



TOPVISION EYE SPECIALIST BERHAD

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

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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.

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Unaudited Condensed Consolidated Statement of Financial Position As At 31 December 2020 ⁽¹⁾

	Unaudited as at 31 December 2020 RM'000	Audited as at 31 December 2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,827	24,321
Deferred tax assets	31	31
Total non-current assets	<u>24,858</u>	<u>24,352</u>
Current assets		
Inventories	1,074	1,040
Trade receivables	766	230
Other receivables	507	406
Tax recoverable	-	30
Cash and bank balances	8,109	9,443
Total current assets	<u>10,456</u>	<u>11,149</u>
TOTAL ASSETS	<u><u>35,314</u></u>	<u><u>35,501</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to the owners of the Company:-		
Share capital	17,331	17,331
Retained earnings	5,385	5,104
Merger deficit	(3,641)	(3,641)
Equity attributable to the owners of the Company:-	<u>19,075</u>	<u>18,794</u>
Non-controlling interest	20	-
Total equity	<u>19,095</u>	<u>18,794</u>
LIABILITIES		
Non-current liabilities		
Lease liabilities	4,898	4,032
Borrowings	8,269	9,663
Deferred tax liabilities	20	20
Total non-current liabilities	<u>13,187</u>	<u>13,715</u>
Current liabilities		
Trade payables	106	147
Other payables	1,537	1,722
Lease liabilities	524	557
Borrowings	423	423
Tax payable	442	143
Total current liabilities	<u>3,032</u>	<u>2,992</u>
Total liabilities	<u>16,219</u>	<u>16,707</u>
TOTAL EQUITY AND LIABILITIES	<u><u>35,314</u></u>	<u><u>35,501</u></u>
Net assets per share (sen) ⁽²⁾	7.47	7.35

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 31 December 2020 and 31 December 2019 respectively.

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Unaudited Condensed Consolidated Statements of Profit or Loss and other Comprehensive Income For the Half-Year Ended 31 December 2020 ⁽¹⁾

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Revenue	13,546	11,118	22,481	21,329
Cost of services	(6,877)	(5,756)	(11,324)	(11,057)
Gross profit	<u>6,669</u>	<u>5,362</u>	<u>11,157</u>	<u>10,272</u>
Other income	63	109	167	216
Administrative expenses	(4,513)	(3,972)	(7,832)	(7,272)
Finance costs	(252)	(451)	(530)	(656)
Profit before tax	<u>1,967</u>	<u>1,048</u>	<u>2,962</u>	<u>2,560</u>
Tax expense	(1,000)	(696)	(1,432)	(1,100)
Profit after tax	<u>967</u>	<u>352</u>	<u>1,530</u>	<u>1,460</u>
Other comprehensive income	-	-	-	-
Total comprehensive income	<u><u>967</u></u>	<u><u>352</u></u>	<u><u>1,530</u></u>	<u><u>1,460</u></u>
Profit and total comprehensive income attributable to owners of the Company	<u><u>967</u></u>	<u><u>352</u></u>	<u><u>1,530</u></u>	<u><u>1,460</u></u>
EARNINGS PER SHARE				
Basic (sen) ⁽²⁾	0.38	0.14	0.60	0.57
Diluted (sen) ⁽³⁾	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 255,595,535 ordinary shares as at 31 December 2020 and 31 December 2019.

(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 2020 ⁽¹⁾

	Share Capital RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Non-controlling Interest RM'000	Total RM'000
As at 1 July 2020	17,331	(3,641)	5,666	-	19,356
Dividend paid	-	-	(1,278)	-	(1,278)
Subscription of shares by non-controlling interest	-	-	30	20	50 ⁽²⁾
Total comprehensive income for the financial period	-	-	967	-	967
Balance at 31 December 2020	<u>17,331</u>	<u>(3,641)</u>	<u>5,385</u>	<u>20</u>	<u>19,095</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.

(2) The RM50,000 is being the earnest deposit paid by the non-controlling interest party as explained in Note A9 in this interim report.

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Unaudited Condensed Consolidated Statement of Cash Flow ⁽¹⁾

	Cumulative 12 months ended	
	31 December 2020 RM'000	31 December 2019 RM'000
Cash flows from operating activities		
Profit before tax	2,962	2,560
Adjustments for:		
Bad debts written off	39	9
Depreciation of property, plant and equipment	2,658	2,082
Plant and equipment written off	1	-
Gain on disposal of plant and equipment	(8)	-
Interest expense	530	656
Interest income	(128)	(213)
Operating profit before working capital changes	6,054	5,094
Changes in working capital:-		
Inventories	(34)	(225)
Receivables	(599)	578
Payables	(226)	456
Cash generated from operations	5,195	5,903
Interest paid	(530)	(656)
Tax paid	(1,102)	(1,195)
Interest received	128	213
Tax refunded	-	117
<i>Net cash generated from operating activities</i>	3,691	4,382
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,723)	(11,115)
Proceeds from disposal of plant and equipment	65	-
<i>Net cash used in investing activities</i>	(1,658)	(11,115)
Cash flows from financing activities		
(Repayments)/Net drawdown of term loans	(1,393)	4,175
Repayments of lease liabilities	(746)	(568)
Proceeds from issuance of shares of a subsidiary to non-controlling interest	50	-
Dividend paid	(1,278)	(1,278)
<i>Net cash (used in)/generated from financing activities</i>	(3,367)	2,329
CASH AND CASH EQUIVALENTS		
Net changes	(1,334)	(4,404)
At beginning of the financial year	9,443	13,847
At end of the financial year	8,109	9,443

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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2020**

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 2nd half-year ended 31 December 2020. The interim financial reporting should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2019 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 2019 except for the adoption of the following amendments/improvements to MFRSs which are applicable to the Group with effect from 1 January 2020:

Amendments/Improvements to MFRSs

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 9, 139 & 7	Interest rate benchmark reform (Phase 1)

Amendments to References to the Conceptual Framework on MFRS Standards (MFRS 2, 3, 6, 14, 101, 108, 134, 137, 138 and IC Interpretation 12, 19, 20, 22 and 132)

The Group has applied the following amendments for the financial period beginning on 1 June 2020:

Amendments to MFRS 16 'COVID-19 - Related Rent Concessions'

MFRS effective 1 January 2021

MFRS 17 Insurance Contracts

Amendments to MFRSs - effective date deferred indefinitely

MFRS 10 and 128 Consolidated Financial Statements and Investments in Associates and Joint Ventures:
Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

The initial application of the above standards, amendments and IC interpretation are not expected to have any financial impacts to the financial statements.

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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 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 year under review.

A5. Material Changes in Estimates

There were no material changes in accounting estimates in the current financial year 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 year 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 during the current financial year is as follows:-

- (i) The Company had disposed off 50,000 shares in Topvision Eye Specialist Centre (Southkey) Sdn Bhd ("TVESK") representing 2.5% of the total paid-up capital of TVESK to TVESK's resident doctor at RM50,000 pursuant to the Share Option Agreement dated 3 August 2020.

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 year under review.

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS

B1. Review Of Performance

The Group recorded a revenue of RM22.48 million for the financial year ended 31 December 2020, as compared to RM21.33 million in the immediate preceding year, representing an increase of RM1.15 million or 5.39%. This is mainly due to the additional revenue generated by 2 of our new ambulatory care centres - Seremban and Johor Bahru which commenced its business in 3rd quarter of year 2020. Total revenue generated by these 2 new centres is RM1.48 million which contributes approximately 6.58% of the Group's total revenue.

The Group recorded a profit before tax ("PBT") of RM2.96 million for the financial year ended 31 December 2020 as compared to RM2.56 million in the immediate preceding year, representing an increase of RM0.40 million or 15.62%. The increase in PBT is in line with the increase of revenue during the 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 ("TIESC") by year 2021;
- (ii) expansion of the Group's network by identifying new location to open a new ambulatory care centre; and
- (iii) 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 with the establishment of TIESC.

In these challenging times, the Group has taken several actions to ensure business operation continuity and financial sustainability, including cost control measures. The Board of Director will endeavour to maintain the Group in a healthy financial position, which in turn will help to ensure the sustainability of our Group's operations.

Looking ahead, barring the temporary disruption and adverse impact caused by COVID-19 and any unforeseen circumstances, the Board of Directors of the Company ("**Board**") is of the opinion that the prospects of the Group's performance for the financial year ending 31 December 2021 will still 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 2020 declared a single tier interim dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2020. The interim dividend amounting to RM1,277,977.63 was paid on 28 October 2020.