



TOPVISION EYE SPECIALIST BERHAD

(Company No. 1273832-U)

(Incorporated in Malaysia)

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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 ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY TOPVISION EYE SPECIALIST BERHAD ("TOPVISION" OR THE "COMPANY"). 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.

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

Unaudited Condensed Consolidated Statement of Financial Position As At 31 December 2018 ⁽¹⁾

	Unaudited as at 31 December 2018 RM	Audited as at 31 December 2017 RM
ASSETS		
Non-current assets		
Property, plant and equipment	19,098,690	11,963,763
Deferred tax assets	30,000	25,000
Total non-current assets	19,128,690	11,988,763
Current assets		
Inventories	814,640	715,772
Trade receivables	216,251	214,262
Other receivables	469,881	445,180
Tax recoverable	45,966	38,730
Cash and bank balances	13,813,254	973,587
Total current assets	15,359,992	2,387,531
TOTAL ASSETS	34,488,682	14,376,294
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to the owners of the Company:-		
Share capital	17,331,213	750,000
Retained earnings	4,926,812	3,641,468
Merger deficit	(3,641,468)	-
Total equity	18,616,557	4,391,468
LIABILITIES		
Non-current liabilities		
Finance lease liabilities	1,104,738	776,632
Borrowings	5,460,479	5,666,004
Deferred tax liabilities	36,000	17,000
Total non-current liabilities	6,601,217	6,459,636
Current liabilities		
Trade payables	109,648	515,082
Other payables	8,113,955	949,265
Amount due to directors	-	1,272,398
Finance lease liabilities	472,407	359,763
Borrowings	449,940	428,682
Provision for taxation	124,958	-
Total current liabilities	9,270,908	3,525,190
Total liabilities	15,872,125	9,984,826
TOTAL EQUITY AND LIABILITIES	34,488,682	14,376,294
Net assets per share (sen) ⁽²⁾	7.28	585.50

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 18 September 2018 and the accompanying explanatory notes attached to this interim report.

(2) Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period of 255,595,535 shares as at 31 December 2018 and 750,000 shares as at 31 December 2017 respectively.

TOPVISION EYE SPECIALIST BERHAD
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Unaudited Condensed Consolidated Statements of Profit or Loss and other Comprehensive Income For the Half-Year Ended 31 December 2018 ⁽¹⁾

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2018	31.12.2017 ⁽²⁾	31.12.2018	31.12.2017
	RM	RM	RM	RM
Revenue	10,372,007	N/A	18,638,076	15,692,569
Cost of services	(5,325,773)	N/A	(9,302,330)	(9,104,524)
Gross profit	<u>5,046,234</u>	N/A	<u>9,335,746</u>	<u>6,588,045</u>
Other income	-	-	-	23,892
Administrative expenses	(3,845,223)	N/A	(6,742,256) ⁽³⁾	(4,110,103)
Finance costs	(195,427)	N/A	(381,525)	(334,305)
Profit before tax	<u>1,005,584</u>	N/A	<u>2,211,965</u>	<u>2,167,529</u>
Tax expense	(453,729)	N/A	(926,620)	(593,990)
Profit after tax	<u>551,855</u>	N/A	<u>1,285,345</u>	<u>1,573,539</u>
Other comprehensive income	-	N/A	-	-
Total comprehensive income	<u><u>551,855</u></u>	<u>N/A</u>	<u><u>1,285,345</u></u>	<u><u>1,573,539</u></u>
Profit and total comprehensive income attributable to owners of the Company	<u><u>551,855</u></u>	<u>N/A</u>	<u><u>1,285,345</u></u>	<u><u>1,573,539</u></u>
EARNINGS PER SHARE				
Basic (sen) ⁽⁴⁾	0.50	N/A	1.16	209.81
Diluted (sen) ⁽⁵⁾	N/A	N/A	N/A	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 18 September 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding period are available as this is the Group's first interim financial report on its consolidated results announced in compliance with the LEAP Market Listing Requirements of Bursa Securities ("Listing Requirements").
- (3) Included one-off expenses related to the listing of the Company on LEAP Market during the financial year amounting to RM679,371.
- (4) Basic earnings per share is calculated based on the Company's weighted average number of shares of 110,499,509 ordinary shares as at 31 December 2018 and 750,000 ordinary shares as at 31 December 2017.
- (5) There are no dilutive potential equity instruments that would give a diluted effect to the basic earnings per share.

N/A - Not Applicable

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Unaudited Condensed Consolidated Statement of Changes in Equity For The Half-Year Ended 31 December 2018 ⁽¹⁾

	Share Capital RM	Merger Deficit RM	Retained Earnings RM	Total RM
As at 1 July 2018	5,663,868	(3,641,468)	4,396,176	6,418,576
<i>Transactions with owners:</i>				
Issued pursuant to:				
- placement of new shares in conjunction with initial public offering	12,024,000	-	-	12,024,000
- acquisition of subsidiaries	2	-	-	2
	12,024,002	-	-	12,024,002
Share issuance expenses	(356,657)	-	-	(356,657)
Total comprehensive income for the financial period	-	-	551,855	551,855
Balance at 31 December 2018	<u>17,331,213</u>	<u>(3,641,468)</u>	<u>4,948,031</u>	<u>18,637,776</u>

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 18 September 2018 and the accompanying explanatory notes attached to this interim financial report.

TOPVISION EYE SPECIALIST BERHAD
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Unaudited Condensed Consolidated Statement of Cash Flow ⁽¹⁾

	Cumulative 12 months ended	
	31 December 2018	31 December 2017
	RM	RM
Cash flows from operating activities		
Profit before tax	2,211,965	2,167,529
Adjustments for:		
Depreciation of property, plant and equipment	1,736,505	1,219,055
Gain on disposal of property, plant and equipment	-	(23,592)
Bad debts written off	7,373	-
Interest expense	381,525	334,305
Operating profit before working capital changes	<u>4,337,368</u>	<u>3,697,297</u>
Changes in working capital:-		
Inventories	(98,868)	(304,522)
Receivables	(34,063)	(240,197)
Payables	6,759,256	(4,085,589)
Cash generated from operations	<u>10,963,693</u>	<u>(933,011)</u>
Interest paid	(381,525)	(334,305)
Tax paid	(825,051)	(656,994)
Tax refunded	30,153	83,104
<i>Net cash generated from/(used in) operating activities</i>	<u>9,787,270</u>	<u>(1,841,206)</u>
Cash flows from investing activity		
Purchase of property, plant and equipment	(7,979,273)	(1,838,316)
Proceeds from disposal of property, plant and equipment	-	51,000
<i>Net cash used in investing activity</i>	<u>(7,979,273)</u>	<u>(1,787,316)</u>
Cash flows from financing activities		
Net (repayments)/drawdown of term loans	(184,266)	3,404,290
Advance from Directors	-	128,983
Repayments of finance lease liabilities	(451,411)	(383,224)
Proceeds from issuance of shares	12,024,004	100,000
Share issuance expenses	(356,657)	-
<i>Net cash generated from financing activities</i>	<u>11,031,670</u>	<u>3,250,049</u>
CASH AND CASH EQUIVALENTS		
Net changes	12,839,667	(378,473)
At beginning of the financial year	973,587	1,352,060
At end of the financial year	<u>13,813,254</u>	<u>973,587</u>

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flow are detailed in Note A1 and should be read in conjunction with the Audited Combined Financial Statements as disclosed in the Information Memorandum of the Company dated 18 September 2018 and the accompanying explanatory notes attached to this interim financial report.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2018**

A. NOTES TO THE FINANCIAL REPORT

A1. Basis of Preparation

Topvision Eye Specialist Berhad ("Topvision") was incorporated as a private limited liability company on 27 March 2018 and is domiciled in Malaysia. On 7 June 2018, it was converted into a public limited company to facilitate the listing of the Company on the LEAP Market of Bursa Securities.

On 18 June 2018, Topvision completed the acquisition of 100% equity interest of 5 companies namely Topvision Eye Specialist Centre (Setia Alam) Sdn Bhd, Topvision Eye Specialist Centre Sdn Bhd, Top Vision Eye Specialist (Batu Pahat) Sdn Bhd, Topvision Eye Specialist Centre (Kuala Selangor) Sdn Bhd and Topvision Eye Specialist (Kulai) Sdn Bhd for a total consideration of RM5,663,866 which was fully satisfied via the issuance of 188,795,533 ordinary shares in Topvision at the issue price of RM0.03 per share.

On 21 November 2018, the Company's entire enlarged issued share capital of RM17,687,868 comprising 255,595,535 ordinary shares were listed on the LEAP Market of Bursa Securities.

On 6 December 2018, Topvision completed the acquisition of 100% equity interest in Topvision International Eye Specialist Centre Sdn Bhd ("TVIESC") for a total cash consideration of RM2.

The interim financial report of Topvision and its subsidiaries ("the Group") are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting.

This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the half-year ended 31 December 2018 announced in compliance with the Listing Requirements.

The interim financial reporting should be read in conjunction with the Auditors' Report as disclosed in the Information Memorandum of the Company dated 18 September 2018 and the accompanying explanatory notes attached to the interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and presentations adopted by the Group for this interim financial statements are consistent with those adopted in the Audited Combined Financial Statements of the Group for the financial year ended 31 December 2017 as disclosed in the Information Memorandum of the Company dated 18 September 2018 except for the adoption of the following amendments/improvements to MFRSs which are applicable to the Group with effect from 1 January 2018:

Amendments/Improvements to MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

The adoption of the above amendments/improvements to MFRSs do not result in any significant impact on Group's results and financial position for the current period.

Standards that have been issued but not yet effective

The Group did not early adopt this new standards:

MFRS 16	Leases (effective from 1 January 2019) supersedes MFRS117 "Leases" and the related interpretation
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The Group will apply the standard from its mandatory adoption date of 1 January 2019. However, the Group expect no significant financial impact of adoption of the above accounting standards.

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A3. Seasonal or Cyclical Factors

The Group's operations were not affected materially by seasonal or cyclical factors for the current financial period under review and the financial year under review.

A4. Unusual Items

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period under review.

A5. Material Changes in Estimates

There were no material changes in accounting estimates in the current financial period under review.

A6. Debt and Equity Securities

Save as disclosed below, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period:

On 15 November 2018, 66,800,000 new ordinary shares of the Company were issued pursuant to placement of shares at an issue price of RM0.18 per share to sophisticated investors within the meanings of Section 230 of the Capital Markets and Services Act 2007 in conjunction with the listing of our Company on the LEAP Market of Bursa Securities.

A7. Segmental Information

There were no products, services and geographical location segment information are presented as the Group is viewed as a single reportable segment.

A8. Material Events Subsequent To The End Of The Financial Period

There were no material events subsequent to the end of the current financial period.

A9. Changes In The Composition Of The Group

Save for the acquisition of TVIESC for a total cash consideration of RM2 on 6 December 2018 and the incorporation of Topvision Eye Specialist Centre (Southkey) Sdn Bhd with issued share capital of RM100 on 19 February 2019, there were no changes in the composition of the Group during the current financial period.

A10. Contingent Assets And Contingent Liabilities

There are no contingent assets and contingent liabilities as at the date of this interim financial report.

A11. Capital Commitments

The capital commitments of the Group as at 31 December 2018 were as follows:

Approved and contracted for:
- Purchase of property

RM
6,642,000

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review Of Performance

The Group recorded a revenue of RM18.64 million for the financial year ended 31 December 2018, as compared to RM15.69 million in the immediate preceding year, representing an increase of RM2.95 million or 18.80%. This is mainly due to the additional revenue generated by new ambulatory care centre at Kulai, Johor which commenced operation and generating revenue since May 2018.

The Group recorded a profit before tax ("PBT") of RM2.21 million for the financial year ended 31 December 2018 as compared to RM2.17 million in the immediate preceding year, representing an increase of RM0.04 million or 1.84%. The increase in PBT is in line with the increase of revenue during the year.

The Group's PBT takes into account one-off expenses related to the listing of the Company on the LEAP Market during the financial year amounting to RM679,371. Excluding the above one-off listing expenses, the PBT for the financial year was RM2.89 million as compared to RM2.17 million recorded in the previous financial year.

B2. Prospects

As disclosed in the Company's Information Memorandum dated 18 September 2018, the Group has put in place the following future plans and strategies to leverage on our existing capabilities and competencies to become one of the leading medical eye care group in the country:

- (i) expansion of the Group's network by establishing TVIESC and 2 new ambulatory care centres in the Southern Region of Malaysia;
- (ii) expansion of the Group's range of services include refractive suite, offering refractive surgeries for customers wanting spectacle independence such as Laser-Assisted In Situ Keratomileusis ("LASIK") and Implantable Collamer Lens procedure as well aesthetic double eyelid surgical procedure as an added offering; and
- (iii) growing the international markets with immediate plans of strengthening its market presence in Indonesia.

Barring any unforeseen circumstances, the Board of Directors of the Company ("**Board**") is of the opinion that the prospects of the Group's financial performance for the financial year ending 31 December 2019 will remain favourable.

B3. Variance Of Actual Profit From Profit Forecast And Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

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C. OTHER INFORMATION

C1. STATUS OF CORPORATE PROPOSAL

Save for the following, there were no corporate proposals announced but pending completion as at the date of this report:

- (i) On 12 December 2018, TVIESC had entered into 2 conditional Sale and Purchase Agreements with Signature Realty Sdn Bhd to acquire 2 parcels of contiguous leasehold land, each with a detached house located in Jalan Utara, Section 11, Petaling Jaya, Selangor measuring a total land area of approximately 1,583 square metres for a total cash consideration of RM7.38 million. The lands are proposed to be acquired for purpose of establishing TVIESC to be built on the Lands ("Proposed Land Acquisition").

The approval from shareholders will be sought for the Proposed Land Acquisition and proposed establishment of TVIESC at the Company's extraordinary general meeting on 1 March 2019.

C2. MATERIAL LITIGATION

The Board is not aware of any material litigations pending or threatened against the Group as at the date of this report.

C3. DIVIDENDS

There were no dividend proposed by the Board for the current financial period.

C4. UTILISATION OF PROCEEDS

The status of the utilisation of proceeds from the Placement of RM12.02 million is as follows:

Purpose	Proposed utilisation	Actual Utilisation ⁽¹⁾	Deviation	Balance	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	RM'000	
Business expansion	10,000	(600)		9,400	Within 24 months
Working capital	1,016	(181)		835	Within 12 months
Estimated proposed listing expenses	1,008	(877.4)	(130.6) ⁽²⁾	-	Within 3 months
Total	12,024	(1,658.4)	-	10,235	

Notes:

(1) Utilisation as at 31 December 2018

(2) The surplus of estimated listing expenses will be adjusted to the amount allocated for working capital.