



## **TOPVISION EYE SPECIALIST BERHAD**

Company No: 201801011816 (1273832-U)  
(Incorporated in Malaysia)

### **UNAUDITED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 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**  
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**Unaudited Condensed Consolidated Statement of Financial Position As At 31 December 2019 <sup>(1)</sup>**

	Unaudited as at 31 December 2019 RM'000	Audited as at 31 December 2018 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,400	11,719
Total non-current assets	<u>24,400</u>	<u>11,719</u>
<b>Current assets</b>		
Inventories	1,040	815
Trade receivables	230	216
Other receivables	445	1,006
Tax recoverable	32	-
Cash and bank balances	9,444	13,847
Total current assets	<u>11,191</u>	<u>15,884</u>
<b>TOTAL ASSETS</b>	<u><u>35,591</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	5,204	4,933
Merger deficit	(3,641)	(3,641)
Total equity	<u>18,894</u>	<u>18,623</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Finance lease liabilities	-	1,103
Borrowings	9,663	5,689
Lease liabilities	4,031	-
Total non-current liabilities	<u>13,694</u>	<u>6,792</u>
<b>Current liabilities</b>		
Trade payables	148	110
Other payables	1,763	1,303
Finance lease liabilities	-	474
Borrowings	423	222
Lease liabilities	556	-
Tax payable	113	79
Total current liabilities	<u>3,003</u>	<u>2,188</u>
Total liabilities	<u>16,697</u>	<u>8,980</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>35,591</u></u>	<u><u>27,603</u></u>
Net assets per share (sen) <sup>(2)</sup>	7.39	7.29

**Notes:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 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 2019 and 31 December 2018 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 2019 <sup>(1)</sup>**

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	11,118	10,372	21,333	18,638
Cost of services	(5,756)	(5,326)	(11,067)	(9,302)
Gross profit	<u>5,362</u>	<u>5,046</u>	<u>10,266</u>	<u>9,336</u>
Other income	109	-	218	-
Administrative expenses	(3,963)	(3,838)	(7,176)	(6,738)
Other expenses	(9)	(7)	(9)	(7)
Finance costs	(451)	(195)	(659)	(379)
Profit before tax	<u>1,048</u>	<u>1,006</u>	<u>2,640</u>	<u>2,212</u>
Tax expense	(696)	(454)	(1,080)	(921)
Profit after tax	<u>352</u>	<u>552</u>	<u>1,560</u>	<u>1,291</u>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<u><u>352</u></u>	<u><u>552</u></u>	<u><u>1,560</u></u>	<u><u>1,291</u></u>
Profit and total comprehensive income attributable to owners of the Company	<u><u>352</u></u>	<u><u>552</u></u>	<u><u>1,560</u></u>	<u><u>1,291</u></u>
<b>EARNINGS PER SHARE</b>				
Basic (sen) <sup>(2)</sup>	0.14	0.50	0.61	1.17
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 should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 255,595,535 ordinary shares as at 31 December 2019 and 110,682,522 ordinary shares as at 31 December 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

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**Unaudited Condensed Consolidated Statement of Changes in Equity For The Half-Year Ended 31 December 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>
As at 1 July 2019	17,331	(3,641)	6,130	19,820
Dividend paid	-	-	(1,278)	(1,278)
Total comprehensive income for the financial period	-	-	352	352
Balance at 31 December 2019	<u>17,331</u>	<u>(3,641)</u>	<u>5,204</u>	<u>18,894</u>

**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.

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

	Cumulative 12 months ended	
	31 December 2019 RM'000	31 December 2018 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	2,640	2,212
<b>Adjustments for:</b>		
Bad debts written off	9	7
Depreciation of property, plant and equipment	2,003	1,736
Interest expense	659	379
Interest income	(218)	-
Operating profit before working capital changes	5,093	4,334
Changes in working capital:-		
Inventories	(225)	(99)
Receivables	538	(570)
Payables	497	(51)
Cash generated from operations	5,903	3,614
Interest paid	(659)	(379)
Tax paid	(1,195)	(825)
Interest received	218	-
Tax refunded	117	30
<i>Net cash generated from operating activities</i>	4,384	2,440
<b>Cash flows from investing activity</b>		
Purchase of property, plant and equipment	(11,115)	(599)
<i>Net cash used in investing activity</i>	(11,115)	(599)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	12,024
Net drawdown/(repayments) of term loans	4,175	(184)
Repayments of finance lease liabilities	-	(451)
Net repayments of lease liabilities	(569)	-
Dividend paid	(1,278)	-
Share issuance expenses	-	(357)
<i>Net cash generated from financing activities</i>	2,328	11,032
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(4,403)	12,873
At beginning of the financial year	13,847	974
At end of the financial year	9,444	13,847

**Note:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flow are disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 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 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 issued by the Malaysian Accounting Standard Board ("MASB") Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad.

This is the interim financial report on the Company's unaudited condensed consolidated financial results for the 2nd half-year ended 31 December 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.

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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.

**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 and financial year ended under review.

**A5. Material Changes in Estimates**

There were no material changes in accounting estimates in the current financial period and financial year ended 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 and financial year ended 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**

Save for the incorporation of Topvision Eye Specialist Centre (Southkey) Sdn Bhd and Topvision Eye Specialist Centre (Seremban) Sdn Bhd on 19 February 2019 and 25 March 2019, there were no changes in the composition of the Group during the current financial period.

**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.

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

**B1. Review Of Performance**

The Group recorded a revenue of RM21.33 million for the financial year ended 31 December 2019, as compared to RM18.64 million in the immediate preceding year, representing an increase of RM2.69 million or 14.43%. This is mainly due to the increase of revenue generated by our Kulai centre. Our Kulai centre's revenue during the year increased by RM1.57 million or 103% as compared to the immediate preceding year. The high increase of Kulai centre's revenue is due to only 8 months revenue were being recorded in the immediate preceding year since the centre only commenced operation since May 2018 as compared to one full year revenue being recorded during the year. Our Kulai centre currently contributes approximately 14% of the Group's total revenue.

The Group recorded a profit before tax ("PBT") of RM2.64 million for the financial year ended 31 December 2019 as compared to RM2.21 million in the immediate preceding year, representing an increase of RM0.43 million or 19.46%. The increase in PBT is in line with the increase of revenue during the year.

The Group's PBT included the pre-commencement expenses for the 3 newly incorporated centre - Topvision International Eye Specialist Centre, Southkey centre and Seremban centre during the financial year amounting to RM992,150. Excluding the above centre's pre-commencement expenses, the PBT for the financial year was RM3.63 million as compared to RM2.21 million recorded in the previous financial year.

**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 2 and 3 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 2020 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**

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**

The Board of Directors has on 17 September 2019 declared a single tier interim dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2019. The interim dividend amounting to RM1,277,977.63 was paid on 25 October 2019.

**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	(8,500)	-	1,500	Within 24 months
Working capital	1,016	(1,016)	-	-	Within 12 months
Estimated proposed listing expenses	1,008	(877.4)	(130.6) <sup>(2)</sup>	-	-
<b>Total</b>	<b>12,024</b>	<b>(10,393.4)</b>	<b>(130.6)</b>	<b>1,500</b>	

Notes:

(1) Utilisation as at 31 December 2019

(2) The surplus of estimated listing expenses had be adjusted to the amount allocated for working capital and had been fully utilised