



ISEC Healthcare Ltd.
and its subsidiaries
(Company Registration No.201400185H)

Condensed Interim Financial Statements
For the six months ended 30 June 2024

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A. Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Group			<i>Voluntary Disclosure</i>		
		30 June 2024 (Unaudited) S\$'000	30 June 2023 (Unaudited) S\$'000	Change %	30 June 2024 (Unaudited) S\$'000	30 June 2023 (Unaudited) S\$'000	Change %
Revenue	4	35,365	34,382	3%	18,455	17,470	6%
Cost of sales		(19,682)	(19,093)	3%	(10,433)	(9,870)	6%
Gross profit		15,683	15,289	3%	8,022	7,600	6%
<i>Other item of income</i>							
Other income		222	244	-9%	111	113	-2%
<i>Other items of expense</i>							
Selling and distribution expenses		(111)	(51)	>100%	(58)	(26)	>100%
Administrative expenses		(6,488)	(6,061)	7%	(3,392)	(3,126)	9%
Other expenses		(303)	(875)	-65%	(16)	(561)	-97%
Finance costs		(283)	(354)	-20%	(136)	(166)	-18%
Profit before income tax		8,720	8,192	6%	4,531	3,834	18%
Income tax expense	6	(2,070)	(1,972)	5%	(1,061)	(997)	6%
Profit for the financial period		6,650	6,220	7%	3,470	2,837	22%
Other comprehensive income							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation of subsidiaries		(91)	(2,112)	-96%	230	(1,596)	NM
Other comprehensive income for the financial period, net of tax		(91)	(2,112)	-96%	230	(1,596)	NM
Total comprehensive income for the financial period		6,559	4,108	60%	3,700	1,241	>100%
Profit attributable to:							
Owners of the parent		6,563	6,131	7%	3,396	2,774	22%
Non-controlling interests		87	89	-2%	74	63	17%
Profit for the financial period		6,650	6,220	7%	3,470	2,837	22%

A. Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (cont'd)

	Group			Voluntary Disclosure		
	6 Months Ended			Group		
	30 June	30 June	Change	30 June	30 June	Change
Note	2024	2023		2024	2023	
	(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Total comprehensive income attributable to:						
Owners of the parent	6,582	4,130	59%	3,748	1,234	>100%
Non-controlling interests	(23)	(22)	5%	(48)	7	NM
Total comprehensive income for the financial period	6,559	4,108	60%	3,700	1,241	>100%
Earnings per share						
- basic (in cents)	17 1.14	1.07	7%	0.59	0.48	23%
- diluted (in cents)	17 1.14	1.07	7%	0.59	0.48	23%

NM – Not meaningful

A. Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (cont'd)

Profit before income tax is arrived after charging/(crediting) the following:

	<i>Voluntary Disclosure</i>					
	Group			Group		
	6 Months Ended		Change	3 Months Ended		Change
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)		30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Depreciation of property, plant and equipment – cost of sales	383	363	6%	193	187	3%
Depreciation of right-of-use assets – cost of sales	326	301	8%	163	150	9%
Depreciation of property, plant and equipment – administrative expenses	362	371	-2%	181	196	-8%
Depreciation of right-of-use assets – administrative expenses	647	618	5%	324	315	3%
Amortisation of intangible assets – other expenses	265	265	0%	132	132	0%
Amortisation of intangible assets – administrative expenses	3	2	50%	2	1	100%
Interest income	(146)	(156)	-6%	(73)	(72)	1%
Interest income – net investment in sublease	(4)	(1)	>100%	(2)	(1)	100%
Other income – government grants	(39)	(44)	-11%	(18)	(8)	>100%
Interest expense – lease liabilities	223	226	-1%	109	112	-3%
Interest expense – loans	40	54	-26%	19	23	-17%
Loss/(gain) on exchange differences – net	32	608	-95%	(120)	428	NM
Write-back of expected credit losses, net	(3)	(18)	-83%	(5)	(19)	-74%
Property, plant and equipment written off	1	-	NM	1	-	NM
Share-based compensation expenses	45	53	-15%	23	24	-4%
Reversal of share options	(5)	-	NM	(5)	-	NM

NM – Not meaningful

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 June 2024 (Unaudited) S\$'000	31 December 2023 (Audited) S\$'000	30 June 2024 (Unaudited) S\$'000	31 December 2023 (Audited) S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	18,436	16,998	61	70
Right-of-use assets	10	9,554	9,843	109	127
Intangible assets - goodwill	11	52,310	52,242	-	-
Intangible assets - others	11	536	628	149	-
Investment in subsidiaries		-	-	62,487	62,487
Net investment in sublease	10	79	107	-	-
Deposit		2,469	-	-	-
Deferred tax assets		280	268	11	11
		<u>83,664</u>	<u>80,086</u>	<u>62,817</u>	<u>62,695</u>
Current assets					
Inventories		2,424	2,235	-	-
Trade receivables, net ⁽¹⁾		5,131	4,302	-	-
Other receivables and deposits		686	689	15,053	17,386
Prepayments		301	334	12	27
Net investment in sublease	10	56	54	-	-
Current income tax assets		3	3	-	-
Cash and cash equivalents ⁽¹⁾		15,872	19,404	1,141	1,958
		<u>24,473</u>	<u>27,021</u>	<u>16,206</u>	<u>19,371</u>
TOTAL ASSETS		<u>108,137</u>	<u>107,107</u>	<u>79,023</u>	<u>82,066</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	76,381	76,138	76,381	76,138
Treasury share reserve	15	-	-	-	-
Other reserves	16	(12,880)	(12,905)	134	128
Retained earnings		19,150	17,476	2,197	5,389
Equity attributable to owners of Company		<u>82,651</u>	<u>80,709</u>	<u>78,712</u>	<u>81,655</u>
Non-controlling interests	12	1,508	1,441	-	-
TOTAL EQUITY		<u>84,159</u>	<u>82,150</u>	<u>78,712</u>	<u>81,655</u>
LIABILITIES					
Non-current liabilities					
Borrowings	13	894	1,327	-	-
Lease liabilities	10	8,508	8,776	79	97
Deferred tax liabilities		117	150	-	-
Provisions		240	235	14	14
		<u>9,759</u>	<u>10,488</u>	<u>93</u>	<u>111</u>

B. Condensed Interim Statements of Financial Position (cont'd)

	Note	Group		Company	
		30 June 2024 (Unaudited) S\$'000	31 December 2023 (Audited) S\$'000	30 June 2024 (Unaudited) S\$'000	31 December 2023 (Audited) S\$'000
Current liabilities					
Trade payables		1,973	1,825	-	-
Other payables		1,047	1,855	19	20
Advances and contract liabilities		393	412	-	-
Advances from non-controlling interests		2,025	1,557	-	-
Accrued expenses		1,027	1,105	85	138
Payroll payable		3,718	3,838	71	98
Borrowings	13	884	843	-	-
Lease liabilities	10	1,693	1,614	35	34
Current income tax payable		1,459	1,420	8	10
		<u>14,219</u>	<u>14,469</u>	<u>218</u>	<u>300</u>
TOTAL LIABILITIES		<u>23,978</u>	<u>24,957</u>	<u>311</u>	<u>411</u>
TOTAL EQUITY AND LIABILITIES		<u>108,137</u>	<u>107,107</u>	<u>79,023</u>	<u>82,066</u>

(1) Breakdown of the following in the respective currencies:

	Group		Company	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Trade receivables, net denominated in the following currencies:				
Singapore Dollar	2,004	1,683	-	-
Ringgit Malaysia	3,111	2,598	-	-
Myanmar Kyat	16	21	-	-
	<u>5,131</u>	<u>4,302</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents denominated in the following currencies:				
Singapore Dollar	3,387	4,958	1,141	1,958
Ringgit Malaysia	11,517	13,466	-	-
Myanmar Kyat	866	862	-	-
United States Dollar	102	118	-	-
	<u>15,872</u>	<u>19,404</u>	<u>1,141</u>	<u>1,958</u>

C. Condensed Interim Consolidated Statements of Cash Flows

	Note	Group		<i>Voluntary Disclosure</i> Group	
		6 Months Ended		3 Months Ended	
		30 June 2024 (Unaudited) S\$'000	30 June 2023 (Unaudited) S\$'000	30 June 2024 (Unaudited) S\$'000	30 June 2023 (Unaudited) S\$'000
Cash flows from operating activities					
Profit before income tax		8,720	8,192	4,531	3,834
Adjustments for:					
Write-back of expected credit losses, net		(3)	(18)	(5)	(19)
Amortisation of intangible assets	11	268	267	134	133
Depreciation of property, plant and equipment	9	745	734	374	383
Depreciation of right-of-use assets	10	973	919	487	465
Interest income		(150)	(157)	(75)	(73)
Interest expense		283	354	136	174
Property, plant and equipment written-off	9	1	-	1	-
Share-based compensation expense		45	53	23	24
Reversal of share options		(5)	-	(5)	-
Operating cash flows before working capital changes		10,877	10,344	5,601	4,921
Working capital changes:					
- Inventories		(142)	(350)	124	129
- Trade and other receivables		(873)	(811)	(657)	(10)
- Prepayments		34	(49)	65	(16)
- Trade and other payables		(424)	610	324	396
Cash generated from operations		9,472	9,744	5,457	5,420
Income tax paid, net		(2,075)	(1,917)	(1,255)	(1,193)
Net cash generated from operating activities		7,397	7,827	4,202	4,227

C. Condensed Interim Consolidated Statements of Cash Flows (cont'd)

	Note	Group		Voluntary Disclosure	
		6 Months Ended		Group	
		30 June 2024 (Unaudited) S\$'000	30 June 2023 (Unaudited) S\$'000	30 June 2024 (Unaudited) S\$'000	30 June 2023 (Unaudited) S\$'000
Cash flows from investing activities					
Purchase of property, plant and equipment	9	(1,642)	(1,567)	(954)	(1,243)
Purchase of intangible assets	11	(168)	(19)	(149)	(19)
Interest received		146	156	73	72
Payment to vendors ⁽¹⁾		(1,033)	(3,208)	(1,033)	(3,208)
Deposit for intended acquisition of property, plant and equipment		(2,445)	-	-	-
Net cash used in investing activities		(5,142)	(4,638)	(2,063)	(4,398)
Cash flows from financing activities					
Advances from non-controlling interests		474	156	14	135
Dividends paid		(4,889)	(6,180)	(4,889)	(6,180)
Subscription of share in a subsidiary by non-controlling interest		90	-	-	-
Proceeds from exercise of share options		209	470	209	470
Principal element of lease liabilities, net	10	(855)	(929)	(426)	(530)
Interest paid – lease liabilities	10	(223)	(225)	(109)	(135)
Repayment of loan		(409)	(394)	(211)	(175)
Interest paid – loan		(40)	(54)	(19)	(23)
Net cash used in financing activities		(5,643)	(7,156)	(5,431)	(6,438)
Net decrease in cash and cash equivalents		(3,388)	(3,967)	(3,292)	(6,609)
Cash and cash equivalents at beginning of financial period		19,404	20,633	19,219	23,151
Effects of exchange rate changes on cash and cash equivalents		(144)	(566)	(55)	(442)
Cash and cash equivalents at end of financial period		15,872	16,100	15,872	16,100

- (1) The Group acquired IE Centre Sdn. Bhd. (“IE Centre”) and Kampar Eye Sdn. Bhd. (“Kampar Eye”) on 26 May 2022. In the three months’ financial period ended 30 June 2023 (“2Q2023”), 30% of the total cash consideration, amounting to RM10,824,225 (equivalent to S\$3,208,000), was paid to the vendors as partial settlement of the total cash consideration. The remaining balance of the total cash consideration of RM3,608,000 (equivalent to S\$1,033,000) was paid to the vendors in the three months’ financial period ended 30 June 2024 (“2Q2024”). As at the date of this announcement, the consideration has been fully settled.

D. Condensed Interim Statements of Changes in Equity

Group (Unaudited)	Attributable to owners of the Company									Non- controlling interests	Total equity
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company			
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
At 1 January 2024		76,138	-	(4,998)	(3,572)	(4,463)	128	17,476	80,709	1,441	82,150
Profit for the financial period		-	-	-	-	-	-	3,167	3,167	13	3,180
Other comprehensive income											
Foreign currency translation		-	-	(333)	-	-	-	-	(333)	12	(321)
Total comprehensive income for the financial period		-	-	(333)	-	-	-	3,167	2,834	25	2,859
Transaction with owners of the Company											
Share-based compensation expense ⁽¹⁾		-	-	-	-	-	22	-	22	-	22
Total transaction with owners of the Company		-	-	-	-	-	22	-	22	-	22
Transaction with non-controlling interest											
Subscription of share in a subsidiary by non-controlling interest ⁽²⁾		-	-	-	-	-	-	-	-	90	90
Total transaction with non-controlling interest		-	-	-	-	-	-	-	-	90	90
At 31 March 2024		76,138	-	(5,331)	(3,572)	(4,463)	150	20,643	83,565	1,556	85,121

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

(2) During the 3 months' financial period ended 31 March 2024, ISEC (Klang) Sdn. Bhd. ("ISEC Klang"), a 65%-owned indirect subsidiary of the Company through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), increased its share capital from \$29,000 (equivalent to RM100,000) to \$285,000 (equivalent to RM1,000,000), through issuance of shares allotted to the existing shareholders of ISEC Klang in equal proportion to their existing shareholdings.

D. Condensed Interim Statements of Changes in Equity (cont'd)

Group (Unaudited)	Attributable to owners of the Company									Non- controlling interests	Total equity
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company			
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
At 1 April 2024		76,138	-	(5,331)	(3,572)	(4,463)	150	20,643	83,565	1,556	85,121
Profit for the financial period		-	-	-	-	-	-	3,396	3,396	74	3,470
Other comprehensive income											
Foreign currency translation		-	-	352	-	-	-	-	352	(122)	230
Total comprehensive income for the financial period		-	-	352	-	-	-	3,396	3,748	(48)	3,700
Transactions with owners of the Company											
Issuance of ordinary shares ⁽¹⁾	14	209	-	-	-	-	-	-	209	-	209
Reclassification of fair value	14	34	-	-	-	-	(34)	-	-	-	-
Dividends	18	-	-	-	-	-	-	(4,889)	(4,889)	-	(4,889)
Share-based compensation expense ⁽²⁾		-	-	-	-	-	23	-	23	-	23
Forfeiture of share options ⁽³⁾		-	-	-	-	-	(5)	-	(5)	-	(5)
Total transactions with owners of the Company		243	-	-	-	-	(16)	(4,889)	(4,662)	-	(4,662)
At 30 June 2024		76,381	-	(4,979)	(3,572)	(4,463)	134	19,150	82,651	1,508	84,159

(1) On 2 April 2024, the Company issued and allotted 719,140 ordinary shares in the share capital of the Company (the "2Q2024 New Shares"), at an issue price of S\$0.29 per 2Q2024 New Shares, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 2Q2024 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 574,473,912 ordinary shares to 575,193,052 ordinary shares.

(2) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

(3) The forfeiture of share options refers to the expired share options granted under the ISEC Healthcare Share Option Scheme on 22 April 2020.

D. Condensed Interim Statements of Changes in Equity (cont'd)

Group (Unaudited)	Attributable to owners of the Company									Non- controlling interests	Total equity
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
At 1 January 2023	75,484	(105)	(2,668)	(3,572)	(4,463)	142	15,054	79,872	1,470	81,342	
Profit for the financial period	-	-	-	-	-	-	3,357	3,357	26	3,383	
Other comprehensive income											
Foreign currency translation	-	-	(461)	-	-	-	-	(461)	(55)	(516)	
Total comprehensive income for the financial period	-	-	(461)	-	-	-	3,357	2,896	(29)	2,867	
Transaction with owners of the Company											
Share-based compensation expense ⁽¹⁾	-	-	-	-	-	29	-	29	-	29	
Total transaction with owners of the Company	-	-	-	-	-	29	-	29	-	29	
At 31 March 2023	75,484	(105)	(3,129)	(3,572)	(4,463)	171	18,411	82,797	1,441	84,238	

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

D. Condensed Interim Statements of Changes in Equity (cont'd)

Group (Unaudited)	Attributable to owners of the Company									Non- controlling interests	Total equity
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
At 1 April 2023	75,484	(105)	(3,129)	(3,572)	(4,463)	171	18,411	82,797	1,441	84,238	
Profit for the financial period	-	-	-	-	-	-	2,774	2,774	63	2,837	
Other comprehensive income											
Foreign currency translation	-	-	(1,540)	-	-	-	-	(1,540)	(56)	(1,596)	
Total comprehensive income for the financial period	-	-	(1,540)	-	-	-	2,774	1,234	7	1,241	
Transactions with owners of the Company											
Issuance of ordinary shares ⁽¹⁾	358	-	-	-	-	-	-	358	-	358	
Transfer and use of treasury shares ⁽²⁾	7	105	-	-	-	-	-	112	-	112	
Reclassification of fair value	79	-	-	-	-	(79)	-	-	-	-	
Dividends	-	-	-	-	-	-	(6,180)	(6,180)	-	(6,180)	
Share-based compensation expense ⁽³⁾	-	-	-	-	-	24	-	24	-	24	
Total transactions with owners of the Company	444	105	-	-	-	(55)	(6,180)	(5,686)	-	(5,686)	
At 30 June 2023	75,928	-	(4,669)	(3,572)	(4,463)	116	15,005	78,345	1,448	79,793	

(1) On 22 June 2023, the Company issued and allotted 1,235,072 ordinary shares in the share capital of the Company (the "2Q2023 New Shares"), at an issue price of S\$0.29 per 2Q2023 New Shares, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 2Q2023 New Shares and the transfer and use of 386,400 treasury shares, the number of issued and paid-up shares in the share capital of the Company has increased from 572,230,206 ordinary shares (excluding 386,400 treasury shares) to 573,851,678 ordinary shares.

(2) On 22 June 2023, the Company transferred and used 386,400 treasury shares for the allotment of shares pursuant to exercise of share options under the ISEC Healthcare Share Option Scheme.

(3) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

D. Condensed Interim Statements of Changes in Equity (cont'd)

	Note	Share capital S\$'000	Treasury share reserve S\$'000	Share compensation reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Company (Unaudited)						
At 1 January 2024		76,138	-	128	5,389	81,655
Loss for the financial period, representing total comprehensive income for the financial period		-	-	-	(340)	(340)
Transactions with owners of the Company						
Share-based compensation expense ⁽¹⁾		-	-	22	-	22
Total transactions with owners of the Company		-	-	22	-	22
At 31 March 2024		76,138	-	150	5,049	81,337
At 1 April 2024		76,138	-	150	5,049	81,337
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	2,037	2,037
Transactions with owners of the Company						
Issuance of ordinary shares ⁽²⁾	14	209	-	-	-	209
Reclassification of fair value	14	34	-	(34)	-	-
Dividends	18	-	-	-	(4,889)	(4,889)
Share-based compensation expense ⁽¹⁾		-	-	23	-	23
Forfeiture of share options ⁽³⁾		-	-	(5)	-	(5)
Total transactions with owners of the Company		243	-	(16)	(4,889)	(4,662)
At 30 June 2024		76,381	-	134	2,197	78,712

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

(2) On 2 April 2024, the Company issued and allotted 719,140 ordinary shares in the share capital of the Company (the "2Q2024 New Shares"), at an issue price of S\$0.29 per 2Q2024 New Shares, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 2Q2024 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 574,473,912 ordinary shares to 575,193,052 ordinary shares.

(3) The forfeiture of share options refers to the expired share options granted under the ISEC Healthcare Share Option Scheme on 22 April 2020.

D. Condensed Interim Statements of Changes in Equity (cont'd)

	Note	Share capital S\$'000	Treasury share reserve S\$'000	Share compensation reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Company (Unaudited)						
At 1 January 2023		75,484	(105)	142	6,621	82,142
Loss for the financial period, representing total comprehensive income for the financial period		-	-	-	(145)	(145)
Transactions with owners of the Company						
Share-based compensation expense ⁽¹⁾		-	-	29	-	29
Total transactions with owners of the Company		-	-	29	-	29
At 31 March 2023		75,484	(105)	171	6,476	82,026
At 1 April 2023		75,484	(105)	171	6,476	82,026
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	4,937	4,937
Transactions with owners of the Company						
Issuance of ordinary shares ⁽²⁾		358	-	-	-	358
Transfer and use of treasury shares ⁽³⁾		7	105	-	-	112
Reclassification of fair value		79	-	(79)	-	-
Dividends	18	-	-	-	(6,180)	(6,180)
Share-based compensation expense ⁽¹⁾		-	-	24	-	24
Total transactions with owners of the Company		444	105	(55)	(6,180)	(5,686)
At 30 June 2023		75,928	-	116	5,233	81,277

- (1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.
- (2) On 22 June 2023, the Company issued and allotted 1,235,072 ordinary shares in the share capital of the Company (the "2Q2023 New Shares"), at an issue price of S\$0.29 per 2Q2023 New Shares, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 2Q2023 New Shares and the transfer and use of 386,400 treasury shares, the number of issued and paid-up shares in the share capital of the Company has increased from 572,230,206 ordinary shares (excluding 386,400 treasury shares) to 573,851,678 ordinary shares.
- (3) On 22 June 2023, the Company transferred and used 386,400 treasury shares for the allotment of shares pursuant to exercise of share options under the ISEC Healthcare Share Option Scheme.

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

ISEC Healthcare Ltd. (the “Company” and together with its subsidiaries, the “Group”) is a public limited company, incorporated and domiciled in Singapore with its registered office address and principal place of business at 51 Goldhill Plaza #10-07/08 Singapore 308900. The Company’s registration number is 201400185H. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are medical eye care services, and general medical and procedural treatment services.

The immediate holding company is Aier Eye International (Singapore) Pte. Ltd., a company incorporated in Singapore. The intermediate holding company is Aier Eye Hospital Group Co., Ltd, and the ultimate holding company is Aier Medical Investment Co., Ltd., both companies incorporated in the People’s Republic of China.

2. Basis of preparation

The condensed interim financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information and disclosures required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

There were no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Note 11 – Goodwill impairment assessment

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Disaggregation of revenue

	For six-month period ended 30 June					
	General health services		Specialised health services		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Types of goods or services</u>						
Consultation, medication and procedures	1,799	1,980	33,566	32,402	35,365	34,382
<u>Timing of transfer of goods or services</u>						
At a point in time	1,767	1,961	33,566	32,402	35,333	34,363
Over time	32	19	-	-	32	19
	1,799	1,980	33,566	32,402	35,365	34,382

(a) Contract liabilities

Information about contract liabilities from contracts with customers is disclosed as follows:

	30 June 2024 \$'000	31 December 2023 \$'000
Contract liabilities, included in advances and contract liabilities	56	59

Contract liabilities primarily relate to the Group's obligation to perform procedural treatment services to the customers for which the Group has received consideration in advance, and are recognised as revenue when the Group performs the services.

Changes in contract liabilities are highlighted as follows:

	For six-month period ended 30 June	
	2024 \$'000	2023 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	14	12

(b) Transaction price allocated to remaining performance obligation

The Group has applied the practical expedient not to disclose information about its remaining performance obligation as the Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.

5. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and assessing performance. The information reported to the chief operating decision maker does not include an analysis of assets and liabilities. Segment performance is evaluated based on operating profit or loss.

The Group has two reportable segments as described below.

Business segments information

- Specialised health services: provision of medical care, consultancy, treatment and surgery in the field of ophthalmology
- General health services: provision of general medical and procedural treatment services

	Group	
	For six-month period ended	
	30 June	
	2024	2023
	\$'000	\$'000
Segment revenue		
Specialised health services	33,566	32,402
General health services	1,799	1,980
	35,365	34,382
Segment profit after tax		
Specialised health services	6,410	5,876
General health services	240	344
	6,650	6,220
Impairment loss for goodwill		
Specialised health services	-	-
General health services	-	-
	-	-
Depreciation of property, plant and equipment and right-of-use assets		
Specialised health services	1,579	1,520
General health services	139	133
	1,718	1,653

5. Segment information (cont'd)*Business segments information (cont'd)*

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Additions to property, plant and equipment		
Specialised health services	2,176	3,043
General health services	5	46
	2,181	3,089
	2,181	3,089

Geographical information

Revenue and operating result are based on the country in which the services are provided and country where the customers are located.

	Group	
	For six-month period ended 30 June	
	2024	2023
	\$'000	\$'000
Segment revenue		
Singapore	6,017	5,964
Malaysia	28,132	27,469
Myanmar	1,216	949
	35,365	34,382
	35,365	34,382
Segment profit after tax		
Singapore	813	636
Malaysia	5,637	5,430
Myanmar	200	154
	6,650	6,220
	6,650	6,220
Impairment loss for goodwill		
Singapore	-	-
Malaysia	-	-
Myanmar	-	-
	-	-
	-	-
Depreciation of property, plant and equipment and right-of-use assets		
Singapore	170	163
Malaysia	1,427	1,359
Myanmar	121	131
	1,718	1,653
	1,718	1,653

5. Segment information (cont'd)

Geographical information (cont'd)

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Additions to property, plant and equipment		
Singapore	8	51
Malaysia	2,145	2,974
Myanmar	28	64
	2,181	3,089
	2,181	3,089

Major customers

Revenue is mainly derived from the walk-in patients who are the general public. Due to the diverse base of customers to which the Group renders services, the Group is generally not reliant on any customer for its sales and no one single customer accounted for 5% or more of the Group's total revenue except for 1 (30 June 2023: 1) corporate customer, which in total had contributed to 10% and 10% of the Group's total revenue for the financial period ended 30 June 2024 and 30 June 2023 respectively.

6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	For six-month period ended 30 June	
	2024	2023
	\$'000	\$'000
Current income tax expense	2,115	2,026
Deferred income tax (credit) relating to origination and reversal of temporary differences	(45)	(54)
	2,070	1,972
	2,070	1,972

7. Net Asset Value

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value attributable to owners of the Company (S\$'000)	82,651	80,709	78,712	81,655
Number of ordinary shares in issue (excluding treasury shares)	575,193,052	574,473,912	575,193,052	574,473,912
Net asset value per ordinary share (S\$)	0.14	0.14	0.14	0.14

8. Fair value of assets and liabilities

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents, trade and other receivables, trade and other payables and borrowings, wherein, the carrying amounts of these financial instruments are based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

9. Property, plant and equipment

Group	Computer equipment \$'000	Electrical equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000	Office equipment, furniture and fittings \$'000	Renovation \$'000	Assets under construction \$'000	Land and buildings \$'000	Total \$'000
Cost									
At 1 January 2023	937	1,525	58	7,304	1,065	2,680	1,249	8,649	23,467
Additions	81	-	-	732	64	162	2,041	9	3,089 ⁽¹⁾
Written-off	(4)	-	-	(47)	(5)	(24)	-	-	(80)
Reclassification	-	-	-	10	5	39	(185)	131	-
Currency translation differences	(48)	(91)	(4)	(439)	(74)	(153)	(55)	(555)	(1,419)
At 31 December 2023 and 1 January 2024	966	1,434	54	7,560	1,055	2,704	3,050	8,234	25,057
Additions	40	-	49	1,052	102	140	798	-	2,181 ⁽¹⁾
Disposal	-	-	-	(1)	-	-	-	-	(1)
Written-off	(5)	-	-	(1)	-	-	-	-	(6)
Reclassification	-	-	-	1	-	-	(1)	-	-
Currency translation differences	(6)	3	*	(72)	(10)	(30)	17	48	(50)
At 30 June 2024	995	1,437	103	8,539	1,147	2,814	3,864	8,282	27,181

(1) During the six months' financial period ended 30 June 2024, \$579,000 (the financial year ended 31 December 2023 ("FY2023"): \$40,000) of the property, plant and equipment purchased remained unpaid and was included in other payables of the financial statements. In the prior financial year, \$68,000 of property, plant and equipment additions relates to the provision for the restoration costs which is a non-cash transaction.

9. Property, plant and equipment (cont'd)

Group	Computer equipment \$'000	Electrical equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000	Office equipment, furniture and fittings \$'000	Renovation \$'000	Assets under construction \$'000	Land and buildings \$'000	Total \$'000
Accumulated depreciation									
At 1 January 2023	527	82	53	4,702	478	1,309	-	-	7,151
Depreciation charge for the year	121	151	2	715	123	270	-	83	1,465
Written-off	(5)	-	-	(43)	(3)	(22)	-	-	(73)
Currency translation differences	(27)	(12)	(3)	(314)	(41)	(86)	-	(1)	(484)
<hr/>									
At 31 December 2023 and 1 January 2024	616	221	52	5,060	557	1,471	-	82	8,059
Depreciation charge for the year	61	72	3	383	59	139	-	28	745
Disposal	-	-	-	(1)	-	-	-	-	(1)
Written-off	(5)	-	-	*	-	-	-	-	(5)
Currency translation differences	(5)	2	*	(35)	(1)	(14)	-	*	(53)
<hr/>									
At 30 June 2024	667	295	55	5,407	615	1,596	-	110	8,745
<hr/>									
Carrying amount									
At 31 December 2023	350	1,213	2	2,500	498	1,233	3,050	8,152	16,998
<hr/>									
At 30 June 2024	328	1,142	48	3,132	532	1,218	3,864	8,172	18,436
<hr/>									

* Less than \$1,000

Assets under construction

Included in the Group's property, plant and equipment of \$3,864,000 (FY2023: \$3,050,000) as at 30 June 2024 mainly relates to the acquisition of land and building and expenditures on renovation of centres in Malaysia.

10. Leases**As lessee**

The Group has lease contracts for various items of medical equipment, clinic/office premises and motor vehicle. The Group's obligation under these leases is secured by the lessor's title to the leased assets.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases and continues to expense off such leases when incurred.

(a) Right-of-use assets

Set out below are the carrying amounts of right-of use assets recognised and the movements during the period:

	Clinic/office premises \$'000	Motor vehicle \$'000	Medical equipment \$'000	Total \$'000
Group				
At 1 January 2023	9,370	7	1,500	10,877
Additions	582	-	836	1,418
Lease modification	(24)	-	(1)	(25)
Depreciation charge for the year	(1,263)	(4)	(623)	(1,890)
Currency translation differences	(461)	*	(76)	(537)
<hr/>				
At 31 December 2023 and 1 January 2024	8,204	3	1,636	9,843
Additions	167	-	511	678
Depreciation charge for the period	(645)	(2)	(326)	(973)
Currency translation differences	(3)	*	9	6
<hr/>				
At 30 June 2024	7,723	1	1,830	9,554
<hr/>				

* Less than \$1,000

Lease modification during the prior financial year relates to the reduction of the lease period in the existing/past leases of an office premise and a medical equipment.

10. Leases (cont'd)

As lessee (cont'd)

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	30 June 2024 \$'000	Group 31 December 2023 \$'000
Beginning of financial year	10,390	11,225
Additions	678	1,588
Lease modification	-	(35)
Interest expense	223	455
Payments, net	(1,108)	(2,282)
Currency translation differences	18	(561)
	<hr/>	<hr/>
End of interim period / financial year	10,201	10,390
	<hr/>	<hr/>
Current	1,693	1,614
Non-current	8,508	8,776
	<hr/>	<hr/>

Lease modification during the prior financial year relates to the reduction of the lease period in the existing/past leases of an office premise and a medical equipment.

(c) Net investment in sublease

The Group has entered into a sublease arrangement with an external party for one of its clinic premises, classified as a finance lease. Set out below are the carrying amounts of net investment in sublease recognised and the movements during the period:

	30 June 2024 \$'000	Group 31 December 2023 \$'000
Beginning of financial year	161	50
Accretion of interest income	4	2
Addition	-	170
Receipts, net	(30)	(61)
	<hr/>	<hr/>
End of interim period / financial year	135	161
	<hr/>	<hr/>
Current	56	54
Non-current	79	107
	<hr/>	<hr/>

10. Leases (cont'd)

As lessee (cont'd)

(d) Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

	Group	
	30 June 2024	30 June 2023
	\$'000	\$'000
Depreciation of right-of-use assets	973	919
Interest expense on lease liabilities	223	226
Interest income on sublease	(4)	(1)
Lease expenses not capitalised in lease liabilities		
- Expenses relating to leases of short-term leases (included in administrative expenses)	-	17
- Expenses relating to leases of short-term leases (included in cost of sales)	-	1
- Expenses relating to leases of low-value leases (included in administrative expenses)	6	7
	<hr/>	<hr/>
Total amount recognised in profit or loss	1,198	1,169
	<hr/> <hr/>	<hr/> <hr/>

(e) Total cash outflow

The Group had total cash outflows for leases (including short-term and low-value leases) of \$1,084,000 as at 30 June 2024 (30 June 2023: \$1,179,000), net of receipts from sublease.

(f) Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

The Group included the extension option in the lease term for leases of clinic/office premises and medical equipment because of the additional costs that would arise to replace the assets. There is no extension option for lease of motor vehicle.

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

11. Intangible assets

Group	Computer software \$'000	Software under development \$'000	Goodwill \$'000	Contractual relationship \$'000	Customer relationships \$'000	Total \$'000
Cost						
As at 1 January 2023	509	140	54,215	5,300	155	60,319
Additions	9	89	-	-	-	98
Currency translation differences	(29)	(10)	(1,973)	-	-	(2,012)
At 31 December 2023 and 1 January 2024	489	219	52,242	5,300	155	58,405
Additions	12	163	-	-	-	175 ⁽¹⁾
Currency translation differences	2	1	68	-	-	71
At 30 June 2024	503	383	52,310	5,300	155	58,651
Accumulated amortisation						
At 1 January 2023	502	-	-	4,373	155	5,030
Amortisation for the year	4	-	-	530	-	534
Currency translation differences	(29)	-	-	-	-	(29)
At 31 December 2023 and 1 January 2024	477	-	-	4,903	155	5,535
Amortisation for the period	3	-	-	265	-	268
Currency translation differences	2	-	-	-	-	2
At 30 June 2024	482	-	-	5,168	155	5,805
Carrying amount						
At 31 December 2023	12	219	52,242	397	-	52,870
At 30 June 2024	21	383	52,310	132	-	52,846

(1) During the financial period ended 30 June 2024, \$7,000 (FY2023: nil) of the intangible assets purchased remained unpaid and was included in other payables of the financial statements.

Amortisation of computer software, contractual relationship and customer relationships are included in “administrative expenses” and “other expenses” line items in profit or loss respectively.

11. Intangible assets (cont'd)*Goodwill impairment assessment*

Goodwill with indefinite useful lives is not subjected to amortisation and is subjected to impairment assessment annually, or more frequently if events or changes in circumstances suggest the presence of impairment indicators. For the purpose of goodwill impairment assessment, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination. A CGU to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversible in subsequent periods.

Goodwill on consolidation arises from the acquisition of subsidiaries. Goodwill arising from business combinations is allocated to the following CGUs that are expected to benefit from the business combinations.

	30 June 2024 \$'000	31 December 2023 \$'000
Goodwill		
<i>ISEC Eye Pte. Ltd. ("ISEC Eye")</i>	7,970	7,970
<i>Southern Specialist Eye Centre Sdn. Bhd. ("SSEC")</i>	10,803	10,781
<i>JL Medical (Bukit Batok) Pte. Ltd. ("JLMBB")</i>	3,939	3,939
<i>JL Medical (Sembawang) Pte. Ltd. ("JLMS")</i>	2,980	2,980
<i>JL Medical (Woodlands) Pte. Ltd. ("JLMW")</i>	3,509	3,509
<i>JL Medical (Yew Tee) Pte. Ltd. ("JLMYT")</i>	1,474	1,474
<i>Indah Specialist Eye Centre Sdn. Bhd. ("Indah Specialist")</i>	8,751	8,732
<i>IE Centre Sdn. Bhd. ("IE Centre")</i>	11,007	10,984
<i>Kampar Eye Sdn. Bhd. ("Kampar Eye")</i>	1,834	1,830
<i>TE Centre Sdn. Bhd. ("TE Centre")</i>	16	16
<i>ME Centre Sdn. Bhd. ("ME Centre")</i>	12	12
<i>Taipung Eye Sdn. Bhd. ("Taiping Eye")</i>	15	15
	52,310	52,242
	52,310	52,242

The Group has assessed that there is no further impairment to the carrying amount of goodwill as at 30 June 2024 based on the CGU's business performance. The Group performed its most recent impairment assessment in December 2023. The key assumptions used to determine the recoverable amounts for the CGUs were disclosed in the FY2023 Annual Report.

12. Non-controlling interests (“NCI”)

The Group has the following subsidiary that has NCI that are material to the Group:

	ISEC Myanmar	
	30 June 2024	31 December 2023
Proportion of ownership interest held by non-controlling interest (%)	49	49
Profit after taxation allocated to NCI during the reporting period (\$'000)	90	157
Accumulated NCI at the end of reporting period (\$'000)	731	753

(a) Summarised financial information about subsidiary with material NCI

The summarised financial information before intra-group elimination of the subsidiary that has material non-controlling interests as at the end of each reporting period is as follows:

Summarised statement of financial position

	ISEC Myanmar	
	30 June 2024 \$'000	31 December 2023 \$'000
Non-current assets	357	501
Current assets	1,353	1,357
Non-current liabilities	(26)	(47)
Current liabilities	(191)	(272)
Net assets	1,493	1,539

Summarised statement of profit or loss and other comprehensive income

	ISEC Myanmar 6 Months Ended	
	30 June 2024 \$'000	30 June 2023 \$'000
Revenue	1,216	949
Profit for the financial period, representing total comprehensive income	184	139

12. Non-controlling interests (“NCI”) (cont’d)**(a) Summarised financial information about subsidiary with material NCI (cont’d)*****Other summarised information***

	ISEC Myanmar 6 Months Ended	
	30 June 2024 \$'000	30 June 2023 \$'000
Net cash generated from operating activities	188	172
Net cash used in investing activities	(7)	(32)
Net cash used in financing activities	(26)	(152)
	<hr/>	<hr/>
Net change in cash and cash equivalents	155	(12)

13. Borrowings

	Group	
	30 June 2024 \$'000	31 December 2023 \$'000
Bank loan A	876	1,249
Bank loan B	-	424
Bank loan C	430	-
Bank loan D	472	497
	<hr/>	<hr/>
	1,778	2,170
	<hr/>	<hr/>
Current	884	843
Non-current	894	1,327

Bank loan A

On 6 August 2020, ISEC (Penang) Sdn. Bhd., a wholly owned indirect subsidiary of the Company, entered into a 5-year term bank loan of RM13,000,000 (equivalent to S\$4,254,000) to partially finance the acquisition of a freehold land and building. The loan is repayable monthly over 5-year term. The loan bears a floating interest rate of the bank’s cost of funds + 0.5% margin per annum. The interest rate for the current financial period ended 30 June 2024 was 4.05% (FY2023: 4.05%). The loan is secured by the freehold land and building for which the loan was entered into, and the subsidiary is required to maintain certain deposits balance with the bank.

Bank loan B

On 26 May 2022, the Group completed its acquisition of ME Centre which includes an existing 15-year bank loan of RM1,709,160 (equivalent to S\$539,000) entered into on 29 January 2021 to partially finance the acquisition of a building. The loan is repayable monthly over the 15-year term. The loan bears a floating interest rate of the bank’s base lending rate -2.57% margin per annum for the first year and bank’s base lending rate -2.30% margin per annum from the second year onwards. The interest rate for the current financial period ended 30 June 2024 was 4.42% (FY2023: 4.42%). The loan is secured by the building for which the loan was entered into. The loan is secured by the building for which the loan was entered into. As at 30 June 2024, bank loan B has been fully settled by refinancing through bank loan C.

13. Borrowings (cont'd)

Bank loan C

In June 2024, ME Centre entered into a 7-year bank loan of RM1,646,000 (equivalent to S\$472,000) with another bank to refinance the acquisition of the building. The loan has been partially drawn down on 28 June 2024 to fully settle bank loan B. The loan bears a floating interest rate of the bank's base financing rate -2.5% margin per annum. The interest rate for the current financial period ended 30 June 2024 was 4.15%. The loan is secured by the buildings for which the loan was entered into.

Bank loan D

On 21 May 2023, TE Centre, an indirect subsidiary of the Company, entered into a 7-year term bank loan of RM1,774,483 (equivalent to S\$507,000) to partly finance the construction cost of a building. The loan bears a floating interest rate of the bank's base financing rate -2.50% margin per annum. The interest rate for the current financial period ended 30 June 2024 was 4.15% (FY2023: 4.15%). The loan is secured by the land and building for which the loan was entered into.

14. Share capital

	Group and Company			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
			\$'000	\$'000
Issued and fully paid:				
At 1 January	574,473,912	572,616,606	76,138	75,484
Issuance of ordinary shares from the exercise of options granted under Share Option Scheme	719,140	1,857,306	209	539
Reclassification of fair value of exercised options from Share Compensation Reserve	-	-	34	108
Cash on exercise of share options in excess of cost of treasury shares	-	-	-	7
End of interim period / financial year	<u>575,193,052</u>	<u>574,473,912</u>	<u>76,381</u>	<u>76,138</u>
	As at 30 June 2024		As at 31 December 2023	
Total number of issued shares (excluding treasury shares)	<u>575,193,052</u>		<u>574,473,912</u>	

The shareholders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction. As at 30 June 2024, the number of ordinary shares in issue was 575,193,052. There were no treasury shares as at 30 June 2024 and 31 December 2023.

15. Treasury share reserve

Treasury share reserve comprises the cost of the Company's shares held by the Company.

	Group and Company			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Number of ordinary shares		\$'000	\$'000
Issued and fully paid:				
At 1 January	-	386,400	-	(105)
Treasury shares transferred for the exercise of options granted under Share Option Scheme	-	(386,400)	-	105
End of interim period / financial year	-	-	-	-

There were no treasury shares held by the Company as at 30 June 2024 and 31 December 2023.

16. Other reserves

	Group	
	30 June 2024	31 December 2023
	\$'000	\$'000
Foreign currency translation reserve	(4,979)	(4,998)
Merger reserve	(3,572)	(3,572)
Capital reserve	(4,463)	(4,463)
Share compensation reserve	134	128
	(12,880)	(12,905)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and is non-distributable. Movement in the foreign currency translation reserve is set out in the condensed interim consolidated statement of changes in equity.

Merger reserve

Merger reserve represents the difference between the consideration paid and the share capital value of the subsidiaries acquired under common control.

Capital reserve

Capital reserve mainly consists of \$4,494,000 arising from the premium paid on acquisition of 49% of ISEC Penang in 2019.

16. Other reserves (cont'd)

Share compensation reserve

Share compensation reserve represents the equity-settled share-based compensation granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share-based compensation, and is reduced by the expiry, forfeiture or exercise of the share options or share awards.

Subsidiary Holdings

There were no subsidiary holdings as at 30 June 2024 and 31 December 2023.

17. Earnings per share

	Group		Voluntary Disclosure	
	6 months ended		Group	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Earnings per share ("EPS")				
Profit attributable to owners of the parent (S\$'000)	6,563	6,131	3,396	2,774
Weighted average number of ordinary shares in issue (excluding treasury shares)	574,829,531	572,310,832	575,185,149	572,390,571
Basic (Singapore cents)	1.14	1.07	0.59	0.48
Adjusted weighted average number of ordinary shares in issue (excluding treasury shares) ⁽¹⁾	574,829,531	572,481,513	575,185,149	572,560,283
Fully diluted basis (Singapore cents)	1.14	1.07	0.59	0.48

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020.

18. Dividends

	Group and Company	
	30 June	31 December
	2024	2023
	\$'000	\$'000
<i>Dividends on ordinary shares:</i>		
- Final tax-exempt dividend for 2023: 0.85 cents (2022: 1.08 cents) per share	4,889	6,180
- First interim tax-exempt dividend for 2024: nil (2023: 0.76 cents) per share	-	4,361
	4,889	10,541
Proposed but not recognised as a liability as at 31 December:		
- Final tax-exempt dividends on ordinary shares for FY2023 of 0.85 cents per share, subject to shareholders' approval at the Annual General Meeting	-	4,889
	-	4,889

19. Events occurring after the reporting period

Political situation in Myanmar

Myanmar's military has, on 31 July 2024, further extended the country's state of emergency by another six months. The political situation in Myanmar remains fairly uncertain. As at the date of this announcement, ISEC Myanmar's clinic continues to be operational and profitable.

F. Other information Required by Appendix 7C of the Catalist Rules

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, subdivision, consolidation share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Please refer to “E. Notes to the Condensed Interim Financial Statements: 14. Share capital, 15. Treasury share reserve and 16. Other reserves” above for the detailed movement for changes in the Company’s share capital, treasury share reserve and other reserves.

Outstanding Convertibles

On 22 April 2020, the Company granted 3,809,150 options under the ISEC Healthcare Share Option Scheme, of which 427,590 options from the total 3,809,150 options were granted to 4 eligible Directors. The total number of share options outstanding was nil and 1,441,934 as at 30 June 2024 and 30 June 2023 respectively.

On 23 September 2022, the Company granted share awards to eligible employees of the Company pursuant to the ISEC Healthcare Performance Share Plan. The total number of share awards outstanding was 630,000 as at 30 June 2024 and 30 June 2023.

There were no options and share awards granted pursuant to the Company’s employee share options scheme and performance share plan as at 30 June 2024 and 30 June 2023 respectively.

Treasury Shares

There were no treasury shares held by the Company as at 30 June 2024 and 30 June 2023.

Subsidiary Holdings

There were no subsidiary holdings as at 30 June 2024 and 30 June 2023.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

Please refer to “E. Notes to the Condensed Interim Financial Statements: 14. Share capital” above.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Please refer to “E. Notes to the Condensed Interim Financial Statements: 15. Treasury share reserve” above.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company’s auditors.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Group’s financials are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current financial reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2023.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Please refer to “E. Notes to the Condensed Interim Financial Statements: 2. Basis of preparation” above.

- 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Please refer to “E. Notes to the Condensed Interim Financial Statements: 17. Earnings per share” above.

- 7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
(a) Current financial period reported on; and
(b) Immediately preceding financial year

Please refer to “E. Notes to the Condensed Interim Financial Statements: 7. Net Asset Value” above.

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. The review must discuss:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of comparative performance of the Group for the 6 months ended 30 June 2024 (“1H2024”) and 30 June 2023 (“1H2023”), and 2Q2024 and 2Q2023 where applicable.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

The Group recorded revenue of S\$35.37 million in 1H2024, an increase of 3% from S\$34.38 million in 1H2023.

The Group’s specialised health services revenue increased by S\$1.17 million to S\$33.57 million in 1H2024 which is mainly attributable to the increase in the number of procedures performed in Malaysia.

Revenue from general health services decreased by S\$0.18 million between 1H2023 and 1H2024, mainly due to the reduced number of COVID-19 swab tests performed and decreased business activities at the general practitioner clinics.

Cost of sales

The 3% increase in cost of sales in 1H2024 as compared to that in 1H2023 was consistent with the increased revenue and business activities in the Group’s operations.

Gross profit and gross profit margin

Gross profit increased slightly by \$0.39 million to \$15.68 million in 1H2024. Gross profit margins for both periods were consistent, at 44.3% and 44.5% in 1H2024 and 1H2023 respectively.

Selling and distribution expenses

The increase of S\$0.60 million in the Group's selling and distribution expenses is mainly due to the increasing marketing activities relating to the Group's specialised health business.

Administrative expenses

The Group recorded administrative expenses of S\$6.49 million in 1H2024, an increase of S\$0.43 million from 1H2023. The increase was mainly due to higher staff-related costs and depreciation expenses of S\$0.13 million and S\$0.07 million respectively as a result of the increased business activities of the Group, together with increasing number of the Group's eye centres in Malaysia and increased fixed assets.

Other expenses

The Group recorded other expenses of S\$0.30 million in 1H2024, a decrease of S\$0.58 million from 1H2023. The decrease was mainly due to foreign exchange loss of S\$0.58 million which was mainly attributable to the recovery of Ringgit Malaysia against Singapore Dollar in 1H2024 compared to that in 1H2023.

Income tax expense

The Group recorded income tax expenses of S\$2.07 million in 1H2024, compared to S\$1.97 million in 1H2023, an increase of S\$0.10 million between the periods. The effective tax rates of the Group in 1H2023 and 1H2024 were generally consistent at 24%. The statutory corporate income tax rates are 17% in Singapore, 24% in Malaysia and 22% in Myanmar. The increase in income tax expenses was in line with the higher profit before income tax achieved in 1H2024.

Profit after tax

The Group reported a net profit of S\$6.65 million in 1H2024, an increase of S\$0.43 million from 1H2023, mainly due to the reasons explained above.

Review of comparative financial position of the Group as at 30 June 2024 and 31 December 2023.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets increased by S\$3.58 million to S\$83.66 million as at 30 June 2024. This was mainly attributable to the following:

- i) deposit of S\$2.45 million or 10% of the purchase price, for certain strata-title units or parcels in the new building in Kuala Lumpur (“Acquisition”);
- ii) additions of S\$2.18 million to property, plant and equipment mainly arising from purchase of medical equipment and instruments and renovation expenditures for the respective centres in ISEC (Melaka), TE Centre, ME Centre, Taiping Eye and ISEC Klang;
- iii) additions of S\$0.68 million on right-of-use assets which are mainly due to the new and renewal of the leasing of premises and medical equipment; and
- iv) additions of S\$0.18 million in intangible assets mainly arising from new software.

The increase in non-current assets was offset by:

- i) depreciation expenses of property, plant and equipment of S\$0.75 million;
- ii) depreciation expenses of right-of-use assets of S\$0.97 million; and
- iii) amortisation expenses of S\$0.27 million on intangible assets.

Current assets

Current assets decreased by S\$2.55 million mainly due to the decrease in cash and cash equivalents of S\$3.53 million, due to reasons mentioned in the review of cash flows of the Group. The decrease in current assets was offset by a net increase in trade receivables of S\$0.83 million and an increase in inventories of S\$0.19 million, which was in line with the Group’s increased business activities.

Non-current liabilities

Non-current liabilities decreased by S\$0.73 million to S\$9.76 million as at 30 June 2024. This was mainly attributable to the following:

- i) partial repayment of bank loans (principal) of S\$0.41 million; and
- ii) repayment of lease liabilities of S\$1.08 million in 1H2024.

The decrease in non-current liabilities was offset by:

- i) additional lease liabilities of S\$0.68 million, mainly rising from the new and renewal of the leasing of premises and medical equipment

Current liabilities

Current liabilities decreased by S\$0.25 million to S\$14.22 million as at 30 June 2024 mainly attributable to the payment of purchase consideration for the acquisition of IE Centre and Kampar Eye of S\$1.03 million. The decrease in current liabilities was partially offset by advances received from non-controlling interests of S\$0.47 million and unpaid additions to property, plant and equipment and intangible assets of S\$0.55 million.

Review of cash flows of the Group for 1H2024

Consolidated Statement of Cash Flows

As at 30 June 2024, the Group had cash and cash equivalents of S\$15.87 million, as compared to S\$19.40 million of cash and cash equivalents as at 31 December 2023.

Cash flows from operating activities

In 1H2024, net cash generated from operating activities was recorded at S\$7.40 million. This comprised operating cash flows before working capital changes of S\$10.88 million, and net changes in working capital outflow of S\$1.41 million arising from inventories of S\$0.14 million, trade and other receivables of S\$0.87 million and trade and other payables of S\$0.42 million, mainly from increased business activities, less net of income tax paid amounting to S\$2.08 million.

Cash flows used in investing activities

Net cash used in investing activities in 1H2024 amounted to S\$5.14 million mainly due to:

- i) payment for purchase of property, plant and equipment amounting to S\$1.64 million;
- ii) payment for purchase of intangible assets amounting to S\$0.17 million;
- iii) payment of S\$2.45 million as deposit for the Acquisition; and
- iv) payment to vendors of IE Centre and Kampar Eye, of S\$1.03 million.

The cash outflow was partially offset by interest income received of S\$0.15 million.

Cash flows used in financing activities

Net cash used in financing activities was S\$5.64 million in 1H2024, mainly due to the following factors:

- i) payment to shareholders in relation to FY2023 final dividend of S\$4.89 million;
- ii) repayment of lease liabilities and its corresponding finance costs of S\$1.08 million; and
- iii) repayment of bank loans and its corresponding interest expense of S\$0.45 million.

The cash outflow was partially offset by:

- i) proceeds from exercise of share options of S\$0.21 million; and
- ii) advances from the non-controlling interests for TE Centre, ME Centre and Taiping Eye of S\$0.47 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Please refer to “E. Notes to the Condensed Interim Financial Statements: 19. Events occurring after the reporting period” above.

ISEC KL had entered into a Sale and Purchase Agreement (“SPA”) to purchase certain strata-title units or parcels in a new building to be constructed by the vendor of the SPA (under the category of use of medical care) in Kuala Lumpur, Malaysia, as announced on 29 December 2023. As of the date of this announcement, the Group is in the stage of fulfilling the condition precedents of the SPA together with the vendor. The Group will make the necessary announcements as and when there are further material developments on the aforementioned proposed acquisition and other key related matters that may be contemplated moving forward.

The Group continues to seek suitable opportunities in the markets including Cambodia, Vietnam and Myanmar, while we strengthen our existing presence in our core markets of Singapore and Malaysia. The Group will also continue to pursue investment opportunities which are in line with the Group’s business strategies as and when they arise.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Yes.

(b) (i) Amount per share (cents)

Name of dividend	First Interim Dividend
Dividend type	Cash
Dividend rate	0.30 Singapore cents (S\$0.0030) per ordinary share
Tax rate	Tax exempt (one-tier)

(ii) Previous corresponding period (cents)

Name of dividend	First Interim Dividend
Dividend type	Cash
Dividend rate	0.76 Singapore cents (S\$0.0076) per ordinary share
Tax rate	Tax exempt (one-tier)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The proposed first interim dividend is tax exempt (one-tier) dividend.

(d) The date the dividend is payable.

The dividend will be paid on 29 August 2024.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

The Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 20 August 2024 for the purpose of determining shareholders' entitlements to the first interim tax exempt (one-tier) dividend in respect of the financial period ended 30 June 2024 (the "Interim Dividend").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on 20 August 2024 will be registered to determine shareholders' entitlements to the Interim Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares at 5.00 p.m. on 20 August 2024 will be entitled to the Interim Dividend.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not obtain a general mandate from shareholders for IPT.

There was no IPT of S\$100,000 and above for 1H2024.

14. Negative Confirmation by the Board Pursuant to Rule 705(5)

The Board of Directors of the Company confirms, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the 3-month and 6-month financial period ended 30 June 2024 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

16. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Reference is made to the Company's announcements dated 15 August 2023 and 22 February 2024. ISEC Klang, the Company's 65% indirectly owned subsidiary in Malaysia, has increased its share capital from RM100,000 to RM1,000,000 in 1H2024 through issuance of shares allotted to the existing shareholders of ISEC Klang in equal proportion to their existing shareholdings. ISEC Klang has a net asset value (unaudited) of approximately RM817,000 as at 30 June 2024. The subscription of new shares in ISEC Klang by the Group is not expected to have any material impact on the consolidated net tangible assets per share or earnings per share of the Group for the financial year ending 31 December 2024.

BY ORDER OF THE BOARD

Dr Lee Hung Ming

Executive Vice Chairman
12 August 2024

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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