



## **TOPVISION EYE SPECIALIST BERHAD**

(Company No. 1273832-U)

(Incorporated in Malaysia)

### **FINANCIAL STATEMENTS FOR THE 1<sup>ST</sup> HALF-YEAR ENDED 30 JUNE 2019**

**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 30 June 2019 <sup>(1)</sup>**

	Unaudited as at 30 June 2019 RM'000	Audited as at 31 December 2018 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	18,875	11,719
Right-of-use assets	969	-
Total non-current assets	<u>19,844</u>	<u>11,719</u>
<b>Current assets</b>		
Inventories	1,336	815
Trade receivables	193	216
Other receivables	481	1,006
Tax recoverable	44	-
Cash and bank balances	11,464	13,847
Total current assets	<u>13,518</u>	<u>15,884</u>
<b>TOTAL ASSETS</b>	<u><u>33,362</u></u>	<u><u>27,603</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to the owners of the Company:-</b>		
Share capital	17,331	17,331
Retained earnings	6,139	4,933
Merger deficit	(3,641)	(3,641)
Total equity	<u>19,829</u>	<u>18,623</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Finance lease liabilities	895	1,103
Borrowings	9,773	5,689
Lease liabilities	643	-
Total non-current liabilities	<u>11,311</u>	<u>6,792</u>
<b>Current liabilities</b>		
Trade payables	217	110
Other payables	785	1,303
Finance lease liabilities	422	474
Borrowings	450	222
Lease liabilities	348	-
Tax payable	-	79
Total current liabilities	<u>2,222</u>	<u>2,188</u>
Total liabilities	<u>13,533</u>	<u>8,980</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>33,362</u></u>	<u><u>27,603</u></u>
Net assets per share (sen) <sup>(2)</sup>	7.76	7.28

**Notes:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 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 30 June 2019 and 31 December 2018 respectively.

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

**Unaudited Condensed Consolidated Statements of Profit or Loss and other Comprehensive Income For the 1<sup>st</sup> Half-Year Ended 30 June 2019 <sup>(1)</sup>**

	Individual 6 months ended		Cumulative 6 months ended	
	30.6.2019 RM'000	30.6.2018 RM'000	30.6.2019 RM'000	30.6.2018 RM'000
Revenue	10,215	8,266	10,215	8,266
Cost of services	(5,311)	(3,985)	(5,311)	(3,985)
Gross profit	<u>4,904</u>	<u>4,281</u>	<u>4,904</u>	<u>4,281</u>
Other income	109	-	109	-
Administrative expenses	(3,213)	(2,930)	(3,213)	(2,930)
Finance costs	(208)	(183)	(208)	(183)
Profit before tax	<u>1,592</u>	<u>1,168</u>	<u>1,592</u>	<u>1,168</u>
Tax expense	(384)	(324)	(384)	(324)
Profit after tax	<u>1,208</u>	<u>844</u>	<u>1,208</u>	<u>844</u>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<u><u>1,208</u></u>	<u><u>844</u></u>	<u><u>1,208</u></u>	<u><u>844</u></u>
Profit and total comprehensive income attributable to owners of the Company	<u><u>1,208</u></u>	<u><u>844</u></u>	<u><u>1,208</u></u>	<u><u>844</u></u>
<b>EARNINGS PER SHARE</b>				
Basic (sen) <sup>(2)</sup>	0.52	12.55	0.52	12.55
Diluted (sen) <sup>(3)</sup>	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 disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

(2) Basic earnings per share is calculated based on the Company's weighted average number of shares of 230,522,658 ordinary shares as at 30 June 2019 and 6,724,225 ordinary shares as at 30 June 2018.

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

N/A - Not Applicable

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

**Unaudited Condensed Consolidated Statement of Changes in Equity For The 1<sup>st</sup> Half-Year Ended 30 June 2019 <sup>(1)</sup>**

	<b>Share Capital RM'000</b>	<b>Merger Deficit RM'000</b>	<b>Retained Earnings RM'000</b>	<b>Total RM'000</b>
Balance as at 31 December 2018	17,331	(3,641)	4,933	18,623
Effect of adoption of MFRS	-	-	(2)	(2)
Balance as at 1 January 2019	17,331	(3,641)	4,931	18,621
Total comprehensive income for the financial period	-	-	1,208	1,208
Balance at 30 June 2019	17,331	(3,641)	6,139	19,829

**Note:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

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

**Unaudited Condensed Consolidated Statement of Cash Flow <sup>(1)</sup>**

	Cumulative 6 months ended	
	30 June 2019 RM'000	30 June 2018 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,592	1,168
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	893	842
Depreciation of right-of-use assets	72	-
Interest expense	208	183
Interest income	(109)	-
Operating profit before working capital changes	2,656	2,193
Changes in working capital:-		
Inventories	(521)	(285)
Receivables	548	(699)
Payables	(411)	(140)
Cash generated from operations	2,272	1,069
Interest paid	(208)	(183)
Tax paid	(546)	-
Interest received	109	-
Tax refunded	39	30
<i>Net cash generated from operating activities</i>	1,666	916
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(8,049)	(235)
<i>Net cash used in investing activity</i>	(8,049)	(235)
<b>Cash flows from financing activities</b>		
Net drawdown/(repayments) of term loans	4,312	(91)
Repayments of finance lease liabilities	(260)	(191)
Repayments of lease liabilities	(52)	-
<i>Net cash generated from financing activities</i>	4,000	(282)
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(2,383)	399
At beginning of the financial period	13,847	973
At end of the financial period	11,464	1,372

**Note:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flow are disclosed in Note A1 and the accompanying explanatory notes attached to this interim financial report.

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1<sup>ST</sup> HALF-YEAR ENDED  
30 JUNE 2019**

**A. NOTES TO THE FINANCIAL REPORT**

**A1. Basis of Preparation**

The interim financial report of the Company 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 interim financial report on the Company's unaudited condensed consolidated financial results for the 1st half-year ended 30 June 2019. The interim financial reporting should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 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 Financial Statements of the Group for the financial year ended 31 December 2018 except for the adoption of the following amendments/improvements to MFRSs which are applicable to the Group with effect from 1 January 2019:

**Amendments/Improvements to MFRSs**

MFRS 16      Leases

MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the "right-of-use" of the underlying asset and the lease liability reflecting future lease payments liabilities in the statement of financial position.

On the adoption of this standard, the Group had capitalized its rented premises on the statements of financial position by recognizing them as 'right-of-use' assets and their corresponding lease liabilities for the present value for future lease payments.

As permitted under the standard, the Group has adopted MFRS 16 retrospectively from 1 January 2019 using the simplified transition approach and has not restated comparatives for the 2018 reporting period.

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

**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.

**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**

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the current financial period under review.

**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**

The changes in the composition of the Group for the current financial period are as follows:-

- (i) on 19 February 2019, the Company had incorporated and subscribed to RM100 in Topvision Eye Specialist Centre (Southkey) Sdn Bhd ("TVESK") representing 100% of the total paid-up capital of TVESK.
- (ii) on 25 March 2019, the Company had incorporated and subscribed to RM300,000 in Topvision Eye Specialist Centre (Seremban) Sdn Bhd ("TVESB") representing 100% of the total paid-up capital of TVESB.

**A10. Contingent Assets And Contingent Liabilities**

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

**A11. Capital Commitments**

There were no material capital commitments in respect of property, plant and equipment as at the end of the financial period under review.

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

**B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. Review Of Performance**

The Group recorded a revenue of RM10.22 million for the financial period ended 30 June 2019, as compared to RM8.27 million in the immediate preceding period, representing an increase of RM1.95 million or 23.58%. 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. Our Kulai centre currently contributes approximately 14% of the Group's total revenue.

The Group recorded a profit before tax ("PBT") of RM1.59 million for the financial period ended 30 June 2019 as compared to RM1.17 million in the immediate preceding period, representing an increase of RM0.42 million or 36.3%. The increase in PBT is in line with the increase of revenue during the period.

**B2. Prospects**

The Group remains committed to continuously 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 Topvision International Eye Specialist Centre by year 2021, and 2 new ambulatory care centres in the Southern Region of Malaysia by quarter 1 and 2 of year 2020 respectively;
- (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 by year 2021; and
- (iii) continuously 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.



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

**C. OTHER INFORMATION**

**C1. STATUS OF CORPORATE PROPOSAL**

There were no corporate proposals announced but pending completion as at the date of this report.

**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 <sup>(1)</sup>	Deviation	Balance	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	RM'000	
Business expansion	10,000	(5,600)	-	4,400	Within 24 months
Working capital	1,016	(913)	-	103	Within 12 months
Estimated proposed listing expenses	1,008	(877.4)	(130.6) <sup>(2)</sup>	-	-
Total	12,024	(7,390.8)	(130.6)	4,503	

Notes:

(1) Utilisation as at 30 June 2019

(2) The surplus of estimated listing expenses will be adjusted to the amount allocated for working capital and had been fully utilised as at 30 June 2019