



1Q2015 Financial Results Presentation May 2015



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Business Overview

Industry Overview

Business Strategy and Expansion Plans

Use of Proceeds and Corporate Developments

1Q2015 Financial Highlights

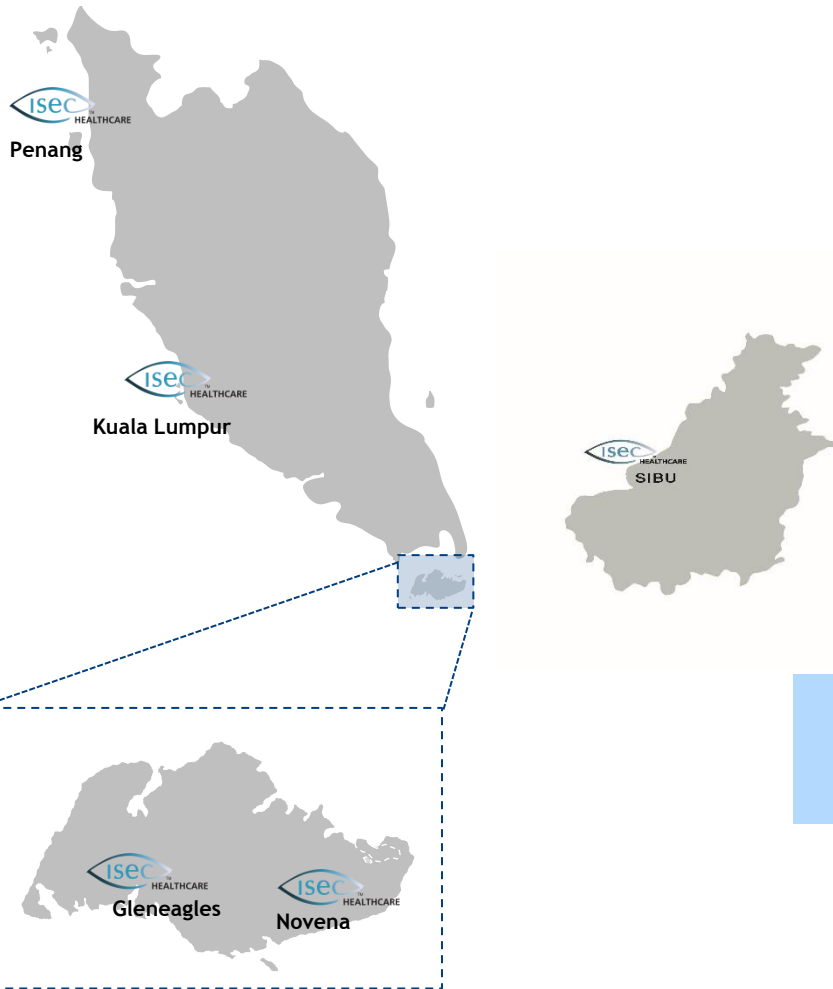
The slide features a background of light blue and white 3D hexagonal shapes. A prominent hexagonal frame in the upper left contains a photograph of a man in a suit and a woman in a business setting, possibly a meeting or presentation. The text "Business Overview" is positioned in the upper right area of the slide.

Business Overview

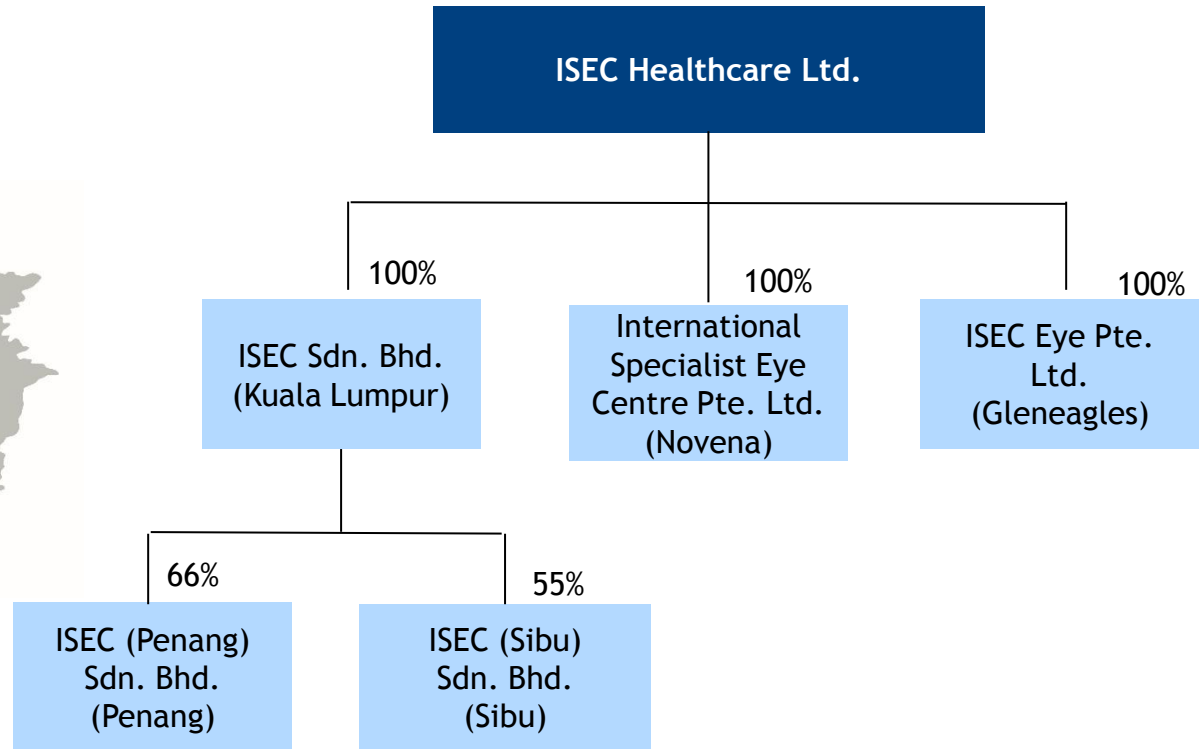
Business Overview



Clinic Location



Group Structure



ISEC stands for
“International Specialist Eye Centre”

Business Overview



About Us

- A comprehensive medical eye care service provider, with ambulatory surgical centres in Malaysia (Kuala Lumpur & Penang) and Singapore (Gleneagles Hospital & Mount Elizabeth Hospital, Novena)
- Specialises in the fields of cataract and refractive surgery (including LASIK), vitreoretinal diseases, corneal and external eye diseases, glaucoma, uveitis, oculoplastics, facial cosmetics and aesthetics surgery, adult strabismus and paediatric ophthalmology
- A strong team of 19 full-time specialist doctors, and most are also shareholders of the Company
- Our vision is to provide high quality, compassionate, world-class eye care at affordable level
- Listed on Catalist SGX-ST on 28 October 2014

Competitive Strengths

1. Highly qualified and experienced specialist doctors
2. High quality and comprehensive range of eye care services
3. Well positioned to capture growing demand for private eye care services
4. Asset-light, strong cash flow business model
5. Ability to replicate our business model which features state-of-the-art technology across markets
6. Business model aligns the interest of our specialist doctors with our Group and Shareholders



JCI Accreditation
- Kuala Lumpur &
- Lee Hung Ming
Eye Centre,
Gleneagles



Industry Overview

Industry Overview

Key Drivers for Private Ophthalmology



AGEING POPULATION with large elderly patient group suffering from cataract, glaucoma, AMD, dry eyes or vitreoretinal diseases as these eye disorders are age-related

- 25.9% of population in Malaysia above 40 years old in 2013, expected to grow at CAGR of 1.7% from 2013 to 2018
- 48.0% of population in Singapore above 40 years old in 2013, expected to grow at CAGR of 4.6% from 2013 to 2018

INCREASING AWARENESS with information technology penetration will increase patients' propensity to seek timely and private medical treatment

- Internet penetration in Malaysia increase from 55.8 per 100 people in 2008 to 67.0 per 100 people in 2013, allowed patients to seek information about eye treatments online
- Number of internet users in Singapore increased from 69.0 per 100 people in 2008 to 73.0 per 100 people in 2013 allowing them to gain awareness over eye diseases from the internet

RISING INCOME LEVEL increases patients' affordability to engage private ophthalmology services

- Malaysian household monthly income rose from SGD 1,532 in 2009 to SGD 1,903 in 2012
- In Singapore, the median monthly household income from work increased from SGD 7,570 in 2012 to SGD 7,870 in 2013

INCREASE IN PRIVATE INSURANCE COVERAGE encourages more people to seek private medical services, including ophthalmology-related medical procedures that are subsidized by insurance

- Medical and personal accident insurance market in Malaysia increase at a CAGR of 13.6% from 2013 to 2018
- The annual premium growth in Singapore between 2013 to 2020 is expected to be 11.8%

Industry Overview

Key Drivers for Private Ophthalmology (cont'd)



GOVERNMENT SUPPORT IN PROMOTING MEDICAL TOURISM leading to generation of additional demand for medical services including ophthalmology services

- Medical tourism based healthcare expenditure forecast to grow at 26.7% CAGR from 2009 to 2018 in Malaysia
- Medical tourism based healthcare expenditure forecast to grow at 13.6% CAGR from 2009 to 2018 in Singapore. Ophthalmology is the second most popular medical procedures amongst medical tourist coming to Singapore

RISING INCIDENCE OF DIABETES can in turn increase one's chances of getting an eye disorder such as diabetic retinopathy, cataract and glaucoma

- 12% of Malaysian are suffering from diabetes, and this would subsequently contribute to the growth of more eye patients who suffer from diseases such as diabetic retinopathy, cataract and glaucoma

The ophthalmology industry is underserved by qualified ophthalmologist:

Malaysia	<i>0.01 ophthalmologist per 1,000 population</i>
Singapore	<i>0.04 ophthalmologist per 1,000 population</i>
World average	<i>0.036 per 1,000 population</i>
Other modernized nations	<i>0.05-0.11 per 1,000 population</i>



Business Strategy And Expansion Plans

Our Business Strategies



Growing the ISEC Brand and Expanding into the Asia Pacific Region

- To reach more patients in locations where we currently operate, as well as new locations such as Johor and Malacca
- To expand via setting up of subsidiaries, JV, expand existing centres, acquire assets, businesses and companies
- Identified China, India, Indonesia, Myanmar, Philippines, Taiwan, Vietnam and other cities in Malaysia as markets with high growth potential

Expanding Talent Pool of Specialist Doctors and Management Staff

- To recruit and retain highly qualified and talented management and healthcare professionals
- To provide them with opportunity and time to further their professional development and expertise in their subspecialty areas

Building Regional Network with Referral Centres

- To build relationships with referral centres which will refer patients requiring more complicated surgical procedures or medical consultation
- To offer patients options in country of treatment, added comfort and convenience of receiving follow-up treatment in home country

Investing in the Latest Technology

- To constantly upgrade and improve our medical equipment and keeping abreast of the latest technology to ensure that we are at the forefront of our industry

Expansion Plans



**Business expansion
in the Asia Pacific
region
(including Malaysia
and Singapore)**

★ Target Countries

The background features a pattern of blue and white hexagonal shapes, some of which are 3D-style cutouts. In the upper left, a small inset photo shows a man in a dark suit and white shirt sitting at a desk, looking at a computer monitor. The overall aesthetic is clean and professional.

Use of Proceeds And Corporate Developments

Use of Proceeds

As at 13 May 2015



Use of proceeds	Amount allocated S\$'000	Amount allocated pursuant to reallocation of unutilized listing expenses S\$'000	Amount utilised S\$'000	Balance S\$'000
Business expansion in Asia Pacific region (including Malaysia and Singapore)	13,800	14,100	-	14,100
General working capital	2,500	2,500	(2,500)*	-
Total	16,300	16,600	(2,500)	14,100

* Amount utilized for:

General working capital	S\$'000
Cost of sales	1,028
Administrative expenses	1,378
Selling and distribution expenses	94
Total	2,500

January 2015 - SibU, Sarawak Malaysia

Proposed incorporation of joint venture company, ISEC (Sibu) Sdn. Bhd.

- ISEC Sdn. Bhd. shall hold 55% of the shares in ISEC (Sibu) Sdn. Bhd.
- ISEC (Sibu) Sdn. Bhd. shall operate and administer an ophthalmology centre of excellence in the city of SibU, State of Sarawak in Malaysia
- The joint venture partners, Professor Dr Chua Chung Nen (“Dr Chua”) and Dr Ngo Chek Tung (“Dr Ngo”) shall practice in ISEC (Sibu) Sdn. Bhd.
- SibU is strategically located northeast of Kuching, capital of Sarawak to serve the underserved patients from this part of Sarawak, East Malaysia as well as the West and North Kalimantan
- Both Dr Chua and Dr Ngo are well trained Senior Ophthalmologist in their field of sub-specialty with established patient base

April 2015 - Vietnam

Entered into a Memorandum of Understanding with Cao Thang Corp (“CTC”) and Mr. Nguyen Danh Khoi to operate and administer eye hospitals, ophthalmology centres and eye clinics in Vietnam

- CTC was founded in 2001 in Ho Chi Minh City, Vietnam and operating a private eye hospital known as Cao Thang Eye Hospital (“CTEH”) and clinics
- CTEH is ISO 9001:2000 compliant and was awarded Joint Commission International accreditation since 2009
- ISEC Healthcare Ltd. shall hold effective interest of 51% in the joint stock company to be set-up
- Vietnam had a population of approximately 90 million people with around 5.5% of its population over 65 years old and 69.8% of its population aged between 15 to 64 years
(source: en.m.wikipedia.org)
- CTEH offers comprehensive range of medical eye treatment such as corneal and refractive surgery, paediatric, presbyopia, glaucoma, vitreo-retina, cataract surgery and oculoplastics surgery
- CTEH is one of the largest private ophthalmology group in Vietnam with over 10 full time ophthalmologist and over 20 visiting ophthalmologist



1Q2015 Financial Highlights

For the First Quarter Ended 31 March 2015

Basis of Preparation of 1Q2015 Financial Information



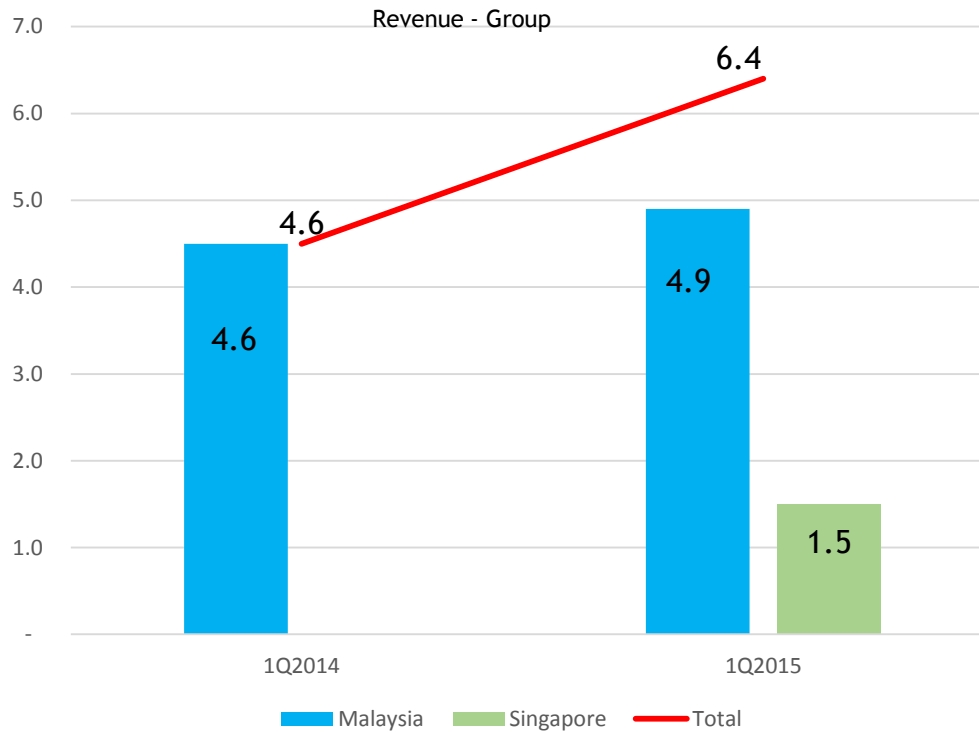
	2014			2015	
	1Q2014	2Q2014	3Q2014 onwards		1Q2015
ISEC Group results	ISEC Mal	ISEC Mal + ISEC Sing	ISEC Mal + ISEC Sing + ISEC Eye		
Description		ISEC Sing was transferred to ISECH	ISEC Sing started operations in Aug 2014	Acquisition of ISEC Eye on 26 Sept 2014	

ISEC Group - ISEC Healthcare Ltd. (“ISECH”) and its subsidiary companies
 ISEC Mal - ISEC Malaysia consists of ISEC Sdn Bhd and its subsidiaries
 ISEC Sing - International Specialist Eye Centre Pte. Ltd.
 ISEC Eye - ISEC Eye Pte. Ltd.

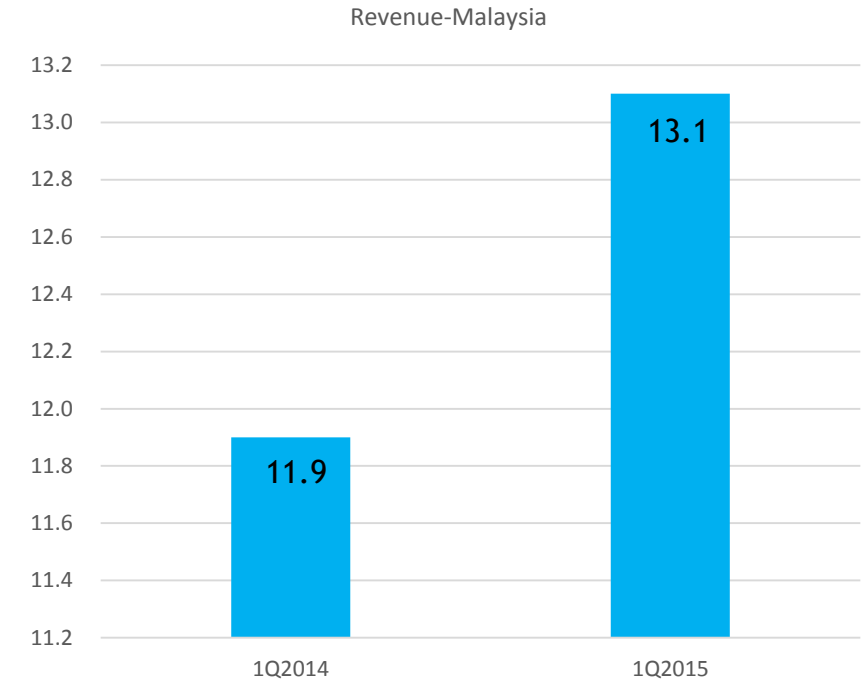
- 1Q2014 figures only consist of financial results of ISEC Sdn. Bhd. and its subsidiaries in Malaysia then;
- 1Q2015 figures consist of financial results of ISEC Sdn. Bhd. and its subsidiaries in Malaysia, and financial results of ISEC Healthcare Ltd., International Specialist Eye Centre Pte. Ltd. (which was set up in August 2014) and ISEC Eye Pte. Ltd. (the acquisition of which was completed on 26 September 2014) in Singapore

Revenue

SGD'mil

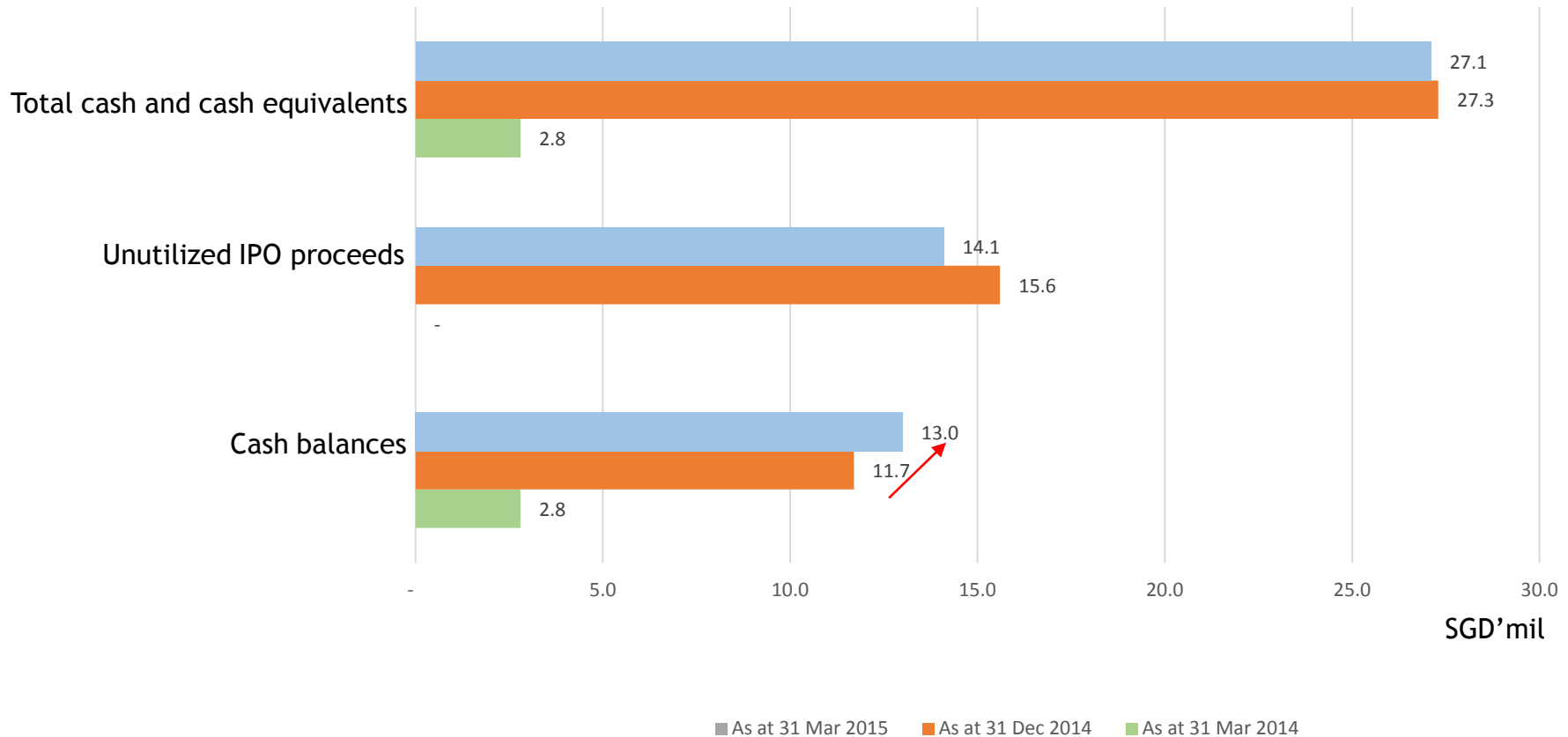


RM'mil



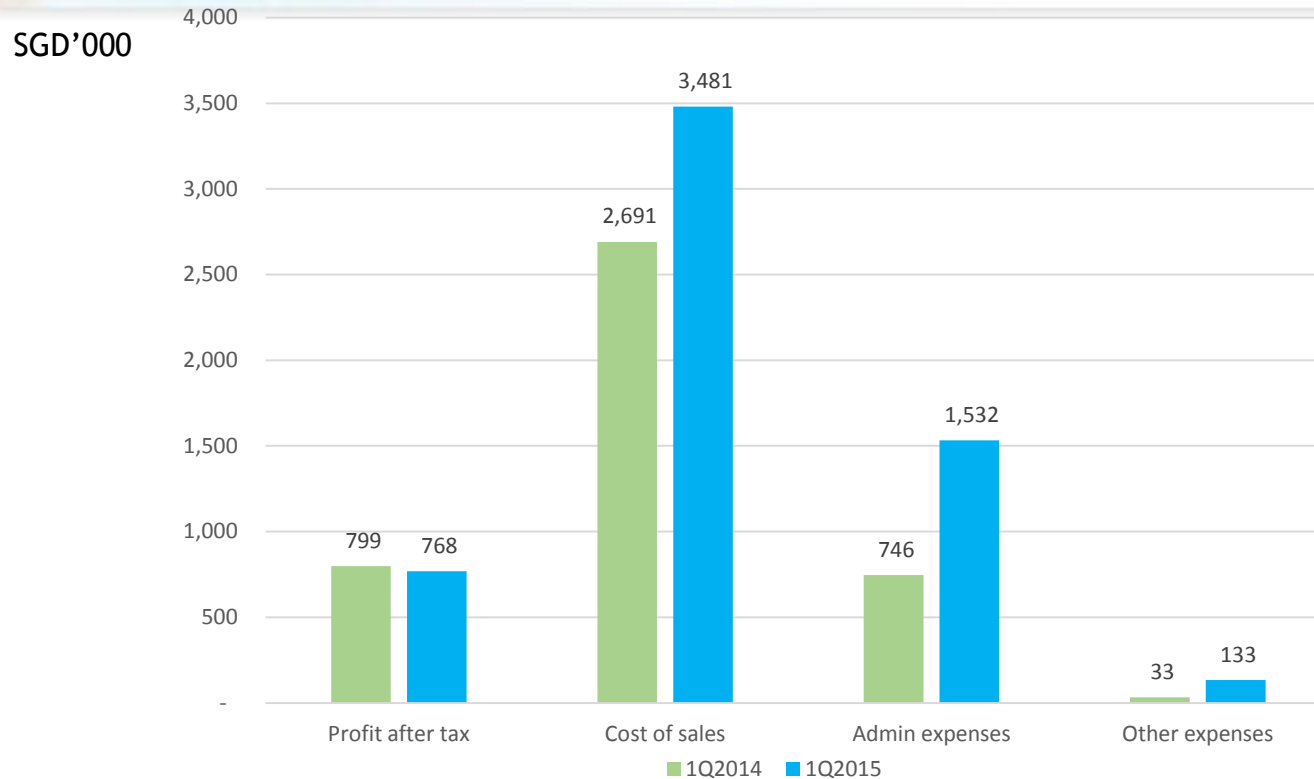
- **1Q2015 vs 1Q2014** revenue was higher mainly due to revenue contribution from Singapore operations included in 1Q2015 and higher revenue from Malaysia operations
- Revenue contribution from Malaysia operations in Ringgit Malaysia was RM13.1 million in 1Q2015, up 10.1% from RM11.9 million in 1Q2014 mainly due to increase in patients visits

Cash Position



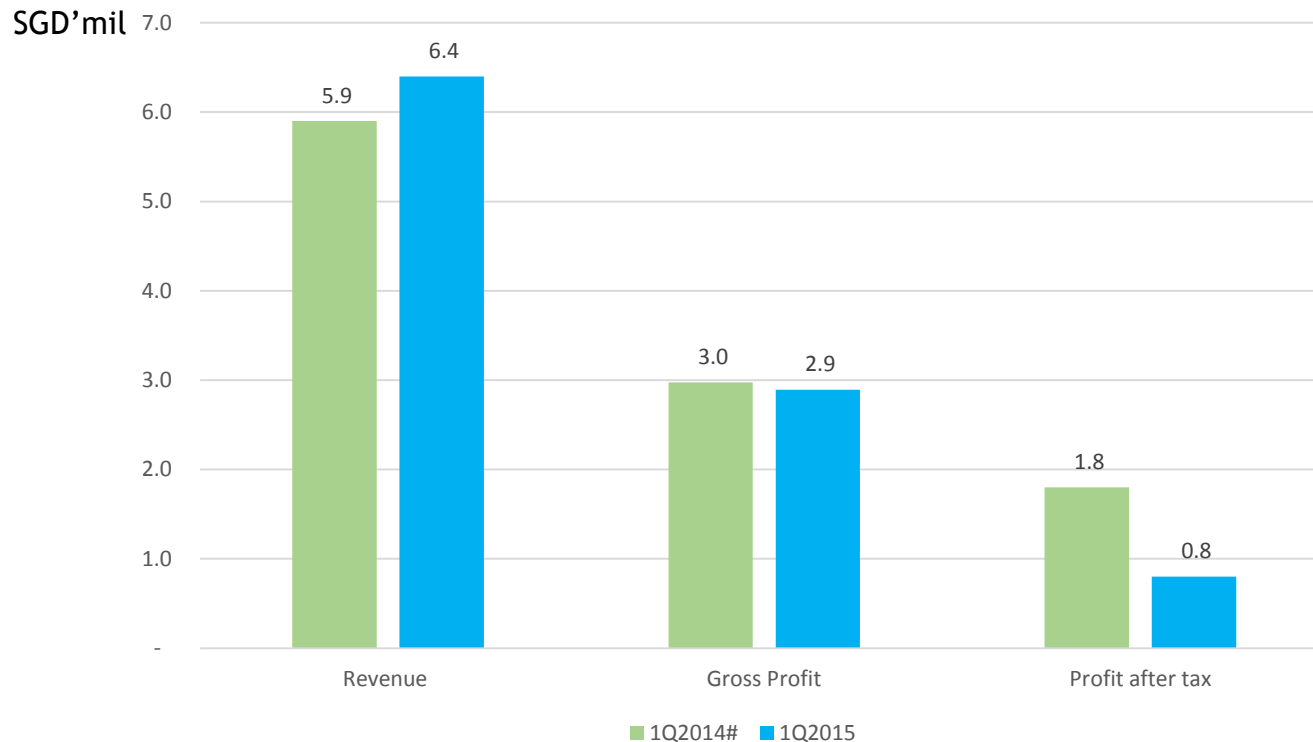
- Total cash and cash equivalents as at 31 Mar 2015 was S\$27.1 million. No debts.
- Cash balances (exclude unutilized IPO proceeds) increased from S\$11.7 million as at 31 Dec 2014 to S\$13.0 million as at 31 Mar 2015

Profit After Tax



- **1Q2015 vs 1Q2014** Profit after tax at S\$768,000 was slightly lower as higher revenue generated in the quarter was off-set mainly by higher cost of sales (addition of new doctors and depreciation of medical equipment in ISEC Singapore) and higher administrative expenses (addition of new staff to support the growing business activities of the Group, rental of new corporate office and new clinic in Singapore and depreciation on renovation, furniture and office equipment thereon) and amortisation charge of intangibles assets of S\$133,000 arising from acquisition of ISEC Eye which was non operating related
- Other expenses in 1Q2015 consisted of amortisation of intangibles while other expenses in 1Q2014 related to loss on disposal of a subsidiary

Pro forma Analysis and Commentaries



Note:

1Q2014# refers to Pro forma 1Q2014

Pro forma 1Q2014 figures were prepared based on:

- ISEC Eye acquisition of Lee Hung Ming Companies was assumed to have taken place since 1 January 2014; and
- Acquisition of ISEC Eye by ISEC Healthcare Ltd. was assumed to have taken place since 1 January 2014

1Q2015 vs 1Q2014#

- Revenue in 1Q2015 was higher mainly due to increase in patients visit from Malaysia operations and inclusion of revenue contributions from ISEC Singapore, which started operations since August 2014
- Revenue contribution from Malaysia operations grew from RM11.9 million in 1Q2014 to RM13.1 million in 1Q2015 (refer to Slide 19) as both our clinics in Kuala Lumpur and Penang recorded higher patients visits with ISEC's growing brand name in Malaysia and increased awareness for our Penang clinic which started operations since early 2014
- Contributions from ISEC Eye and ISEC Singapore had also contributed to higher revenue in 1Q2015

1Q2015 vs 1Q2014#

- Gross profit was slightly lower in 1Q2015 despite higher revenue mainly due to new doctors recruited for ISEC Singapore (wef. August 2014) and doctor salary in ISEC Eye (Dr Lee's remuneration prior to 26 Sept 2014 was mainly paid as dividend from ISEC Eye)
- Profit after tax was lower in 1Q2015 mainly due to losses in ISEC Singapore as a result of slower sales take off in Singapore, being in competitive and mature market, rental and administrative cost in ISEC Healthcare Ltd. (office start-up since June 2014), new staff in Malaysia and Singapore to support the increase in Group's activities and amortisation charge relating to intangible assets arising from ISEC Eye (wef. October 2014)
- ISEC Singapore which started operations for approximately 6 months since late August 2014 is facing tough competition as Singapore is a mature market

Statement of Financial Position



S\$'000	31 March 2015	31 December 2014
Key Assets		
Plant and equipment	4,511	4,285
Intangible assets [^]	13,078	13,219
Trade and other receivables	2,623	2,570
Cash and cash equivalents	27,149	27,267
Key Liabilities		
Trade and other payables	3,238	2,498
Equity		
Shareholders equity	44,446	43,680

[^] - Arose from the acquisition of ISEC Eye Pte. Ltd. (Intangible assets of S\$5.2 million and goodwill of S\$8.0 million)



Thank You