



TOPVISION EYE SPECIALIST BERHAD

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

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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 2023 ⁽¹⁾

	Unaudited as at 31 December 2023 RM'000	Audited as at 31 December 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	34,905	32,516
Total non-current assets	<u>34,905</u>	<u>32,516</u>
Current assets		
Inventories	2,062	1,819
Trade receivables	1,437	1,134
Other receivables	1,914	1,252
Cash and bank balances	9,886	10,948
Total current assets	<u>15,299</u>	<u>15,153</u>
TOTAL ASSETS	<u><u>50,204</u></u>	<u><u>47,669</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to the owners of the Company:-		
Share capital	17,331	17,331
Retained earnings	15,750	12,994
Merger deficit	(3,641)	(3,641)
	<u>29,440</u>	<u>26,684</u>
Non-controlling interest	629	278
Total equity	<u>30,069</u>	<u>26,962</u>
LIABILITIES		
Non-current liabilities		
Lease liabilities	8,519	8,539
Borrowings	6,446	7,025
Deferred tax liabilities	5	5
Total non-current liabilities	<u>14,970</u>	<u>15,569</u>
Current liabilities		
Trade payables	457	600
Other payables	2,697	2,322
Lease liabilities	1,162	1,025
Borrowings	567	535
Tax payable	282	656
Total current liabilities	<u>5,165</u>	<u>5,138</u>
Total liabilities	<u>20,135</u>	<u>20,707</u>
TOTAL EQUITY AND LIABILITIES	<u><u>50,204</u></u>	<u><u>47,669</u></u>
Net assets per share (sen) ⁽²⁾	11.76	10.55

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 2023 and 31 December 2022 respectively.

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Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income For the Half-Year Ended 31 December 2023 ⁽¹⁾

	Individual 6 months ended		Cumulative 12 months	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	21,962	20,542	42,958	39,455
Cost of services	(11,270)	(10,048)	(21,757)	(19,355)
Gross profit	<u>10,692</u>	<u>10,494</u>	<u>21,201</u>	<u>20,100</u>
Other income	46	95	110	111
Administrative expenses	(6,982)	(7,421)	(13,000)	(12,099)
Finance costs	(398)	(350)	(777)	(631)
Profit before tax	<u>3,358</u>	<u>2,818</u>	<u>7,534</u>	<u>7,481</u>
Tax expense	(1,446)	(1,397)	(2,667)	(2,626)
Profit from continuing operations, net of tax	<u>1,912</u>	<u>1,421</u>	<u>4,867</u>	<u>4,855</u>
Profit from discontinued operations, net of tax	-	-	-	1,259
Total comprehensive income	<u><u>1,912</u></u>	<u><u>1,421</u></u>	<u><u>4,867</u></u>	<u><u>6,114</u></u>
Total comprehensive income for the financial year attributable to:-				
- Owners of the Company				
- Continuing operations	1,868	1,421	4,756	4,855
- Discontinued operations	-	-	-	636
- Non-controlling interest	44	-	111	623
	<u><u>1,912</u></u>	<u><u>1,421</u></u>	<u><u>4,867</u></u>	<u><u>6,114</u></u>
EARNINGS PER SHARE				
Basic (sen) ⁽²⁾				
- Profit from continuing operations	0.73	0.56	1.86	1.90
- Profit from discontinued operations	-	-	-	0.25
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 2023 and 31 December 2022.
- (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 2023 ⁽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 2023	17,331	(3,641)	12,994	26,684	278	26,962
Total comprehensive income for the financial year	-	-	4,756	4,756	111	4,867
Transactions with owners:-						
Dividend paid	-	-	(2,045)	(2,045)	-	(2,045)
Transfer of shares to non-controlling interest of subsidiaries	-	-	45	45	240	285
	-	-	(2,000)	(2,000)	240	(1,760)
Balance at 31 December 2023	17,331	(3,641)	15,750	29,440	629	30,069

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 2023 RM'000	31 December 2022 RM'000
Cash flows from operating activities		
Profit before tax		
- Continuing operations	7,534	7,481
- Discontinued operations	-	1,640
	7,534	9,121
Adjustments for:		
Depreciation of property, plant and equipment	4,131	3,029
Property, plant and equipment written off	-	25
Bad debts written off	-	2
Loss on disposal of property, plant and equipment	-	8
Loss on disposal of a subsidiary	-	1,561
Interest expenses	777	631
Interest income	(99)	(98)
Operating profit before working capital changes	12,343	14,279
Changes in working capital:-		
Inventories	(243)	(585)
Receivables	(965)	2,165
Payables	232	(2,316)
Cash generated from operations	11,367	13,543
Tax paid	(3,041)	(3,396)
Net cash generated from operating activities	8,326	10,147
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,051)	(6,491)
Proceeds from disposal of property, plant and equipment	-	13
Interest received	99	98
Net cash outflow from disposal of a subsidiary	-	(44)
Proceeds from disposal of shares of subsidiaries to non-controlling interest	285	210
Net cash used in investing activities	(4,667)	(6,214)
Cash flows from financing activities		
Dividend paid	(2,045)	(2,045)
Dividend paid to non-controlling interest	-	(2,983)
Interest paid	(777)	(775)
Repayments of term loans	(547)	(561)
Repayments of lease liabilities	(1,352)	(946)
Net cash used in financing activities	(4,721)	(7,310)
CASH AND CASH EQUIVALENTS		
Net changes	(1,062)	(3,377)
At beginning of the financial year	10,948	14,325
At end of the financial year	9,886	10,948

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 2023

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 2023. The interim financial reporting should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

A2. Material Accounting Policies

The material 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 2022 except for the adoption of the following amendments/improvements to MFRSs which are applicable to the Group with effect from 1 January 2023:

Amendments to MFRS 101, MFRS 108 and MFRS 112

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

Amendments to MFRS 101 presentation of financial statements - Disclosure of accounting policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board has also developed guidance and examples to explain and demonstrate the application of the 'four step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Amendments to MFRSs effective 1 January 2024

Amendments to MFRS 16	Leases: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-current liabilities with convenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of liabilities as current or non-current

Amendments to MFRSs effective 1 January 2025

Amendments to MFRS 121	The effect of changes in foreign exchange rates: Lack of exchangeability
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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

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 Year

Save as disclosed in Note C1, there were no material events subsequent to the end of the current financial year.

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 RM60,000 pursuant to the Share Option Agreement dated 5 July 2021.
- (iii) The Company had disposed off 60,000 shares in Topvision Eye Specialist Centre (Taiping) Sdn Bhd ("TVETP") representing 3.0% of the total paid-up capital of TVETP to TVETP's resident doctor at RM60,000 pursuant to the Share Option Agreement dated 1 July 2022.
- (iv) The Company had disposed off 15,000 shares in Topvision Eye Specialist Centre (Kota Bharu) Sdn Bhd ("TVEKB") representing 0.75% of the total paid-up capital of TVEKB to TVEKB's resident doctor at RM15,000 pursuant to the Share Option Agreement dated 1 January 2023.
- (v) The Company had incorporated and subscribed to RM900,000 shares in Topvision Eye Specialist Centre (Mentakab) Sdn Bhd ("TVEMK") representing 100% of the total paid-up capital of TVEMK.

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

	RM'000
Authorised but not contracted for	1,200
Contracted but not provided for	9,207
	<u>10,407</u>

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B1. Review Of Performance

The Group recorded a revenue of RM42.96 million for the financial year ended 31 December 2023, as compared to RM39.46 million in the immediate preceding year, representing an increase of RM3.50 million or 8.87%. The increase was primarily due to the additional revenue generated by 3 of our new ambulatory care centres - Taiping, Kota Bharu and Sungai Petani; and also the organic growth from those existing centres.

The Group's profit before tax ("PBT") and profit after tax ("PAT") had a marginal increase by RM0.05 million and RM0.01 million or 0.71% and 0.25% respectively to RM7.53 million and RM4.87 million for the current financial year. The marginal increase is mainly due to the the overall increase of the Group's revenue and also the net results of the 2 new ambulatory care centres - Kota Bharu and Sungai Petani which recorded losses at it's earlier stage of business commencement.

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, 2 new ambulatory care centre in the East Coast Region of Malaysia and East Malaysia each;
- (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 strenghtening 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 2023 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

On 3 February 2023, Hong Leong Investment Bank Berhad ("**HLIB**") had, on behalf of the Board of Directors of the Company, announced that the Company has received a letter from its major shareholder, Datuk Kenny Liew Hock Nean ("**Datuk Kenny**") and Dr. Peter Chong Kuok Siong ("**Dr. Peter**") requesting the Board to consider undertaking the Proposed voluntary withdrawal of listing of Topvision from the LEAP Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") pursuant to Rules 8.05 and 8.06 of the LEAP Market Listing Requirements of Bursa Securities ("**Proposed Withdrawal of Listing**"). Further thereto, the Board, save for Datuk Kenny and Dr. Peter, had subsequently deliberated and agreed on the Proposed Withdrawal of Listing and will take the necessary steps to implement the Proposed Withdrawal of Listing.

On 12 April 2023, HLIB had, on behalf of the Board, announced that the Board will proceed with the Proposed Withdrawal of Listing in accordance with the amendments to the ACE Market Listing Requirements ("**ACE LR**") in relation to the transfer of listing from the LEAP Market to the ACE Market of Bursa Securities ("**ACE Market**").

On 28 June 2023, HLIB had, on behalf of the Board, announced that the Company had sought and subsequently obtained the approval of Bursa Securities on 28 June 2023 for the exemption from having to extend the shareholders a reasonable cash alternative or other reasonable alternatives ("**Exit Offer**") and the Appointment of independent adviser pursuant to Rules 8.06 (1)(c) and 8.06 (1)(d) of the LEAP Listing Requirements ("**Exemption**").

On 4 January 2024, HLIB had, on behalf of the Board, announced additional information in relation to the Proposed Withdrawal of Listing and the proposed transfer of listing which entails the following:

- (i) the issuance of 54,220,000 new ordinary Shares ("**Issue Shares**") in the Company, representing approximately 17.50% of the enlarged issued share capital of the Company, which shall be offered at an issue price to be determined later ("**Proposed Public Issue**"); and
 - (ii) the proposed transfer of the listing of and quotation for the entire issued share capital of the Company from the LEAP Market to the ACE Market of Bursa Securities ("**Proposed Transfer of Listing**").
- (Collectively referred to as the "**Proposals**")

On 29 January 2024, the shareholders of the Company had resolved to pass the resolutions tabled at the Extraordinary General Meeting held on the even date, approving the Proposals.

Save as disclosed above, 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 20 October 2023 declared a single tier interim dividend of 0.8 sen per ordinary share in respect of the financial year ending 31 December 2023. The interim dividend amounting to RM2,044,764.21 is payable on 28 November 2023.