



TOPVISION EYE SPECIALIST BERHAD

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

FINANCIAL STATEMENTS FOR THE 1ST HALF-YEAR ENDED 30 JUNE 2021

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 30 June 2021 ⁽¹⁾

	Unaudited as at 30 June 2021 RM'000	Audited as at 31 December 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,852	24,817
Total non-current assets	<u>23,852</u>	<u>24,817</u>
Current assets		
Inventories	1,366	1,074
Trade receivables	993	767
Other receivables	466	489
Cash and bank balances	10,167	8,109
Total current assets	<u>12,992</u>	<u>10,439</u>
TOTAL ASSETS	<u><u>36,844</u></u>	<u><u>35,256</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to the owners of the Company:-		
Share capital	17,331	17,331
Retained earnings	7,271	5,332
Merger deficit	(3,641)	(3,641)
	<u>20,961</u>	<u>19,022</u>
Non-controlling interest	43	20
Total equity	<u>21,004</u>	<u>19,042</u>
LIABILITIES		
Non-current liabilities		
Lease liabilities	4,534	4,640
Borrowings	7,999	8,224
Deferred tax liabilities	28	28
Total non-current liabilities	<u>12,561</u>	<u>12,892</u>
Current liabilities		
Trade payables	481	106
Other payables	1,291	1,519
Lease liabilities	479	782
Borrowings	423	468
Tax payable	605	447
Total current liabilities	<u>3,279</u>	<u>3,322</u>
Total liabilities	<u>15,840</u>	<u>16,214</u>
TOTAL EQUITY AND LIABILITIES	<u><u>36,844</u></u>	<u><u>35,256</u></u>
Net assets per share (sen) ⁽²⁾	8.22	7.45

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 the 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 2021 and 31 December 2020 respectively.

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Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income For the 1st Half-Year Ended 30 June 2021 ⁽¹⁾

	Individual 6 months ended		Cumulative 6 months ended	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Revenue	14,137	8,935	14,137	8,935
Cost of services	(7,170)	(4,447)	(7,170)	(4,447)
Gross profit	<u>6,967</u>	<u>4,488</u>	<u>6,967</u>	<u>4,488</u>
Other income	58	104	58	104
Administrative expenses	(4,162)	(3,319)	(4,162)	(3,319)
Finance costs	(250)	(278)	(250)	(278)
Profit before tax	<u>2,613</u>	<u>995</u>	<u>2,613</u>	<u>995</u>
Tax expense	(726)	(433)	(726)	(433)
Profit after tax	<u>1,887</u>	<u>562</u>	<u>1,887</u>	<u>562</u>
Other comprehensive income	-	-	-	-
Total comprehensive income	<u><u>1,887</u></u>	<u><u>562</u></u>	<u><u>1,887</u></u>	<u><u>562</u></u>
Profit and total comprehensive income attributable to owners of the Company	<u><u>1,887</u></u>	<u><u>562</u></u>	<u><u>1,887</u></u>	<u><u>562</u></u>
EARNINGS PER SHARE				
Basic (sen) ⁽²⁾	0.74	0.22	0.74	0.22
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 the 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 30 June 2021 and 30 June 2020.
- (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 1st Half-Year Ended 30 June 2021 ⁽¹⁾

	Share Capital RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Non-controlling Interest RM'000	Total RM'000
As at 1 January 2021	17,331	(3,641)	5,332	20	19,042
Total comprehensive income for the financial period	-	-	1,887	-	1,887
Transfer of shares to non-controlling interest of a subsidiary			52	23	75
Balance at 30 June 2021	<u>17,331</u>	<u>(3,641)</u>	<u>7,271</u>	<u>43</u>	<u>21,004</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 the interim financial report.

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Unaudited Condensed Consolidated Statement of Cash Flow ⁽¹⁾

	Cumulative 6 months ended	
	30 June 2021 RM'000	30 June 2020 RM'000
Cash flows from operating activities		
Profit before tax	2,613	995
Adjustments for:		
Depreciation of property, plant and equipment	1,311	1,081
Interest expenses	250	278
Interest income	(50)	(96)
Operating profit before working capital changes	4,124	2,258
Changes in working capital:-		
Inventories	(292)	(81)
Receivables	(203)	(76)
Payables	147	(622)
Cash generated from operations	3,776	1,479
Interest paid	(250)	(278)
Tax paid	(568)	(516)
Interest received	50	96
Net cash generated from operating activities	3,008	781
Cash flows from investing activity		
Purchase of property, plant and equipment	(346)	(886)
Proceeds from disposal of shares of a subsidiary to non-controlling interest	75	-
Net cash used in investing activity	(271)	(886)
Cash flows from financing activities		
Repayments of term loans	(270)	(1,098)
Repayments of lease liabilities	(409)	(316)
Net cash used in financing activities	(679)	(1,414)
CASH AND CASH EQUIVALENTS		
Net changes	2,058	(1,519)
At beginning of the financial period	8,109	9,443
At end of the financial period	10,167	7,924

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 the interim financial report.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST HALF-YEAR ENDED
30 JUNE 2021**

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 2021. The interim financial reporting should be read in conjunction with the Audited Financial Statements for the financial year ended ("**FYE**") 31 December 2020 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 the interim financial statements are consistent with those adopted in the Audited Financial Statements of the Group for the financial year ended 31 December 2020 except for the adoption of the following amendments/improvements to MFRSs which are applicable to the Group with effect from 1 January 2021:

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139, Interest Rate Benchmark Reform - Phase 2

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

MFRS effective 1 January 2022

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRSs Standards 2018 - 2020:	
	Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141

MFRS effective 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates

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
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The Group does not plan to apply MFRS 17, *Insurance Contracts* that is effective for the annual periods beginning on 1 January 2023 as it is not applicable to the Group.

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 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 during the current financial period is as follows:-

- (i) The Company had disposed off 75,000 shares in Topvision Eye Specialist Centre (Southkey) Sdn Bhd ("TVESK") representing 3.75% of the total paid-up capital of TVESK to TVESK's resident doctor at RM75,000 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 the 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 RM14.14 million for the financial period ended 30 June 2021, as compared to RM8.94 million in the immediate preceding period, representing an increase of RM5.20 million or 58.17%. The increase was partly due to the contributions from the 2 new centres in the Group and the Southern region centres.

In tandem with the increasing revenue, the Group's profit before tax ("**PBT**") and profit after tax ("**PAT**") increased by RM1.62 million and RM1.33 million or 163.64% and 237.50% respectively to RM2.61 million and RM1.89 million for the current financial 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 ("**TIESC**") by year 2022;
- (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 2022 with the establishment of TIESC; and
- (iii) continuously engaging the international markets by strengthening brand awareness and brand recall programmes.

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 26 August 2021 declared a single tier interim dividend of 0.5 sen per ordinary share in respect of the financial year ending 31 December 2021. The interim dividend amounting to RM1,277,978 is payable on 6 October 2021.