



TOPVISION EYE SPECIALIST BERHAD

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

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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 2022 ⁽¹⁾

	Unaudited as at 31 December 2022 RM'000	Audited as at 31 December 2021 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	32,129	25,001
Total non-current asset	<u>32,129</u>	<u>25,001</u>
Current assets		
Inventories	1,819	1,234
Trade receivables	1,179	4,072
Other receivables	1,343	481
Cash and bank balances	10,948	14,325
Total current assets	<u>15,289</u>	<u>20,112</u>
TOTAL ASSETS	<u><u>47,418</u></u>	<u><u>45,113</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to the owners of the Company:-		
Share capital	17,331	17,331
Retained earnings	12,767	9,446
Merger deficit	<u>(3,641)</u>	<u>(3,641)</u>
	26,457	23,136
Non-controlling interest	272	971
Total equity	<u>26,729</u>	<u>24,107</u>
LIABILITIES		
Non-current liabilities		
Lease liabilities	8,595	5,727
Borrowings	7,039	7,625
Deferred tax liabilities	39	43
Total non-current liabilities	<u>15,673</u>	<u>13,395</u>
Current liabilities		
Trade payables	640	2,969
Other payables	2,422	2,282
Lease liabilities	834	828
Borrowings	497	496
Tax payable	623	1,036
Total current liabilities	<u>5,016</u>	<u>7,611</u>
Total liabilities	<u>20,689</u>	<u>21,006</u>
TOTAL EQUITY AND LIABILITIES	<u><u>47,418</u></u>	<u><u>45,113</u></u>
Net assets per share (sen) ⁽²⁾	10.35	9.43

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 31 December 2022 and 31 December 2021 respectively.

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Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income For the Half-Year Ended 31 December 2022 ⁽¹⁾

	Individual 6 months ended		Cumulative 12 months	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	20,725	18,545	52,984	32,682
Cost of services	(10,232)	(9,249)	(30,862)	(16,419)
Gross profit	<u>10,493</u>	<u>9,296</u>	<u>22,122</u>	<u>16,263</u>
Other income	118	477	380	535
Administrative expenses	(7,643)	(4,692)	(12,803)	(8,854)
Finance costs	(409)	(259)	(690)	(509)
Profit before tax	<u>2,559</u>	<u>4,822</u>	<u>9,009</u>	<u>7,435</u>
Tax expense	(1,320)	(1,277)	(2,978)	(2,003)
Profit after tax	<u>1,239</u>	<u>3,545</u>	<u>6,031</u>	<u>5,432</u>
Other comprehensive income	-	-	-	-
Total comprehensive income	<u><u>1,239</u></u>	<u><u>3,545</u></u>	<u><u>6,031</u></u>	<u><u>5,432</u></u>
Total comprehensive income for the financial year attributable to:-				
- Owners of the Company	1,196	3,545	5,265	5,260
- Non-controlling interest	43	-	766	172
	<u><u>1,239</u></u>	<u><u>3,545</u></u>	<u><u>6,031</u></u>	<u><u>5,432</u></u>
EARNINGS PER SHARE				
Basic (sen) ⁽²⁾	0.47	1.39	2.06	2.06
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 31 December 2022 and 31 December 2021.
- (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 Year Ended 31 December 2022 ⁽¹⁾

	Share Capital RM'000	Merger Deficit RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
As at 1 January 2022	17,331	(3,641)	9,446	23,136	970	24,106
Total comprehensive income for the financial year	-	-	5,265	5,265	766	6,031
Transactions with owners:-						
Dividend paid	-	-	(2,045)	(2,045)	-	(2,045)
Transfer of shares to non-controlling interest of a subsidiary	-	-	101	101	109	210
Disposal of a subsidiary	-	-	-	-	1,410	1,410
Total transactions with owners	-	-	(1,944)	(1,944)	1,519	(425)
Dividend paid by a subsidiary to non-controlling interest	-	-	-	-	(2,983)	(2,983)
Balance at 31 December 2022	17,331	(3,641)	12,767	26,457	272	26,729

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 12 months ended	
	31 December 2022 RM'000	31 December 2021 RM'000
Cash flows from operating activities		
Profit before tax	9,009	7,435
Adjustments for:		
Bad debts written off	2	5
Depreciation of property, plant and equipment	3,040	2,596
Property, plant and equipment written off	24	8
Loss on disposal of property, plant and equipment	8	-
Loss on disposal of a subsidiary	1,440	-
Gain arising from termination of lease liabilities	(21)	-
Interest expenses	690	509
Interest income	(116)	(107)
Operating profit before working capital changes	14,076	10,446
Changes in working capital:-		
Inventories	(585)	(161)
Receivables	2,029	(3,379)
Payables	(2,175)	3,683
Cash generated from operations	13,345	10,589
Interest paid	(690)	(509)
Tax paid	(3,395)	(1,812)
Tax refunded	-	17
Interest received	116	107
Net cash generated from operating activities	9,376	8,392
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,674)	(779)
Proceeds from disposal of plant and equipment	10	-
Proceeds from disposal of shares of a subsidiary to non-controlling interest	210	150
Cash outflow from disposal of investment in a subsidiary	(44)	-
Acquisition of subsidiaries, net of cash and cash equivalents	-	1,104
Net cash (used in)/from investing activities	(6,498)	475
Cash flows from financing activities		
Dividend paid	(2,045)	(1,278)
Dividend paid by a subsidiary to non-controlling interest	(2,983)	-
Repayments of term loans	(586)	(570)
Repayments of lease liabilities	(641)	(803)
Net cash used in financing activities	(6,255)	(2,651)
CASH AND CASH EQUIVALENTS		
Net changes	(3,377)	6,216
At beginning of the financial year	14,325	8,109
At end of the financial year	10,948	14,325

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 HALF-YEAR ENDED
31 DECEMBER 2022**

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 31 December 2022. The interim financial reporting should be read in conjunction with the Audited Financial Statements for the financial year ended ("**FYE**") 31 December 2021 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 2021 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 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 4	Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non- Current
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a single transactions

MFRS effective beginning on or after 1 January 2024

Amendments to MFRS 16	Leases: Lease Liabilities in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-current liabilities with covenants

Amendments to MFRSs - for a date yet to be confirmed

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 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

Analysis of revenue by business segment

	Individual 6 months ended		Cumulative 12 months ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
- Provision of ophthalmology services and related medical consultancy	20,725	17,393	39,638	31,530
- Trading of rubber gloves	-	1,152	13,346	1,152
TOTAL	20,725	18,545	52,984	32,682

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

On 3 February 2023, Hong Leong Investment Bank Berhad had on behalf of the Board, announced that the major shareholders of the Company, Datuk Kenny Liew Hock Nuan and Dr. Peter Chong Kuok Siong had requested the Board to consider undertaking voluntary withdrawal of Topvision's listing from the LEAP Market of Bursa Securities pursuant to Rules 8.05 and 8.06 of the LEAP Market Listing Requirements ("Proposed Withdrawal of Listing"). The Proposed Withdrawal of Listing is to facilitate the proposed listing of Topvision on the ACE Market of Bursa Securities ("Proposed Listing"). Further details on the Proposed Listing will be announced in due course.

A9. Changes In The Composition Of The Group

The changes in the composition of the Group during the current financial year are as follows:-

- (i) The Company had disposed off additional 150,000 shares in Topvision Eye Specialist Centre (Southkey) Sdn Bhd ("TVESK") representing 7.5% of the total paid-up capital of TVESK to TVESK's resident doctor at RM150,000 pursuant to the Share Option Agreement dated 3 August 2020.
- (ii) The Company had disposed off 60,000 shares in Topvision Eye Specialist Centre (Seremban) Sdn Bhd ("TVESB") representing 3.0% of the total paid-up capital of TVESB to TVESB's resident doctor at RM30,000 pursuant to the Share Option Agreement dated 5 July 2021.
- (iii) The Company had incorporated and subscribed to RM2,000,000 in Topvision Eye Specialist Centre (Kota Bharu) Sdn Bhd ("TVEKB") representing 100% of the total paid-up capital of TVEKB.
- (iv) The Company had incorporated and subscribed to RM1,200,000 in Topvision Eye Specialist Centre (Sungai Petani) Sdn Bhd ("TVESP") representing 100% of the total paid-up capital of TVESP.
- (v) The Company had incorporated and subscribed to RM20,000 in Topwellness Healthcare Sdn Bhd ("TWH") representing 100% of the total paid-up capital of TWH.
- (vi) The Company had disposed 5,010 shares in Novel Glove International Sdn Bhd ("NGI") representing 50.10% of the total paid-up capital of NGI with the sales consideration of RM10,000.

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 year under review.

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B1. Review Of Performance

The Group recorded a revenue of RM52.98 million for the financial year ended 31 December 2022, as compared to RM32.68 million in the immediate preceding year, representing an increase of RM20.30 million or 62.12%. The increase was primarily due to:

- (i) the revenue generated by our new subsidiary acquired in Dec 2021 - Novel Glove International Sdn Bhd. The revenue contributed by this subsidiary is around 25% out of the total revenue of RM52.98 million;
- (ii) the increase of revenue generated by our Taiping centre. This centre was yet to commence its operation in the immediate preceding year; and
- (iii) revenue growth of approximately 21.72% recorded by our existing 7 centres during the current financial year as compared to the immediate preceding year where the revenue was affected during that year due to some restriction caused by the COVID-19 impact.

The Group recorded a profit before tax ("PBT") of RM9.01 million for the financial year ended 31 December 2022 as compared to RM7.43 million in the immediate preceding year, representing an increase of RM1.58 million or 21.26%. The increase in PBT is in line with the increase of revenue during the year.

The Group's PAT takes into account one-off expenses related to the loss on disposal of a subsidiary - Novel Glove International Sdn Bhd during the financial year amounting to RM1,440,228. Excluding the above one-off loss on disposal of a subsidiary and the results of the disposed subsidiary, the PAT for the group in eye business for the financial year ended 31 December 2022 was RM6.83 million as compared to RM4.93 million recorded in the immediate preceding year (with the comparison light to light excluding the profit contributed by the acquisition of glove business in year 2021).

Bearing the above, the Group's PAT in solely eye business increased from RM4.93 million in the immediate preceding year to RM6.83 million for the financial year ended 31 December 2022, representing an increase of RM1.90 million or 38.54%.

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 2025, and 1 new ambulatory care centre in the East Coast 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 as aesthetic double eyelid surgical procedure as an added offering by year 2025 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 2022 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 12 July 2022 declared a single tier interim dividend of 0.8 sen per ordinary share in respect of the financial year ending 31 December 2022. The interim dividend amounting to RM2,044,764.21 was paid on 18 August 2022.