decrease) in cash and cash equivalents	978	(378)	380
Cash and cash equivalents brought forward	374	1,352	974
Cash and cash equivalents at the end of the financial year	1,352	974	1,354

Commentaries on our Group's Combined Statements of Cash Flows for the FYE 31 December 2017, FYE 31 December 2016 and FPE 31 July 2018 are as follows:-

Net cash from/(used in) in operating activities

In FYE 31 December 2016, our Group generated approximately RM2.3 million net cash from operating activities before changes in working capital. After adjusting for the following key items, our Group's net cash from operating activities was approximately RM5.2 million:

- (i) RM0.01 million increase in inventories;
- (ii) RM0.2 million increase in trade and other receivables;
- (iii) RM3.8 million increase in other payables mainly attributable to increase of outstanding payment to the developer on the acquisition of new ambulatory care centre at Kulai, Johor at the end of FYE 31 December 2016;
- (iv) RM0.2 million in interest paid; and
- (v) RM0.4 million in payment of tax.

In FYE 31 December 2017, our Group generated approximately RM3.7 million net cash from operating activities before changes in working capital. After adjusting for the following key items, our Group's net cash used in operating activities was approximately RM1.8 million:

- (i) RM0.3 million increase in inventories;
- (ii) RM0.2 million increase in trade and other receivables;
- (iii) RM4.1 million decrease in other payables mainly attributable to payments made to the developer on the acquisition of new ambulatory care centre at Kulai, Johor during FYE 31 December 2016;
- (iv) RM0.3 million in interest paid; and
- (v) RM0.7 million in payment of tax.

In FPE 31 July 2018, our Group generated approximately RM2.8 million net cash from operating activities before changes in working capital. After adjusting the following key items, our Group's net cash from operating activities was approximately RM1.1 million:

- (i) RM0.4 million increase in inventories;
- (ii) RM0.5 million increase in trade and other receivables;
- (iii) RM0.1 million increase in trade and other payables;
- (iv) RM0.2 million in interest paid; and
- (v) RM0.5 million in payment of tax.

12. MANAGEMENT DISCUSSIONS AND ANALYSIS

Net cash used in investing activities

In FYE 31 December 2016, our group recorded net cash used in investing activities of approximately RM4.3 million mainly due to the purchase of property amounted to RM3.6 million and preparation costs for setting up of our Group's new ambulatory care centre at Kulai, Johor.

In FYE 31 December 2017, our Group recorded net cash used in investing activities of RM1.8 million of which approximately RM1.8 million was due to purchase of property, plant and equipment for TOPVISION Kulai. During the financial year, there were proceeds from disposal of a motor vehicle amounted to RM0.05 million from TOPVISION Banting.

In FPE 31 July 2018, our Group recorded net cash used in investing activities of RM0.3 million due to purchase of property plant and equipment.

Net cash from financing activities

In FYE 31 December 2016, our Group's net cash from financing activities was RM0.07 million mainly due to repayment of finance lease liabilities of RM0.3 million. During the financial year, there were proceeds from issuance of shares in TOPVISION Banting amounted to RM0.25 million.

In FYE 31 December 2017, our Group's net cash from financing activities was RM3.2 million due to drawdown of term loans of RM3.4 million to finance the acquisition of new ambulatory care centre at Kulai, Johor.

In FPE 31 July 2018, our Group's net cash used in financing activities was RM0.3 million due to the repayment of term loans and finance lease liabilities.

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13. OTHER INFORMATION

13.1 Responsibility Statements

Our Directors and the Promoters have seen and approved this Information Memorandum, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted, would make any statement in this Information Memorandum false or misleading.

Sadec acknowledges that, based on all available information and to the best of its knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning the Proposed Listing and the Proposed Placement.

13.2 Share Capital

- (a) As at the date of this Information Memorandum, we have one (1) class of share, namely ordinary share;
- (b) Other than the Proposed Placement as disclosed in Section 3 of this Information Memorandum, there is no intention on the part of our Board to issue any new Shares in the Company; and
- (c) As at the date of this Information Memorandum, we do not have any outstanding convertible debt securities.

13.3 Material Contracts

Other than the following, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered by our Company within the 2 years immediately preceding the date of this Information Memorandum:

- (a) Sale and purchase agreement dated 16 November 2016 entered into between Nice Frontier Sdn Bhd, Topvision Eye Specialist Centre Sdn Bhd and Property Skyline Sdn Bhd, whereby Topvision Eye Specialist Centre Sdn Bhd has agreed to purchase Parcel No. 2, Lot L1, Phase 1B06, Bandar Putra, Kulai held under master title HS(D) 63841 PTD 103275 Mukim Kulai Jaya, Daerah Kulai, Johor Darul Takzim for a total purchase consideration of Ringgit Malaysia Four Million One Hundred Forty Nine Thousand and Nine Hundred (RM4,149,900) only;
- (b) Share Sale and Purchase Agreement dated 12 June 2018 entered into between TOPVISION Eye Specialist Berhad as the purchaser and Kenny Liew, Dr. Peter, Dr Gan Chee Chong, Dr Koay Chiang Ling, Dr Ooi Yoon Lim and Dr Leslie Wong Tat Way as the vendors whereby TOPVISION Eye Specialist Berhad has agreed to purchase the entire equity interest in Topvision Eye Specialist Centre Sdn Bhd comprising 634,772 ordinary shares for a purchase consideration of RM2,409,106 which was entirely satisfied by the issuance of 80,303,533 new ordinary shares in Topvision Eye Specialist Berhad;
- (c) Share Sale and Purchase Agreement dated 12 June 2018 entered into between TOPVISION Eye Specialist Berhad as the purchaser and Kenny Liew, Dr. Peter, Chong Zyh Siong and Dr. Leslie Wong Tat Way as the vendors whereby TOPVISION Eye Specialist Berhad has agreed to purchase the entire equity interest in Topvision Eye Specialist Centre (Setia Alam) Sdn Bhd comprising 614,124 ordinary shares for a purchase consideration of RM3,018,257 which was entirely satisfied by the issuance of 100,608,567 new ordinary shares in TOPVISION Eye Specialist Berhad;

13. OTHER INFORMATION

- (d) Share Sale and Purchase Agreement dated 12 June 2018 entered into between TOPVISION Eye Specialist Berhad as the purchaser and Kenny Liew and Dr. Peter as the vendors whereby TOPVISION Eye Specialist Berhad has agreed to purchase the entire equity interest in Top Vision Eye Specialist Centre (Batu Pahat) Sdn Bhd comprising 223,500 ordinary shares for a purchase consideration of RM47,727 which was entirely satisfied by the issuance of 1,590,900 new ordinary shares in TOPVISION Eye Specialist Berhad;
- (e) Share Sale and Purchase Agreement dated 12 June 2018 entered into between TOPVISION Eye Specialist Berhad as the purchaser and Kenny Liew and Dr. Peter as the vendors whereby TOPVISION Eye Specialist Berhad has agreed to purchase the entire equity interest in Topvision Eye Specialist Centre (Kuala Selangor) Sdn Bhd comprising 320,002 ordinary shares for a purchase consideration of RM23,526 which was entirely satisfied by the issuance of 784,200 new ordinary shares in TOPVISION Eye Specialist Berhad;
- (f) Share Sale and Purchase Agreement dated 12 June 2018 entered into between TOPVISION Eye Specialist Berhad as the purchaser and Kenny Liew and Dr. Peter as the vendors whereby TOPVISION Eye Specialist Berhad has agreed to purchase the entire equity interest in Topvision Eye Specialist Centre (Kulai) Sdn Bhd comprising 230,000 ordinary shares for a purchase consideration of RM165,250 which was entirely satisfied by the issuance of 5,508,333 new ordinary shares in TOPVISION Eye Specialist Berhad;

13.4 Material Litigation and Contingent Liabilities

As at the LPD, we are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and our Board does not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

As at the LPD, there is no contingent liability which, upon becoming enforceable, may have a material impact on our financial position and business.

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Company No: 1273832-U

APPENDIX I AUDITED COMBINED FINANCIAL STATEMENTS

Appendix I

**Audited Combined Financial Statements of TOPVISION for the FYE
31 December 2016 and FYE 31 December 2017**

Company No: 1273832-U

TOPVISION EYE SPECIALIST BERHAD
(Incorporated in Malaysia)

COMBINED FINANCIAL STATEMENTS

**1 JANUARY 2016, 31 DECEMBER 2016
AND 31 DECEMBER 2017**

**GRANT THORNTON MALAYSIA
CHARTERED ACCOUNTANTS
Member Firm of Grant Thornton International Ltd**

Company No: 1273832-U

TOPVISION EYE SPECIALIST BERHAD

(Incorporated in Malaysia)

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INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF

TOPVISION EYE SPECIALIST BERHAD
(Incorporated in Malaysia)
Company No: 1273832-U

Report on the Audit of the Combined Financial Statements

Grant Thornton Malaysia

(AF:0737)

Level 11, Sheraton Imperial Court
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50250 Kuala Lumpur
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Opinion

We have audited the combined financial statements of TOPVISION Eye Specialist Berhad (“the Company”) and its subsidiaries (“the combining entities”), which comprise the combined statements of financial position as at 1 January 2016, 31 December 2016 and 31 December 2017 of the combining entities, combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the combining entities for the financial years ended 31 December 2016 and 31 December 2017, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 49 of the combined financial statements.

These combined financial statements have been prepared for inclusion in the information memorandum of TOPVISION Eye Specialist Berhad (“Information Memorandum”) in connection with the proposed listing of and quotation of the enlarged issued and paid-up share capital of TOPVISION Eye Specialist Berhad on the Leading Entrepreneur Accelerator Platform Market (“LEAP Market”) of Bursa Malaysia Securities Berhad (“Proposed Listing”). This report is given for the purposes of complying with the LEAP Market listing requirements issued by Bursa Malaysia Securities Berhad and for no other purpose.

In our opinion, the combined financial statements give a true and fair view of the combined financial position of the combining entities as of 1 January 2016, 31 December 2016 and 31 December 2017 and of its combined financial performance and cash flows for the financial years ended 31 December 2016 and 31 December 2017 in accordance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

Basis of Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Combined Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Company No: 1273832-U

Report on the Audit of the Combined Financial Statements (cont'd)

Independence and Other Ethical Responsibilities

We are independent of the combining entities in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

The Directors of the Company are responsible for the preparation of the combined financial statements so as to give a true and fair view in accordance with MFRSs and IFRSs. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the combining entities, the Directors are responsible for assessing the combining entities’ 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 either intend to liquidate the combining entities or to cease operations, or have no realistic alternative but to do so.

Auditors’ Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the combining entities as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 combined financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the combined financial statements of the combining entities, 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;

Company No: 1273832-U

Report on the Audit of the Combined Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Combined Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd):-

- 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 combining entities' internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of 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 combining entities' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements of the combining entities 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 auditors' report. However, future events or conditions may cause the combining entities to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the combined financial statements of the combining entities, including the disclosures, and whether the combined financial statements of the combining entities represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the combining entities to express an opinion on the combined financial statements of the combining entities. We are responsible for the direction, supervision and performance of the audit of the combining entities. We remain solely responsible for our audit opinion.

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

Company No: 1273832-U

Other Matters

This report is made solely for the inclusion in the Information Memorandum of the Company in connection with the placement of 66,800,000 ordinary shares of the Company at a fixed price of RM0.18 per share and the listing and quotation of the entire issued share capital of the Company on the LEAP Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purpose. We do not assume responsibility to any other person for the content of this report.



GRANT THORNTON MALAYSIA
(NO. AF: 0737)
CHARTERED ACCOUNTANTS



OOI POH LIM
(NO: 3087/10/19(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
7 September 2018

TOPVISION EYE SPECIALIST BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017, 31 DECEMBER 2016 AND 1 JANUARY 2016**

	<u>Note</u>	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>1.1.2016</u>
		RM	RM	RM
ASSETS				
Non-current assets				
Property, plant and equipment	4	11,963,763	11,106,910	7,350,749
Deferred tax assets	5	25,000	2,980	2,980
Total non-current assets		<u>11,988,763</u>	<u>11,109,890</u>	<u>7,353,729</u>
Current assets				
Inventories	6	715,772	411,250	400,899
Trade receivables	7	214,262	182,115	111,714
Other receivables	8	445,180	237,130	113,518
Tax recoverable		38,730	75,850	43,920
Cash and bank balances		973,587	1,352,060	374,122
Total current assets		<u>2,387,531</u>	<u>2,258,405</u>	<u>1,044,173</u>
TOTAL ASSETS		<u><u>14,376,294</u></u>	<u><u>13,368,295</u></u>	<u><u>8,397,902</u></u>
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to owners of the combining entities:-				
Share capital	9	750,000	650,000	400,000
Retained earnings		3,641,468	2,067,929	1,632,059
Total equity		<u>4,391,468</u>	<u>2,717,929</u>	<u>2,032,059</u>
LIABILITIES				
Non-current liabilities				
Finance lease liabilities	10	776,632	885,894	650,971
Borrowings	11	5,666,004	2,615,565	2,685,233
Deferred tax liabilities	12	17,000	12,000	7,000
Total non-current liabilities		<u>6,459,636</u>	<u>3,513,459</u>	<u>3,343,204</u>

TOPVISION EYE SPECIALIST BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017, 31 DECEMBER 2016 AND 1 JANUARY 2016 (CONT'D)**

	<u>Note</u>	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>1.1.2016</u>
		RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)				
LIABILITIES (CONT'D)				
Current liabilities				
Trade payables	13	515,082	711,106	399,116
Other payables	14	949,265	4,838,830	1,355,582
Amount due to Directors	15	1,272,398	1,143,415	963,675
Finance lease liabilities	10	359,763	368,725	232,101
Borrowings	11	428,682	74,831	72,165
		<u>3,525,190</u>	<u>7,136,907</u>	<u>3,022,639</u>
Total current liabilities				
		<u>9,984,826</u>	<u>10,650,366</u>	<u>6,365,843</u>
Total liabilities				
TOTAL EQUITY AND LIABILITIES		<u><u>14,376,294</u></u>	<u><u>13,368,295</u></u>	<u><u>8,397,902</u></u>

The accompanying notes form an integral part of the combined financial statements.

TOPVISION EYE SPECIALIST BERHAD

(Incorporated in Malaysia)

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017 AND 2016

	<u>Note</u>	<u>2017</u> RM	<u>2016</u> RM
Revenue	16	15,692,569	12,048,814
Cost of services		<u>(9,104,524)</u>	<u>(7,338,706)</u>
Gross profit		6,588,045	4,710,108
Other income		23,892	26,220
Administrative expenses		(4,110,103)	(3,703,703)
Other expenses		-	(7,064)
Finance costs		<u>(334,305)</u>	<u>(194,640)</u>
Profit before tax	17	2,167,529	830,921
Tax expense	18	<u>(593,990)</u>	<u>(395,051)</u>
Net profit for the financial year		1,573,539	435,870
Other comprehensive income for the financial year		<u>-</u>	<u>-</u>
Total comprehensive income for the financial year		<u>1,573,539</u>	<u>435,870</u>
Profit for the financial year/Total comprehensive income attributable to:-			
- Owners of the combining entities		<u>1,573,539</u>	<u>435,870</u>
Earnings per share attributable to owners of the combining entities:-			
- Basic (sen)	19	<u>209.81</u>	<u>101.82</u>
- Diluted (sen)	19	<u>*</u>	<u>*</u>

* There are no dilutive potential equity instruments that would give a diluted effect to the basic earnings per share.

The accompanying notes form an integral part of the combined financial statements.

TOPVISION EYE SPECIALIST BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017 AND 2016**

	<u>Share capital</u> RM	<u>Retained earnings</u> RM	<u>Total equity</u> RM
Balance at 1 January 2016	400,000	1,632,059	2,032,059
Transaction with owners:-			
Issuance of ordinary shares	250,000	-	250,000
Total comprehensive income for the financial year	-	435,870	435,870
Balance at 31 December 2016	650,000	2,067,929	2,717,929
Transactions with owners:-			
Issuance of ordinary shares	100,000	-	100,000
Total comprehensive income for the financial year	-	1,573,539	1,573,539
Balance at 31 December 2017	750,000	3,641,468	4,391,468

The accompanying notes form an integral part of the combined financial statements.

TOPVISION EYE SPECIALIST BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017 AND 2016**

	<u>Note</u>	<u>2017</u> RM	<u>2016</u> RM
OPERATING ACTIVITIES			
Profit before tax		2,167,529	830,921
Adjustments for:-			
Depreciation of propety, plant and equipment		1,219,055	1,234,478
Gain on disposal of property, plant and equipment		(23,592)	-
Bad debts written off		-	7,064
Interest expense		334,305	194,640
		<hr/>	<hr/>
Operating profit before working capital changes		3,697,297	2,267,103
Changes in working capital:-			
Inventories		(304,522)	(10,351)
Receivables		(240,197)	(201,077)
Payables		(4,085,589)	3,795,238
		<hr/>	<hr/>
Cash (used in)/generated from operations		(933,011)	5,850,913
Interest paid		(334,305)	(194,640)
Tax paid		(656,994)	(423,992)
Tax refunded		83,104	2,011
		<hr/>	<hr/>
Net cash (used in)/from operating activities		(1,841,206)	5,234,292
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	A	(1,838,316)	(4,332,639)
Proceeds from disposal of property, plant and equipment		51,000	-
		<hr/>	<hr/>
Net cash used in investing activities		(1,787,316)	(4,332,639)
		<hr/>	<hr/>

TOPVISION EYE SPECIALIST BERHAD

(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017 AND 2016 (CONT'D)

	<u>2017</u> RM	<u>2016</u> RM
FINANCING ACTIVITIES		
Net drawdown/(repayments) of term loans	3,404,290	(67,002)
Advance from Directors	128,983	179,740
Repayments of finance lease liabilities	(383,224)	(286,453)
Proceeds from issuance of shares	100,000	250,000
	<hr/>	<hr/>
Net cash from financing activities	3,250,049	76,285
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS		
Net changes	(378,473)	977,938
At the beginning of financial year	1,352,060	374,122
	<hr/>	<hr/>
At the end of financial year	973,587	1,352,060
	<hr/> <hr/>	<hr/> <hr/>

NOTE TO COMBINED STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The combining entities acquired property, plant and equipment with aggregate cost of RM2,103,316 (2016: RM4,990,639) of which cash payment of RM1,838,316 (2016: RM4,332,639) were made and RM265,000 (2016: RM658,000) were acquired by means of finance lease arrangements.

TOPVISION EYE SPECIALIST BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2017 AND 2016 (CONT'D)**

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January <u>2017</u> RM	Proceeds/ <u>Drawdown</u> RM	<u>Repayments</u> RM	31 December <u>2017</u> RM
Term loans	2,690,396	3,573,882	(169,592)	6,094,686
Finance lease liabilities	<u>1,254,619</u>	<u>265,000</u>	<u>(383,224)</u>	<u>1,136,395</u>
	<u><u>3,945,015</u></u>	<u><u>3,838,882</u></u>	<u><u>(552,816)</u></u>	<u><u>7,231,081</u></u>

The accompanying notes form an integral part of the combined financial statements.

TOPVISION EYE SPECIALIST BERHAD

(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Introduction

The combined financial statements of TOPVISION Eye Specialist Berhad (“the Company”) and its subsidiaries (“the combining entities”) have been prepared by the Directors for inclusion in the Information Memorandum in connection with the listing of and quotation for the enlarged issued share capital of the Company on the Leading Entrepreneur Accelerator Platform (“LEAP Market”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), and shall not be relied on for any other purposes.

For the purpose of the proposed listing, on 18 June 2018, the Company had executed the Share Sale and Purchase Agreement for the acquisitions of the entire equity interest in Topvision Eye Specialist Centre (Setia Alam) Sdn. Bhd., Topvision Eye Specialist Centre Sdn. Bhd., Top Vision Eye Specialist Centre (Batu Pahat) Sdn. Bhd., Topvision Eye Specialist Centre (Kuala Selangor) Sdn. Bhd. and Topvision Eye Specialist Centre (Kulai) Sdn. Bhd. for a total consideration of RM3,018,257, RM2,409,106, RM47,727, RM23,526 and RM165,250 respectively, which was satisfied in full by the allotment and issuance of 100,608,567, 80,303,533, 1,590,900, 784,200 and 5,508,333 new ordinary shares of RM0.03 each respectively (“Proposed Acquisitions”).

The listing scheme of the Company on the LEAP Market of Bursa Securities entails the proposed placement of 66,800,000 ordinary shares of the Company at a fixed price of RM0.18 per share (“Proposed Placement”), representing 26.13% of the enlarged issued and paid-up share capital of the Company.

Upon completion of the Proposed Acquisitions and Proposed Placement, the Company would seek the listing of and quotation for its entire issued and share capital of RM17.69 million comprising 255,595,535 ordinary shares on the LEAP Market of Bursa Securities.

1.2 Corporate information

TOPVISION Eye Specialist Sdn. Bhd. was a private limited liability company, incorporated on 27 March 2018 and domiciled in Malaysia. On 7 June 2018, it was converted into a public limited company and assumed its present name of TOPVISION Eye Specialist Berhad.

The registered office of the Company is located at Level 2, Tower 1, Avenue 5 Bangsar South City, 59200 Kuala Lumpur. The principal place of business of the Company is located at Unit 11-2 & 11-3 (No.2), Block 2, Jalan Setia Prima (S) U13/S, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan.

1. GENERAL INFORMATION (CONT'D)

1.2 Corporate information (cont'd)

The principal activity of the Company is that of investment holding. The principal activities of the combining entities are disclosed in Note 26 to the combined financial statements. There have been no significant changes in the nature of these activities during the financial years ended 31 December 2016 and 31 December 2017.

2. BASIS OF PREPARATION

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of the common controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The combined financial statements of the combining entities for the relevant period were prepared in a manner similar to the “pooling-of-interest” method, as if the entities within the combining entities were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of the entities within the combining entities, if later. Such manner of presentation reflects the economic substance of the combining entities, which were under common control throughout the relevant period.

These combined financial statements combine the audited financial statements of Topvision Eye Specialist Centre (Setia Alam) Sdn. Bhd., Topvision Eye Specialist Centre Sdn. Bhd., Top Vision Eye Specialist Centre (Batu Pahat) Sdn. Bhd., Topvision Eye Specialist Centre (Kuala Selangor) Sdn. Bhd. and Topvision Eye Specialist Centre (Kulai) Sdn. Bhd. as at 1 January 2016, 31 December 2016 and 31 December 2017 and for the financial years ended 31 December 2016 and 31 December 2017. The audited financial statements of TOPVISION Eye Specialist Berhad have not been included in these combined financial statements as it is incorporated after the financial year ended 31 December 2017 on 27 March 2018 to facilitate the Proposed Listing.

The combined financial statements have been prepared as if the combining entities have operated as a single economic entity throughout financial years ended 31 December 2016 and 31 December 2017 and have been prepared using financial information obtained from the records of the combining entities during the reporting years.

The financial information as presented in the combined financial statements do not correspond to the consolidated financial statements of the Company, as the combined financial statements reflect business combinations under common control for the purpose of the Proposed Listing. Consequently, the financial information from the combined financial statements do not purport to predict the financial positions, results of operations and cash flows of the combining entities during the reporting years.

2. BASIS OF PREPARATION (CONT'D)

2.1 Statement of compliance

The combined financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standard (“IFRSs”).

2.2 Basis of measurement

The combined financial statements are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Functional and presentation currency

Items included in the financial statements of each of the combining entities are measured using the currency of the primary economic environment in which the entities operate (“functional currency”). The functional currency of the combining entities is Ringgit Malaysia (“RM”). The combined financial statements are presented in RM which is the functional and presentation currency of the combining entities. All financial information is presented in RM and all values are rounded to the nearest RM except when otherwise stated.

2.4 Adoption of amendments/Improvements to MFRSs

The combining entities have consistently applied the accounting policies set out in Note 3 to all periods presented in these combined financial statements.

At the beginning of the current financial year, the combining entities adopted amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2016.

Initial application of the amendments/improvements to the standards did not have material impact to the combined financial statements of the combining entities.

2.5 Standards issued but not yet effective

At the date of authorisation of these combined financial statements, certain new standards, amendments and interpretations to existing standards have been published by MASB but are not yet effective and have not been early adopted by the combining entities.

Management anticipates that all relevant pronouncements will be adopted in the combining entities’ accounting policies for the first period beginning after the effective date of the pronouncement.

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective (cont'd)

The initial application of the new standards, amendments and interpretations are not expected to have any material impacts to the combined financial statements of the combining entities except as mentioned below:-

MFRS 9 Financial instruments

MFRS 9 replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new “expected credit loss model” under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The adoption of MFRS 9 is not expected to have any significant impact on the financial statements of the combining entities and the combining entities plan to adopt the new standard on the required effective date.

MFRS 15 Revenue from contracts with customers

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Int 13 Customer Loyalty Programmes, IC Int 15 Agreements for Construction of Real Estate, IC Int 18 Transfers of Assets from Customers and IC Int 131 Revenue – Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The adoption of MFRS 15 will result in a change in accounting policy. The combining entities expect no significant financial impact of adopting MFRS 15 on its combined financial statements and plan to adopt the new standard on the required effective date.

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective (cont'd)

MFRS 16 Leases

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from today's accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 also requires lessees and lessors to make more extensive disclosure than under MFRS 117.

This standard will come into effect on or after 1 January 2019 with early adoption permitted. The adoption of MFRS 16 will result in a change in accounting policy. The combining entities expect no significant financial impact of adopting MFRS 16 on its combined statements of financial position and plan to adopt the new standard on the required effective date.

2.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the combined financial statements. They affect the application of the combining entities' accounting policies and reported amounts of assets, liabilities, income and expenses and disclosures made. Estimates and underlying assumptions 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. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Useful lives of depreciable assets

The management estimates the useful lives of the property, plant and equipment to be 5 to 50 years and reviews the useful lives of depreciable assets at each reporting date. The management assesses that the useful lives represent the expected utility of the assets to the combining entities. Actual results, however, may vary due to changes in the expected level of usage and developments, resulting in adjustment to the combining entities' assets.

The management expects that the expected useful lives of the property, plant and equipment would not have material difference from the management's estimation hence it would not result in material variance in the combining entities' profit for the financial year.

The carrying amount of the combining entities' property, plant and equipment at the end of the reporting date is disclosed in Note 4 to the combined financial statements.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The combining entities' core business is subject to economical and technology changes which may cause selling prices to change rapidly, and the combining entities' profit to change.

The management reviews inventories to identify damaged, obsolete and slow-moving inventories which require judgement and changes in such estimates could result in revision to the valuation of inventories.

The management expects that the expected net realisable values of the inventories would not have material difference from the management's estimation of a net realisable value, hence, it would not result in material variance in the combining entities' profit for the financial year.

The carrying amount of the combining entities' inventories at the end of the reporting year is disclosed in Note 6 to the combined financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of loans and receivables

The combining entities assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the combining entities consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

The carrying amount of the combining entities' receivables at the end of the reporting date is disclosed in Notes 7 and 8 to the combined financial statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the combining entities' assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Income taxes

Significant estimation is involved in determining the combining entities' provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The combining entities recognise liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

2.6.2 Significant management judgement

The following are the significant management judgement in applying the accounting policies of the combining entities that has the most significant effect on the combined financial statements.

Leases

In applying the classification of leases in MFRS 117, management considers some of its leases of motor vehicles and plant and machineries as finance lease arrangements. The lease transaction is not always conclusive, and management uses judgement in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership, whether the lease term is for the major part of the economic life of the asset even if title is not transferred in accordance with MFRS 117 Leases.

3. SIGNIFICANT ACCOUNTING POLICIES

The combining entities applied the significant accounting policies, as summarised below, consistently throughout all periods presented in the combined financial statements, unless otherwise stated.

3.1 Basis of consolidation

3.1.1 Common control business combination

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before or after the business combination, and that control is not transitory.

For such common control business combinations, the merger accounting principles are used to account for the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

3.1.1 Common control business combination (cont'd)

Under the merger method of accounting, the results of combining entities are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the end of transfer. On combination, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference are classified and presented as movement in other capital reserves.

The effect of all transactions and balances between the combining entities, whether occurring before or after the combination, are eliminated in preparing the combined financial statements.

3.2 Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the combining entities and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful lives. Freehold land is not depreciated but is subject to impairment test if there is indication of impairment. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold buildings	2%
Renovation	10%-20%
Medical equipment	20%
Motor vehicles	20%
Computer equipment & software	20%
Furniture and fittings	20%
Office equipment	20%
Signage	20%

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

Renovation work-in-progress consists of renovation under constructional installation for intended use as specialist centre. The amount is stated at cost and are not depreciated until it is completed and ready for their intended use.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

3.3 Leases

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

3.3.1 Finance lease

Leases in terms of which the combining entities assume substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the combining entities will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Leases (cont'd)

3.3.2 Operating lease

Leases, where the combining entities do not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the combined statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting year in which they are incurred.

3.4 Impairment of non-financial assets

The combining entities assess at each reporting date whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units (“CGU”) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments

3.5.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the combining entities become a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

3.5.2 Financial assets – categorisation and subsequent measurement

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:-

- (a) loans and receivables;
- (b) financial assets at fair value through profit or loss;
- (c) held to maturity investments; and
- (d) available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least once at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

A financial asset or part of it is derecognised when, and only when the contractual right to receive cash flows from the financial asset has expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset has been transferred. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

At the reporting date, the combining entities carry loans and receivables on its combined statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.2 Financial assets – categorisation and subsequent measurement (cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The combining entities' cash and cash equivalents, trade and most of the other receivables fall into this category of financial instruments.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

3.5.3 Financial liabilities – categorisation and subsequent measurement

After the initial recognition, financial liabilities are classified as:-

- (a) financial liabilities at fair value through profit or loss;
- (b) other financial liabilities measure at amortised cost; and
- (c) financial guarantee contracts.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

At reporting date, the combining entities carry only other financial liabilities measured at amortised cost on its combined statements of financial position.

Other financial liabilities measured at amortised cost

The combining entities' financial liabilities include borrowings, trade and other payables, finance lease liabilities and amount due to Directors.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the combining entities have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

3.5.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Impairment of financial assets

The combining entities assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the combining entities consider factors such as the probability of insolvency or significant financial difficulties of the receivables and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the combining entities' past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Inventories

Inventories comprise of consumables and goods held for sale are stated at the lower of cost and net realisable value.

The cost of inventories is based on first-in-first-out basis and includes invoices value of goods purchased and expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Write-down to net realisable value and inventory losses are recognised as an expense when it occurred and any reversal is recognised in profit or loss in the period in which it occurs.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the combined statements of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting year are classified as non-current assets.

3.9 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the combining entities after deducting all of its liabilities. Ordinary shares are equity instruments.

Retained earnings include all current financial year and prior financial years retained profits.

All transactions with owners of the combining entities are recorded separately within equity.

3.10 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the combining entities can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Provisions (cont'd)

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

3.11 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the combined statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.12 Borrowing costs

Borrowing costs are recognised as an expense in profit or loss in the year in which they are incurred. Borrowing costs consist of interest and other costs that the combining entities incurred in connection with the borrowing of funds.

3.13 Employee benefits

3.13.1 Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the combining entities. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by the employees that increase their entitlement to future compensated absences and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

3.13.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the combining entities pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Employee benefits (cont'd)

3.13.2 Defined contribution plans (cont'd)

Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, the combining entities make such contributions to the Employees Provident Fund (“EPF”).

3.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the combining entities and the amount of revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

3.14.1 Sale of goods

Revenue relating to sale of goods is recognised net of sales returns and discount upon the transfer of significant risk and rewards of ownership of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3.14.2 Rendering of services

Revenue from consulting services is recognised when the services are performed/provided.

3.15 Tax expense

3.15.1 Current tax

Current tax expense is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised in financial position as liability (or asset) to the extent that it is unpaid (or refundable). Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax expense (cont'd)

3.15.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the combined statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16 Related parties

A related party is a person or entity that is related to the combining entities. A related party transaction is a transfer of resources, services or obligations between the combining entities and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the combining entities if that person:-
 - (i) has control or joint control over the combining entities; or
 - (ii) has significant influence over the combining entities; or
 - (iii) is a member of the key management personnel of the combining entities.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Related parties (cont'd)

- (b) An entity is related to the combining entities if any of the following conditions applies:-
- (i) the entity and the combining entities are members of the same group; or
 - (ii) one entity is an associate or joint venture of the other entity; or
 - (iii) both entities are joint ventures of the same third party; or
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - (v) the entity is a post-employment benefit plan for the benefits of employees of either the combining entities or an entity related to the combining entities; or
 - (vi) the entity is controlled or jointly-controlled by a person identified in (a) above; or
 - (vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the combining entities; or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the combining entities.

3.17 Operating segment

An operating segment is a component of the combining entities that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the combining entities' other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Majority of the operations of the combining entities are involved in provision of ophthalmology services and related medical consultancy. Hence, the Group is not required to present its segment reporting under MFRS 8.

3.18 Earnings per ordinary share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the net profit attributable to common controlling shareholders by the weighted average number of shares in issue.

Diluted EPS is calculated by dividing the net profit for the year attributable to common controlling shareholders by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of all potential ordinary shares to be issued. Diluted EPS is not applicable as the combining entities do not have potential dilutive equity instruments that would give a diluted effect to the basic EPS.

4. **PROPERTY, PLANT AND EQUIPMENT**

	Freehold buildings RM	Freehold land RM	Renovation RM	Renovation work in progress RM	Medical equipment RM	Motor vehicles RM	Computer equipment & software RM	Furniture and fittings RM	Office equipment RM	Signage RM	Total RM
Cost											
At 1.1.2016	3,623,190	-	1,608,113	1,413,430	2,180,362	243,393	95,289	179,238	450,354	60,363	9,853,732
Transfers	-	-	1,413,430	(1,413,430)	-	-	-	-	-	-	-
Additions	-	346,064	502,552	3,288,516	775,141	-	33,364	18,919	15,398	10,685	4,990,639
At 31.12.2016	3,623,190	346,064	3,524,095	3,288,516	2,955,503	243,393	128,653	198,157	465,752	71,048	14,844,371
Transfers	3,288,516	-	-	(3,288,516)	-	-	-	-	-	-	-
Additions	-	-	995,571	-	116,889	292,993	29,733	148,863	519,267	-	2,103,316
Disposals	-	-	-	-	-	(149,500)	-	-	-	-	(149,500)
At 31.12.2017	6,911,706	346,064	4,519,666	-	3,072,392	386,886	158,386	347,020	985,019	71,048	16,798,187
Accumulated depreciation											
At 1.1.2016	115,750	-	857,968	-	1,124,668	150,092	51,892	80,979	81,885	39,749	2,502,983
Charge for the financial year	72,463	-	514,049	-	450,150	48,679	19,982	30,865	89,221	9,069	1,234,478
At 31.12.2016	188,213	-	1,372,017	-	1,574,818	198,771	71,874	111,844	171,106	48,818	3,737,461
Charge for the financial year	138,234	-	470,576	-	410,357	61,162	18,336	25,244	88,442	6,704	1,219,055
Disposals	-	-	-	-	-	(122,092)	-	-	-	-	(122,092)
At 31.12.2017	326,447	-	1,842,593	-	1,985,175	137,841	90,210	137,088	259,548	55,522	4,834,424
Net carrying amount											
At 31.12.2017	6,585,259	346,064	2,677,073	-	1,087,217	249,045	68,176	209,932	725,471	15,526	11,963,763
At 31.12.2016	3,434,977	346,064	2,152,078	3,288,516	1,380,685	44,622	56,779	86,313	294,646	22,230	11,106,910
At 1.1.2016	3,507,440	-	750,145	1,413,430	1,055,694	93,301	43,397	98,259	368,469	20,614	7,350,749

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(a) Net carrying amount of assets financed under finance lease arrangements.

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Medical equipments	819,677	1,129,304	740,247
Motor vehicles	<u>249,045</u>	<u>44,622</u>	<u>93,301</u>

(b) Net carrying amount of assets pledged to licensed banks as security for banking facilities granted.

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Freehold land	346,064	346,064	-
Renovation work-in-progress	-	3,288,516	-
Freehold buildings	<u>6,585,259</u>	<u>3,434,977</u>	<u>3,507,440</u>
	<u>6,931,323</u>	<u>7,069,557</u>	<u>3,507,440</u>

5. **DEFERRED TAX ASSETS**

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Brought forward	2,980	2,980	(4,643)
Recognised in profit or loss (Note 18)	<u>22,020</u>	<u>-</u>	<u>7,623</u>
Carried forward	<u>25,000</u>	<u>2,980</u>	<u>2,980</u>

Deferred tax assets are made up of temporary differences arising from:-

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Tax base of qualifying property, plant and equipment in excess of its carrying amount	<u>25,000</u>	<u>2,980</u>	<u>2,980</u>

5. **DEFERRED TAX ASSETS (CONT'D)**

Deferred tax assets have not been recognised in respect of the following temporary difference due to uncertainty of their recoverability:-

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM
Carrying amount of qualifying property, plant and equipment in excess of its tax base	(20,000)	59,000
Unabsorbed business losses	(22,000)	(22,000)
Unabsorbed capital allowances	(8,000)	(214,000)
	<u>(50,000)</u>	<u>(177,000)</u>

6. **INVENTORIES**

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Consumable and goods held for sale	<u>715,772</u>	<u>411,250</u>	<u>400,899</u>
Recognised in profit or loss	<u>3,440,181</u>	<u>2,757,604</u>	<u>2,609,598</u>

7. **TRADE RECEIVABLES**

Trade receivables are unsecured, non-interest bearing and the normal trade credit terms are on cash basis or 90 days (31.12.2016 and 1.1.2016: 90 days) for certain customers, whereby, short term credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amount which represent their fair values on initial recognition.

8. **OTHER RECEIVABLES**

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Non-trade receivables	5,808	28,910	1,852
Deposits	66,293	44,918	44,598
Prepayments	373,079	163,302	67,068
	<u>445,180</u>	<u>237,130</u>	<u>113,518</u>

9. SHARE CAPITAL

Issued and fully paid-up:- Number of ordinary shares:-	Topvision Eye Specialist Centre (Setia Alam) Sdn. Bhd.	Topvision Eye Specialist Centre Sdn. Bhd.	Top Vision Eye Specialist Centre (Batu Pahat) Sdn. Bhd.	Topvision Eye Specialist Centre (Kuala Selangor) Sdn. Bhd.	Topvision Eye Specialist Centre (Kulai) Sdn. Bhd.	Total
	Unit	Unit	Unit	Unit	Unit	Unit
At 1.1.2016	100,000	100,000	100,000	100,000	-	400,000
Issued during the financial year	-	250,000	-	-	-	250,000
At 31.12.2016	100,000	350,000	100,000	100,000	-	650,000
Issued during the financial year	-	-	-	-	100,000	100,000
At 31.12.2017	100,000	350,000	100,000	100,000	100,000	750,000
Amount:-	RM	RM	RM	RM	RM	RM
At 1.1.2016	100,000	100,000	100,000	100,000	-	400,000
Issued during the financial year	-	250,000	-	-	-	250,000
At 31.12.2016	100,000	350,000	100,000	100,000	-	650,000
Issued during the financial year	-	-	-	-	100,000	100,000
At 31.12.2017	100,000	350,000	100,000	100,000	100,000	750,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the combining entities. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the combining entities' respective residual assets.

10. FINANCE LEASE LIABILITIES

	31.12.2017 RM	31.12.2016 RM	1.1.2016 RM
Minimum lease payments			
- Within 1 year	417,335	437,467	283,260
- Between 2 to 5 years	769,669	968,994	713,555
- More than 5 years	84,379	-	-
	1,271,383	1,406,461	996,815
Less: Interest-in-suspense	(134,988)	(151,842)	(113,743)
Present value of finance lease liabilities	1,136,395	1,254,619	883,072
Present value of finance lease liabilities			
- Within 1 year	359,763	368,725	232,101
- Between 2 to 5 years	696,432	885,894	650,971
- More than 5 years	80,200	-	-
	1,136,395	1,254,619	883,072

The effective interest of finance lease liabilities is charged at the rates ranging from 4.08% to 10.44% (31.12.2016: 4.08% to 10.44% and 1.1.2016: 4.08% to 8.02%) per annum.

11. **BORROWINGS**

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>1.1.2016</u>
	RM	RM	RM
<u>Current</u>			
Secured:-			
Term loan (i)	113,400	37,554	35,602
Term loans (ii)	<u>315,282</u>	<u>37,277</u>	<u>36,563</u>
	<u>428,682</u>	<u>74,831</u>	<u>72,165</u>
 <u>Non-current</u>			
Secured:-			
Term loan (i)			
- Between 2 to 5 years	453,600	169,141	161,310
- More than 5 years	1,023,710	1,420,574	1,463,545
Term loans (ii)			
- Between 2 to 5 years	1,221,252	128,281	123,385
- More than 5 years	<u>2,967,442</u>	<u>897,569</u>	<u>936,993</u>
	<u>5,666,004</u>	<u>2,615,565</u>	<u>2,685,233</u>
	<u>6,094,686</u>	<u>2,690,396</u>	<u>2,757,398</u>

Term loan (i) and (ii) of the combining entities are secured by means of the following:-

- a) Joint and several guarantee by the Directors of the combining entities; and
- b) Legal charge over the freehold land and buildings of the combining entities as disclosed in Note 4 to the combined financial statements.

The effective interest of term loan (i) is charged at the rate of 4.50% (31.12.2016 and 1.1.2016: 4.50%) per annum and is repayable by 300 monthly instalments.

The effective interest of term loans (ii) are charged at the rates ranging from 4.50% to 4.55% (31.12.2016 and 1.1.2016: 4.50%) per annum and are repayable by 240 monthly instalments.

12. **DEFERRED TAX LIABILITIES**

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>1.1.2016</u>
	RM	RM	RM
Brought forward	12,000	7,000	(14,178)
Recognised in profit or loss (Note 18)	<u>5,000</u>	<u>5,000</u>	<u>21,178</u>
Carried forward	<u>17,000</u>	<u>12,000</u>	<u>7,000</u>

12. **DEFERRED TAX LIABILITIES (CONT'D)**

Deferred tax liabilities are made up of temporary differences arising from:-

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Carrying amount of qualifying property, plant and equipment in excess of its tax base	<u>17,000</u>	<u>12,000</u>	<u>7,000</u>

13. **TRADE PAYABLES**

Trade payables are unsecured, non-interest bearing and the normal credit term granted by the suppliers ranging from 30 to 90 days (31.12.2016 and 1.1.2016: 30 to 90 days).

14. **OTHER PAYABLES**

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Non-trade payables	579,306	1,044,140	1,287,012
Accruals	<u>369,959</u>	<u>3,794,690</u>	<u>68,570</u>
	<u>949,265</u>	<u>4,838,830</u>	<u>1,355,582</u>

Included in non-trade payables are amount of RM280,530 (31.12.2016: RM554,548 and 1.1.2016: RM543,699) due to a company in which a Director have interests, an amount of RM17,847 (31.12.2016: RM184,442 and 1.1.2016: RM5,117) due to a person connected to a Director and an amount of RM140,402 (31.12.2016: RM105,257 and 1.1.2016: RM227,951) due to an enterprise in which a Director has an interest. These amounts are unsecured, non-interest bearing and repayable on demand.

15. **AMOUNT DUE TO DIRECTORS**

The amount due to Directors are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

16. **REVENUE**

Revenue represents invoices for consultancy services performed and sale of goods, net of discount and returns.

17. **PROFIT BEFORE TAX**

Profit before tax has been determined after charging/(crediting), amongst other, the followings:-

	<u>2017</u> RM	<u>2016</u> RM
Depreciation of property, plant and equipment	1,219,055	1,234,478
Bad debt written off	-	7,064
Gain on disposal of property, plant and equipment	(23,592)	-
Interest expense		
- term loans	257,381	136,275
- finance lease liabilities	76,924	58,365
Rental expenses	<u>252,240</u>	<u>252,240</u>

18. **TAX EXPENSE**

	<u>2017</u> RM	<u>2016</u> RM
Current year provision	604,423	381,246
Under provision in prior year	6,587	8,805
Deferred tax (Notes 5 and 12)	<u>(17,020)</u>	<u>5,000</u>
	<u>593,990</u>	<u>395,051</u>

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profit for the financial year.

A reconciliation of tax expense applicable to profit before tax at the statutory tax rate to tax expense at the effective tax rate of the combining entities are as follows:-

	<u>2017</u> RM	<u>2016</u> RM
Profit before tax	<u>2,167,529</u>	<u>830,921</u>
Tax at Malaysian statutory tax rate of 24% (2016: 24%)	520,207	199,421
<u>Tax effects in respect of:-</u>		
Expenses not deductible for tax purposes	189,453	227,525
Income not subject to tax	(5,662)	-
Under provision of tax expense in prior year	6,587	8,805
Movement of deferred tax assets not recognised	(30,480)	18,240
Tax savings for the first tranche of chargeable income	<u>(86,115)</u>	<u>(58,940)</u>
	<u>593,990</u>	<u>395,051</u>

18. **TAX EXPENSE (CONT'D)**

However, the above amounts are subject to the approval of the Inland Revenue Board of Malaysia.

The combining entities' unabsorbed business losses and unabsorbed capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM22,000 (2016: RM22,000) and RM8,000 (2016: RM214,000) respectively.

19. **EARNINGS PER SHARE**

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the financial years attributable to common controlling shareholders of the combining entities over the weighted average number of ordinary shares in issue of the combining entities during the financial years as follows:-

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM
Net profit attributable to owners of the combining entities	<u>1,573,539</u>	<u>435,870</u>
Weighted average number of ordinary shares	<u>750,000</u>	<u>428,082</u>
Basic earnings per share (sen)	<u>209.81</u>	<u>101.82</u>

(b) Diluted earnings per share

Diluted earnings per share equals basic earnings per share because there are no potentially dilutive instruments in existence as at the end of each reporting year.

20. **EMPLOYEE BENEFITS EXPENSES**

	<u>2017</u> RM	<u>2016</u> RM
Salaries, bonus, overtime and allowances	1,359,007	1,100,004
Defined contribution plan	156,378	116,799
Social security contribution	17,213	12,722
Other benefits	<u>64,389</u>	<u>61,150</u>
	<u>1,596,987</u>	<u>1,290,675</u>

21. **RELATED PARTY DISCLOSURES**

(a) Related party transactions

	<u>2017</u> RM	<u>2016</u> RM
Marketing expenses paid to an enterprise in which a Director has an interest	50,880	45,580
Consultancy fees paid to an enterprise in which a Director has an interest	1,412,511	1,235,779
Consultancy fees paid to a company in which a Director has an interest	1,876,817	1,906,451
Rental of office paid to a Director	63,600	63,600
Rental of premise paid to a person connected to a Director	<u>152,640</u>	<u>152,640</u>

(b) Outstanding balances arising from related party transactions are disclosed in Notes 14 and 15 to the Combined Financial Statements.

(c) Key management personnel is defined as the person having authority and responsibility for planning, directing and controlling the activities of the combining entities either directly or indirectly.

The combining entities have no other members of key management personnel other than the Board of Directors.

22. **OPERATING LEASE COMMITMENTS**

The future contractual operating lease commitments are as follows:-

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Within one year	6,000	36,000	36,000
Later than one year but not more than 5 years	<u>-</u>	<u>6,000</u>	<u>42,000</u>
	<u>6,000</u>	<u>42,000</u>	<u>78,000</u>

23. **OPERATING SEGMENT**

The combined entities are principally involved in the provision of ophthalmology services and related medical consultancy.

No product and services segment information and geographical information are presented as the Chief Operating Decision Maker (“CODM”) views the combining entities as a single reportable segment and all are operated in Malaysia.

There were no major customer contributing revenue which equals to ten percent (10%) or more of the total revenue.

24. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (a) Loans and receivables (“L&R”); and
 (b) Other liabilities measured at amortised cost (“AC”).

	Carrying amount	L&R	AC
	RM	RM	RM
<u>31.12.2017</u>			
Financial assets			
Trade receivables	214,262	214,262	-
Other receivables	72,101	72,101	-
Cash and bank balances	973,587	973,587	-
	<u>1,259,950</u>	<u>1,259,950</u>	<u>-</u>
Financial liabilities			
Trade payables	515,082	-	515,082
Other payables	949,265	-	949,265
Amount due to Directors	1,272,398	-	1,272,398
Finance lease liabilities	1,136,395	-	1,136,395
Borrowings	6,094,686	-	6,094,686
	<u>9,967,826</u>	<u>-</u>	<u>9,967,826</u>
<u>31.12.2016</u>			
Financial assets			
Trade receivables	182,115	182,115	-
Other receivables	73,828	73,828	-
Cash and bank balances	1,352,060	1,352,060	-
	<u>1,608,003</u>	<u>1,608,003</u>	<u>-</u>
Financial liabilities			
Trade payables	711,106	-	711,106
Other payables	4,838,830	-	4,838,830
Amount due to Directors	1,143,415	-	1,143,415
Finance lease liabilities	1,254,619	-	1,254,619
Borrowings	2,690,396	-	2,690,396
	<u>10,638,366</u>	<u>-</u>	<u>10,638,366</u>

24. **FINANCIAL INSTRUMENTS (CONT'D)**

Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- (a) Loans and receivables (“L&R”); and
- (b) Other liabilities measured at amortised cost (“AC”).

	Carrying amount RM	L&R RM	AC RM
1.1.2016			
Financial assets			
Trade receivables	111,714	111,714	-
Other receivables	46,450	46,450	-
Cash and bank balances	374,122	374,122	-
	<u>532,286</u>	<u>532,286</u>	<u>-</u>
Financial liabilities			
Trade payables	399,116	-	399,116
Other payables	1,355,582	-	1,355,582
Amount due to Directors	963,675	-	963,675
Finance lease liabilities	883,072	-	883,072
Borrowings	2,757,398	-	2,757,398
	<u>6,358,843</u>	<u>-</u>	<u>6,358,843</u>

Financial risk management objectives and policies

Financial risks

The combining entities are exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the combining entities’ business whilst managing its risks. The combining entities operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the combining entities and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) **Credit risk**

Credit risk is the risk of a financial loss to the combining entities if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

24. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the combining entities and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

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

The combining entities' exposure to credit risk is monitored on an ongoing basis. The credit risk is controlled by monitoring procedures. An internal credit review is conducted if the credit risk is material. The combining entities do not require collateral in respect of financial assets.

The areas where the combining entities are exposed to credit risk are as follows:-

Receivables

Concentration of credit risk

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the combining entities' total credit exposure. The combining entities' portfolio of financial instrument is broadly diversified along geographical lines and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the combining entities' policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The combining entities does not offer credit terms without the approval of the head of credit control.

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, the management has taken reasonable steps to ensure that receivables are stated at their realisable values. A significant portion of the receivables are regular customers that have been transacting with the combining entities. The combining entities use ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

In respect of trade receivables, the combining entities is exposed to significant credit risk exposure to a group of counterparties having similar characteristic of which for 63% (31.12.2016: 60% and 1.1.2016: 52%) of total combining entities' trade receivables was due from 2 (31.12.2016: 4 and 1.1.2016: 2) major customers.

In respect of other receivables, the combining entities are not subjected to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics.

24. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the combining entities and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

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

Receivables (cont'd)

The ageing analysis of trade receivables are as follows:-

	<u>31.12.2017</u>	<u>31.12.2016</u>	<u>1.1.2016</u>
	RM	RM	RM
Neither past due nor impaired	136,906	122,622	62,448
Past due but not impaired			
- 0 - 30 days	17,281	14,051	11,170
- 31 - 60 days	1,812	302	908
- 61 - 90 days	9,076	347	6,671
- more than 91 days	<u>49,187</u>	<u>44,793</u>	<u>30,517</u>
	<u>214,262</u>	<u>182,115</u>	<u>111,714</u>

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the combining entities. None of the combining entities' trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Financial assets that are past due but not impaired

Trade receivables amounting to RM77,356 (31.12.2016: RM59,493 and 1.1.2016: RM49,266) that were due at the reporting date but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The Directors are of the opinion that the receivables are collectible in view of long term business relationships with the customers. These receivables are unsecured.

24. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the combining entities and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

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

Receivables (cont'd)

Financial assets that are impaired

There are no trade receivables of the combining entities that are impaired.

The net carrying amount of receivables is considered a reasonable approximate of its fair value. The maximum exposure to credit risk is the carrying value of each class of receivables as disclosed in Notes 7 and 8 to the combined financial statements.

Cash and bank balances

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(b) **Liquidity risk**

Liquidity risk is the risk that the combining entities will not be able to meet its financial obligations as and when they fall due, due to shortage of funds.

In managing its exposures to liquidity risk arises principally from its various payables, finance lease liabilities and borrowings, the combining entities maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The combining entities aim at maintaining a balance of sufficient cash and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

24. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the combining entities and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

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

The summary of the maturity profile based on the contractual undiscounted repayment obligations are as below:-

	Current Less than 1 year RM	← Non-current → 2-5 years RM		More than 5 years RM	Total RM
<u>31.12.2017</u>					
Non-derivative financial liabilities					
Trade payables	515,082	-	-	-	515,082
Other payables	949,265	-	-	-	949,265
Amount due to Directors	1,272,398	-	-	-	1,272,398
Finance lease liabilities	417,335	769,669	-	84,379	1,271,383
Borrowings	470,928	1,883,712	-	6,652,923	9,007,563
Total undiscounted financial liabilities	<u>3,625,008</u>	<u>2,653,381</u>	<u>0</u>	<u>6,737,302</u>	<u>13,015,691</u>
<u>31.12.2016</u>					
Non-derivative financial liabilities					
Trade payables	711,106	-	-	-	711,106
Other payables	4,838,830	-	-	-	4,838,830
Amount due to Directors	1,143,415	-	-	-	1,143,415
Finance lease liabilities	437,467	968,994	-	-	1,406,461
Borrowings	198,432	793,728	-	2,580,414	3,572,574
Total undiscounted financial liabilities	<u>7,329,250</u>	<u>1,762,722</u>	<u>0</u>	<u>2,580,414</u>	<u>11,672,386</u>
<u>1.1.2016</u>					
Non-derivative financial liabilities					
Trade payables	399,116	-	-	-	399,116
Other payables	1,355,582	-	-	-	1,355,582
Amount due to Directors	963,675	-	-	-	963,675
Finance lease liabilities	283,260	713,555	-	-	996,815
Borrowings	198,432	793,728	-	3,234,444	4,226,604
Total undiscounted financial liabilities	<u>3,200,065</u>	<u>1,507,283</u>	<u>0</u>	<u>3,234,444</u>	<u>7,941,792</u>

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities as at the reporting date.

24. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the combining entities and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the combining entities' financial instruments will fluctuate because of changes in market interest rates.

The combining entities' fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The combining entities' variable rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The combining entities' interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the combining entities target a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the combining entities' significant interest-bearing financial instruments, based on carrying amounts as at the reporting date are as follows:-

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Fixed rate instruments			
<u>Financial liabilities</u>			
Finance lease liabilities	<u>1,136,395</u>	<u>1,254,619</u>	<u>883,072</u>
Net financial liabilities	<u>1,136,395</u>	<u>1,254,619</u>	<u>883,072</u>
Floating rate instruments			
<u>Financial liabilities</u>			
Term loans	<u>6,094,686</u>	<u>2,690,396</u>	<u>2,757,398</u>
Net financial liabilities	<u>6,094,686</u>	<u>2,690,396</u>	<u>2,757,398</u>

The combining entities do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the combining entities do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

24. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the combining entities and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

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

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 25 (31.12.2016 and 1.1.2016: +/-25) basis points (“bp”). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	<u>31.12.2017</u> RM	<u>31.12.2016</u> RM	<u>1.1.2016</u> RM
Effect on profit for the financial year	<u>(15,237)</u>	<u>(6,726)</u>	<u>(6,893)</u>

Fair value of financial instruments

The carrying amounts of financial assets and liabilities of the combining entities at the reporting date approximate their fair values due to their short-term nature and insignificant impact of discounting or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value hierarchy

No fair value hierarchy has been disclosed as the combining entities does not have any financial instruments measured at fair value.

25. **CAPITAL MANAGEMENT**

The primary objective of the combining entities’ capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders’ value.

The combining entities manage its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the combining entities may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the combining entities’ approach to capital management during the financial year.

26. COMBINING ENTITIES

Details of the combining entities are as follows:-

<u>Name of the combining entities</u>	<u>Country of incorporation</u>	<u>Date of incorporation</u>	<u>Principal activities</u>
Topvision Eye Specialist Centre (Setia Alam) Sdn. Bhd.	Malaysia	23 December 2010	Provision of ophthalmology services and related medical consultancy.
Topvision Eye Specialist Centre Sdn. Bhd.	Malaysia	8 February 2010	Provision of ophthalmology services and related medical consultancy.
Top Vision Eye Specialist Centre (Batu Pahat) Sdn. Bhd.	Malaysia	27 April 2015	Provision of ophthalmology services and related medical consultancy.
Topvision Eye Specialist Centre (Kuala Selangor) Sdn. Bhd.	Malaysia	3 December 2013	Provision of ophthalmology services and related medical consultancy.
Topvision Eye Specialist Centre (Kulai) Sdn. Bhd.	Malaysia	26 October 2016	Provision of ophthalmology services and related medical consultancy.

TOPVISION EYE SPECIALIST BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying combined financial statements set out on pages 6 to 49 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the combined financial position as at 1 January 2016, 31 December 2016 and 31 December 2017, and of its combined financial performance and cash flows for the financial years ended 31 December 2016 and 31 December 2017.



.....
LIEW HOCK NEAN



.....
PETER CHONG KUOK SIONG

Kuala Lumpur

07 SEP 2018

Company No: 1273832-U

APPENDIX II UNAUDITED INTERIM COMBINED FINANCIAL STATEMENT

Appendix II

**Unaudited Interim Combined Financial Statement of TOPVISION for
the 7-months FPE 31 July 2018**

TOPVISION EYE SPECIALIST BERHAD
(Company No: 1273832-U)
(Incorporated in Malaysia)

Combined Statement of Financial Position of TOPVISION Eye Specialist Berhad ("TOPVISION") and its subsidiaries ("TOPVISION Group" or "Group")

The following table sets out the summary of the combined statement of financial position prepared based on the unaudited combined financial statements of TOPVISION Group for the financial period ended ("FPE") 31 July 2018

	Note	RM
ASSETS		
Non-current assets		
Property, plant and equipment	2	11,960,606
Deferred tax assets	3	<u>25,000</u>
Total non-current assets		<u>11,985,606</u>
Current assets		
Inventories	4	1,131,516
Trade receivables	5	336,473
Other receivables	6	855,593
Tax recoverable		106,042
Cash and bank balances		<u>1,353,895</u>
Total current assets		<u>3,783,519</u>
TOTAL ASSETS		<u><u>15,769,125</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the combining entities:-		
Share capital	7	5,663,868
Retained earnings		4,872,903
Merger deficit		<u>(3,641,468)</u>
Total equity		<u>6,895,303</u>
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	8	1,062,491
Borrowings	9	5,666,004
Deferred tax liabilities	10	<u>17,000</u>
Total non-current liabilities		<u>6,745,495</u>
Current liabilities		
Trade payables	11	393,376
Other payables	12	954,121
Finance lease liabilities	8	460,552
Borrowings	9	<u>320,278</u>
Total current liabilities		<u>2,128,327</u>
Total liabilities		<u>8,873,822</u>
TOTAL EQUITY AND LIABILITIES		<u><u>15,769,125</u></u>

TOPVISION EYE SPECIALIST BERHAD
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Combined Statement of Profit or Loss and other Comprehensive Income of TOPVISION Group

The following table sets out the financial results prepared based on the unaudited financial statements of TOPVISION Group for the FPE 31 July 2018

	Note	RM
Revenue	13	10,184,386
Cost of services	14	(4,882,719)
Gross profit ("GP")		<u>5,301,667</u>
Administrative expenses		(3,474,335)
Finance costs		(213,560)
Profit before tax ("PBT")	15	<u>1,613,772</u>
Tax expense	16	(382,337)
Profit after tax ("PAT")		<u>1,231,435</u>
Other comprehensive income for the financial period		-
Total comprehensive income for the financial period		<u><u>1,231,435</u></u>
PAT/total comprehensive income for the financial period attributable to - Owners of the combining entities		<u><u>1,231,435</u></u>
GP margin (%)		52.06
PBT margin (%)		15.85
PAT margin (%)		12.09

TOPVISION EYE SPECIALIST BERHAD
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Combined Statement of Changes in Equity of TOPVISION Group

The following table sets out the changes in equity prepared based on the unaudited combined financial statements of TOPVISION Group for the FPE 31 July 2018

Group	Share Capital RM	Merger Deficit RM	Retained Earnings RM	Total RM
At date of inception	2			2
Issued pursuant to acquisition of subsidiaries	5,663,866	-	-	5,663,866
Effect on merger of subsidiary entities	-	(3,641,468)	3,641,468	-
Total comprehensive income for the financial period	-	-	1,231,435	1,231,435
Balance at 31 July 2018	<u>5,663,868</u>	<u>(3,641,468)</u>	<u>4,872,903</u>	<u>6,895,303</u>

TOPVISION EYE SPECIALIST BERHAD
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Combined Statement of Cash Flow of TOPVISION Group

The following table sets out the summary of cash flow prepared based on the unaudited financial statements of TOPVISION Group for the FPE 31 July 2018

	Note	RM
Cash flows from operating activities		
Profit before tax		1,613,772
Adjustments for:		
Depreciation		1,001,243
Interest expense		213,557
Operating profit before working capital changes		<u>2,828,572</u>
Changes in working capital:-		
Inventories		(415,744)
Receivables		(532,624)
Payables		(116,850)
Cash generated from operations		<u>1,763,354</u>
Interest paid		(213,557)
Tax paid		(479,802)
Tax refunded		30,153
<i>Net cash generated from operating activities</i>		<u>1,100,148</u>
Cash flows from investing activity		
Purchase of property, plant and equipment	A	<u>(382,086)</u>
<i>Net cash used in investing activity</i>		<u>(382,086)</u>
Cash flows from financing activities		
Repayments of term loans		(108,404)
Repayments of finance lease liabilities		(229,352)
Proceeds from issuance of shares		2
<i>Net cash used in financing activities</i>		<u>(337,754)</u>
CASH AND CASH EQUIVALENTS		
Net changes		380,308
At beginning of the financial period		973,587
At end of the financial period		<u>1,353,895</u>

NOTE TO COMBINED STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The combining entities acquired property, plant and equipment with aggregate cost of RM998,086 of which cash payment of RM382,086 were made and RM616,000 were acquired by means of finance lease arrangements.

1. Basis of Consolidation

Common Control Business Combination

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before or after the business combination, and that control is not transitory.

The acquisition resulted in a business involving common control entities, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements.

The Group is regarded as a continuing entity resulting from the Acquisitions since the management of all the entities which took part in the Acquisitions were controlled by common directors and under common shareholders before and immediately after the Acquisitions. Accordingly, the financial information have been prepared on the basis of merger accounting.

Under the merger method of accounting, the results of combining entities are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the end of transfer. On combination, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been to the extent that they have not been capitalised by a debit difference are classified and presented as movement in other capital reserves.

The effect of all transactions and balances between the combining entities, whether occurring before or after the combination, are eliminated in preparing the Consolidated Financial Statements of the Group.

2. Property, Plant and Equipment

	Freehold buildings RM	Freehold land RM	Renovation RM	Medical equipment RM	Motor Vehicles RM	Computer equipment & software RM	Furniture & fittings RM	Office equipment RM	Signage RM	Total RM
Cost										
At 1.1.2018	6,911,706	346,064	4,519,667	3,072,393	386,886	158,384	347,020	985,018	71,049	16,798,187
Additions	-	-	86,439	891,121	-	8,889	5,537	6,100	-	998,086
At 31.07.2018	6,911,706	346,064	4,606,106	3,963,514	386,886	167,273	352,557	991,118	71,049	17,796,273
Accumulated depreciation										
At 1.1.2018	326,448	-	1,842,591	1,985,176	137,841	90,209	137,087	259,550	55,522	4,834,424
Charge for the financial period	84,674	-	395,801	322,757	34,182	14,917	32,519	112,694	3,699	1,001,243
At 31.07.2018	411,122	-	2,238,392	2,307,933	172,023	105,126	169,606	372,244	59,221	5,835,667
Net carrying amount										
At 31.07.2018	6,500,584	346,064	2,367,714	1,655,581	214,863	62,147	182,951	618,874	11,828	11,960,606

(a) Net carrying amount of assets financed under finance lease arrangements.

RM

Medical equipments
1,214,513

Motor vehicles
214,861

(b) Net carrying amount of assets pledged to licensed banks as security for banking facilities granted.

RM

Freehold land
346,064

Freehold buildings
6,500,584

6,846,648

TOPVISION EYE SPECIALIST BERHAD
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3. Deferred Tax Assets

	RM
At 1 January/31 July	<u>25,000</u>

Deferred tax assets are made up of temporary differences arising from tax base of qualifying property, plant and equipment in excess of its carrying amount.

4. Inventories

	RM
Consumable and goods held for sale	<u>1,131,516</u>
Recognised in profit or loss	<u>1,439,129</u>

5. Trade Receivables

Trade receivables are unsecured, non-interest bearing and the normal trade credit terms are on cash basis or 90 days for certain customers, whereby, short term credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amount which represent their fair values on initial recognition.

6. Other Receivables

	RM
Non-trade receivables	
- Third parties	104,854
Deposits	97,676
Prepayments	<u>653,063</u>
	<u>855,593</u>

7. Share Capital

	Number of ordinary shares Unit	RM
Issued share capital:-		
At date of incorporation	2	2
<i>Shares issued pursuant to acquisition of subsidiaries:</i>		
- Topvision Eye Specialist Centre (Setia Alam) Sdn Bhd	100,608,567	3,018,257
- Topvision Eye Specialist Centre Sdn Bhd	80,303,533	2,409,106
- Topvision Eye Specialist Centre (Kuala Selangor) Sdn Bhd	784,200	23,526
- Top Vision Eye Specialist Centre (Batu Pahat) Sdn Bhd	1,590,900	47,727
- Topvision Eye Specialist Centre (Kulai) Sdn Bhd	5,508,333	165,250
At 31 July	<u>188,795,535</u>	<u>5,663,868</u>

TOPVISION EYE SPECIALIST BERHAD
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8. Finance Lease Liabilities

	RM
Minimum lease payments	
- Within 1 year	543,360
- Between 2 to 5 years	1,082,434
- More than 5 years	99,454
	<u>1,725,248</u>
Less: Interest-in-suspense	(202,205)
Present value of finance lease liabilities	<u>1,523,043</u>
Present value of finance lease liabilities	
- Within 1 year	460,552
- Between 2 to 5 years	968,811
- More than 5 years	93,680
	<u>1,523,043</u>

9. Borrowings

	RM
<u>Current</u>	
- Within 1 year	320,278
<u>Non-current</u>	
- Between 2 to 5 years	1,674,852
- More than 5 years	3,991,152
	<u>5,986,282</u>

Term loan of the combining entities are secured by means of the following:-
 (a) Joint and several guarantee by the Directors of the combining entities; and
 (b) Legal charge over the freehold land and buildings of the combining entities .

The effective interest of term loans are charged at the rates ranging from 4.50% to 4.55% per annum.

10. Deferred Tax Liabilities

	RM
At 1 January/31 July	<u>17,000</u>

Deferred tax liabilities are made up of temporary differences arising from carrying amount of qualifying property, plant and equipment in excess of its tax base.

11. Trade Payables

Trade payables are unsecured, non-interest bearing and the normal credit term granted by the suppliers ranging from 30 to 90 days.

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12. Other Payables

	RM
Non-trade payables	
- Third parties	79,439
Accruals	874,682
	<u>954,121</u>

13. Revenue

Revenue represents invoices for consultancy services performed and sale of good, net of discount and returns.

14. Cost of Services

Cost of services consist of purchases and other attributable overheads which include the following:-

	RM
Purchases medication, lense and consumables	1,439,129
Doctors' consultancy fees	3,443,590
	<u>4,882,719</u>

15. Profit Before Tax

Profit before tax has been determined after charging, amongst other, the followings:-

	RM
Depreciation of property, plant and equipment	1,001,243
Directors' remuneration - salaries and other emoluments	920,000
Interest expense	
- term loans	165,934
- finance lease liabilities	47,623
Rental expenses	147,200
	<u>147,200</u>

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16. Tax Expense

	RM
Current period provision	360,000
Underprovision in previous financial year	<u>22,337</u>
	<u><u>382,337</u></u>

17. Employee Benefits Expenses

	RM
Salaries, bonus, overtime and allowances (excluding directors)	1,079,102
Defined contribution plan	173,521
Social security contribution	<u>15,830</u>
	<u><u>1,268,453</u></u>

18. Related Party Disclosure

<u>Related party transactions</u>	RM
Consultancy fees paid to a person connected to a Director	1,232,687
Rental of premise paid to a person connected to a Director	87,600
Rental of premise paid to a Director	<u>37,100</u>