



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

Condensed Interim Financial Statements  
For the six months and full year ended 31 December 2023

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

<i>Voluntary Disclosure</i>										
Note	Group 3 Months Ended			Group 6 Months Ended			Group 12 Months Ended			
	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Unaudited) S\$'000	Change %	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Unaudited) S\$'000	Change %	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000	Change %	
Revenue	4	17,498	17,349	1%	35,612	35,019	2%	69,994	62,954	11%
Cost of sales		(9,853)	(9,524)	3%	(19,865)	(19,084)	4%	(38,958)	(34,187)	14%
<b>Gross profit</b>		7,645	7,825	-2%	15,747	15,935	-1%	31,036	28,767	8%
<b><i>Other item of income</i></b>										
Other income		134	158	-15%	227	255	-11%	471	450	5%
<b><i>Other items of expense</i></b>										
Selling and distribution expenses		(47)	(47)	0%	(78)	(67)	16%	(129)	(119)	8%
Administrative expenses		(3,169)	(2,928)	8%	(6,069)	(5,671)	7%	(12,130)	(10,312)	18%
Other expenses		(230)	(268)	-14%	(408)	(749)	-46%	(1,283)	(1,452)	-12%
Finance costs		(156)	(167)	-7%	(297)	(342)	-13%	(651)	(555)	17%
Share of results of associate		-	-	NM	-	-	NM	-	(1)	-100%
<b>Profit before income tax</b>		4,177	4,573	-9%	9,122	9,361	-3%	17,314	16,778	3%
Income tax expense	6	(1,096)	(1,052)	4%	(2,192)	(2,201)	0%	(4,164)	(4,050)	3%
<b>Profit for the financial period/year</b>		<b>3,081</b>	<b>3,521</b>	<b>-12%</b>	<b>6,930</b>	<b>7,160</b>	<b>-3%</b>	<b>13,150</b>	<b>12,728</b>	<b>3%</b>



**ISEC HEALTHCARE LTD.**

(Company Registration No.201400185H)

**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>								
	<b>Group</b>			<b>Group</b>			<b>Group</b>		
	<b>3 Months Ended</b>			<b>6 Months Ended</b>			<b>12 Months Ended</b>		
	<b>31 December</b>	<b>31 December</b>	<b>Change</b>	<b>31 December</b>	<b>31 December</b>	<b>Change</b>	<b>31 December</b>	<b>31 December</b>	<b>Change</b>
<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>		
<b>(Unaudited)</b>	<b>(Unaudited)</b>		<b>(Unaudited)</b>	<b>(Unaudited)</b>		<b>(Unaudited)</b>	<b>(Audited)</b>		
<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	
Depreciation of property, plant and equipment – cost of sales	176	182	-3%	352	367	-4%	715	705	1%
Depreciation of right-of-use assets – cost of sales	171	145	18%	322	291	11%	623	551	13%
Depreciation of property, plant and equipment – administrative expenses	193	122	58%	379	261	45%	750	463	62%
Depreciation of right-of-use assets – administrative expenses	323	304	6%	649	608	7%	1,267	1,197	6%
Amortisation of intangible assets – other expenses	132	132	0%	265	265	0%	530	530	0%
Amortisation of intangible assets – administrative expenses	1	2	-50%	2	3	-33%	4	9	-56%
Interest income	(71)	(65)	9%	(138)	(112)	23%	(294)	(223)	32%
Interest income – net investment in sublease	(1)	(1)	0%	(1)	(1)	0%	(2)	(3)	-33%
Other income – government grants	(57)	(76)	-25%	(66)	(97)	-32%	(110)	(154)	-29%
Other income – rental rebate	-	-	NM	-	-	NM	-	(3)	-100%
Other income – gain on lease modification	(10)	(8)	25%	(10)	(8)	25%	(10)	(8)	25%
Interest expense – lease liabilities	120	111	8%	229	215	7%	455	366	24%

**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 (cont'd):

	<i>Voluntary Disclosure</i>								
	<b>Group</b>			<b>Group</b>			<b>Group</b>		
	<b>3 Months Ended</b>			<b>6 Months Ended</b>			<b>12 Months Ended</b>		
	<b>31 December</b>	<b>31 December</b>	<b>Change</b>	<b>31 December</b>	<b>31 December</b>	<b>Change</b>	<b>31 December</b>	<b>31 December</b>	<b>Change</b>
<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>		
<b>(Unaudited)</b>	<b>(Unaudited)</b>		<b>(Unaudited)</b>	<b>(Unaudited)</b>		<b>(Unaudited)</b>	<b>(Audited)</b>		
<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	
Interest expense – loans	22	17	29%	42	43	-2%	96	84	14%
Loss on exchange differences - net	83	122	-32%	116	425	-73%	724	681	6%
Gain on disposal of property, plant and equipment	-	-	NM	-	-	NM	-	(2)	-100%
Property, plant and equipment written-off	-	19	-100%	7	20	-65%	7	24	-71%
Allowance for/(write-back of) expected credit losses, net	37	(26)	NM	40	9	>100%	22	28	-21%
Bad debts written off	-	33	-100%	-	33	-100%	-	33	-100%
Loss on disposal of associate	-	-	NM	-	-	NM	-	155	-100%
Share-based compensation expense	16	5	>100%	41	10	>100%	94	31	>100%
Forfeiture of share options	-	(2)	-100%	-	(28)	-100%	-	(28)	-100%

NM – Not meaningful

**B. Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	16,998	16,316	70	86
Right-of-use assets	10	9,843	10,877	127	162
Intangible assets - goodwill	11	52,242	54,215	-	-
Intangible assets - others	11	628	1,074	-	-
Investment in subsidiaries		-	-	62,487	62,487
Investment in associate		-	-	-	-
Net investment in sublease	10	107	-	-	-
Deferred tax assets		268	196	11	7
		<u>80,086</u>	<u>82,678</u>	<u>62,695</u>	<u>62,742</u>
<b>Current assets</b>					
Inventories		2,235	1,874	-	-
Trade receivables, net <sup>(1)</sup>		4,302	4,093	-	-
Other receivables and deposits		689	656	17,386	14,807
Prepayments		334	293	27	28
Net investment in sublease	10	54	50	-	-
Current income tax assets		3	18	-	-
Cash and cash equivalents <sup>(1)</sup>		19,404	20,633	1,958	5,045
		<u>27,021</u>	<u>27,617</u>	<u>19,371</u>	<u>19,880</u>
<b>TOTAL ASSETS</b>		<u>107,107</u>	<u>110,295</u>	<u>82,066</u>	<u>82,622</u>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	14	76,138	75,484	76,138	75,484
Treasury share reserve	15	-	(105)	-	(105)
Other reserves	16	(12,905)	(10,561)	128	142
Retained earnings		17,476	15,054	5,389	6,621
<b>Equity attributable to owners of Company</b>		<u>80,709</u>	<u>79,872</u>	<u>81,655</u>	<u>82,142</u>
Non-controlling interests	12	1,441	1,470	-	-
<b>TOTAL EQUITY</b>		<u>82,150</u>	<u>81,342</u>	<u>81,655</u>	<u>82,142</u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Other payables		-	1,040	-	-
Borrowings	13	1,327	1,767	-	-
Lease liabilities	10	8,776	9,573	97	131
Deferred tax liabilities		150	299	-	-
Provisions		235	178	14	13
		<u>10,488</u>	<u>12,857</u>	<u>111</u>	<u>144</u>

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

	Note	Group		Company	
		31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
<b>Current liabilities</b>					
Trade payables		1,825	1,980	-	-
Other payables		3,412	4,588	20	59
Advances and contract liabilities		412	674	-	-
Accrued expenses		1,105	933	138	130
Payroll payable		3,838	3,604	98	106
Borrowings	13	843	826	-	-
Lease liabilities	10	1,614	1,652	34	33
Current income tax payable		1,420	1,829	10	8
Provisions		-	10	-	-
		14,469	16,096	300	336
<b>TOTAL LIABILITIES</b>		24,957	28,953	411	480
<b>TOTAL EQUITY AND LIABILITIES</b>		107,107	110,295	82,066	82,622

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

	Group		Company	
	31 December 2023 S\$'000	31 December 2022 S\$'000	31 December 2023 S\$'000	31 December 2022 S\$'000
<b>Trade receivables, net denominated in the following currencies:</b>				
Singapore Dollar	1,683	1,393	-	-
Ringgit Malaysia	2,598	2,679	-	-
Myanmar Kyat	21	21	-	-
	4,302	4,093	-	-
<b>Cash and cash equivalents denominated in the following currencies:</b>				
Singapore Dollar	4,958	8,970	1,958	5,045
Ringgit Malaysia	13,466	10,978	-	-
Myanmar Kyat	862	623	-	-
United States Dollar	118	62	-	-
	19,404	20,633	1,958	5,045



**C. Condensed Interim Consolidated Statements of Cash Flows**

	<i>Voluntary Disclosure</i>					
	Group		Group		Group	
	3 Months Ended		6 Months Ended		12 Months Ended	
Note	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Unaudited) S\$'000	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Unaudited) S\$'000	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
<b>Cash flows from operating activities</b>						
Profit before income tax	4,177	4,573	9,122	9,361	17,314	16,778
Adjustments for:						
Allowance for/(write-back of) expected credit losses, net	37	(26)	40	9	22	28
Amortisation of intangible assets	11 133	134	267	268	534	539
Depreciation of property, plant and equipment	9 369	304	731	628	1,465	1,168
Depreciation of right-of-use assets	10 494	449	971	899	1,890	1,748
Interest income	(72)	(66)	(139)	(113)	(296)	(226)
Interest expense	156	167	297	342	651	555
Gain on lease modification	(10)	(8)	(10)	(8)	(10)	(8)
Gain on disposal of property, plant and equipment	-	-	-	-	-	(2)
Other income from rental rebates	10 -	-	-	-	-	(3)
Property, plant and equipment written-off	9 -	19	7	20	7	24
Write-back of provision for restoration costs	(9)	(21)	(9)	(21)	(9)	(21)
Bad debts written off	-	33	-	33	-	33
Loss on disposal of associate	-	-	-	-	-	155
Share of results of associate	-	-	-	-	-	1
Share-based compensation expense	16	5	41	10	94	31
Forfeiture of share options	-	(2)	-	(28)	-	(28)
Operating cash flows before working capital changes	5,291	5,561	11,318	11,400	21,662	20,772
Working capital changes:						
- Inventories	(80)	22	(117)	(185)	(467)	(496)
- Trade and other receivables	561	83	914	560	103	542
- Prepayments	51	25	5	(8)	(44)	(31)
- Trade and other payables	951	(7)	38	110	648	521
Cash generated from operations	6,774	5,684	12,158	11,877	21,902	21,308
Income tax paid, net	(1,435)	(1,003)	(2,814)	(2,400)	(4,731)	(3,460)
<b>Net cash generated from operating activities</b>	<b>5,339</b>	<b>4,681</b>	<b>9,344</b>	<b>9,477</b>	<b>17,171</b>	<b>17,848</b>

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

	Note	<i>Voluntary Disclosure</i>					
		Group		Group		Group	
		3 Months Ended		6 Months Ended		12 Months Ended	
		31 December 2023 (Unaudited) S\$'000	31 December 2022 (Unaudited) S\$'000	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Unaudited) S\$'000	31 December 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
<b>Cash flows from investing activities</b>							
Proceeds from disposal of property, plant and equipment		-	-	-	-	3	
Purchase of property, plant and equipment	9	(1,115)	(1,658)	(1,851)	(3,490)	(5,713)	
Purchase of intangible assets	11	(79)	(2)	(79)	(2)	(2)	
Interest received		70	66	136	112	223	
Payment to vendors <sup>(1) (2)</sup>		-	-	-	-	(577)	
Acquisition of a subsidiaries, net of cash acquired		-	-	-	-	(5,534)	
<b>Net cash used in investing activities</b>		<b>(1,124)</b>	<b>(1,594)</b>	<b>(1,794)</b>	<b>(3,380)</b>	<b>(6,432)</b>	
<b>Cash flows from financing activities</b>							
Advances from non-controlling interests		1,026	-	1,026	-	1,182	
Dividends paid		-	-	(4,361)	(2,747)	(4,398)	
Subscription of share in a subsidiary by non-controlling interest		10	293	10	293	293	
Share issue expenses	14	-	-	-	-	(16)	
Proceeds from exercise of share options		46	-	181	-	651	
Principal element of lease liabilities, net	10	(449)	(490)	(839)	(902)	(1,770)	
Interest paid – lease liabilities	10	(119)	(111)	(228)	(214)	(363)	
Proceeds from bank loan		507	-	507	-	507	
Repayment of loan		(206)	(212)	(403)	(426)	(844)	
Interest paid – loan		(22)	(7)	(42)	(27)	(69)	
<b>Net cash generated from/(used in) financing activities</b>		<b>793</b>	<b>(527)</b>	<b>(4,149)</b>	<b>(4,023)</b>	<b>(11,305)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,008</b>	<b>2,560</b>	<b>3,401</b>	<b>2,074</b>	<b>(566)</b>	
Cash and cash equivalents at beginning of financial period/year		14,563	18,257	16,100	19,073	22,494	
Effects of exchange rate changes on cash and cash equivalents		(167)	(184)	(97)	(514)	(942)	
<b>Cash and cash equivalents at end of financial period/year</b>		<b>19,404</b>	<b>20,633</b>	<b>19,404</b>	<b>20,633</b>	<b>19,404</b>	

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

- (1) The Group acquired IE Centre Sdn. Bhd. ("IE Centre") and Kampar Eye Sdn. Bhd. ("Kampar Eye") on 26 May 2022. In the current financial year, 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.
- (2) The Group acquired Indah Specialist Eye Centre Sdn. Bhd. ("Indah Specialist") on 27 February 2020. In prior financial year, the remaining 10% balance of the total cash consideration of RM1,793,280 (equivalent to S\$577,000) was paid to the vendors as final settlement of the total cash consideration. 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									
	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	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2023</b>	75,484	(105)	(2,668)	(3,572)	(4,463)	142	15,054	79,872	1,470	81,342
<b>Profit for the financial period</b>	-	-	-	-	-	-	6,131	6,131	89	6,220
<b>Other comprehensive income</b>										
Foreign currency translation	-	-	(2,001)	-	-	-	-	(2,001)	(111)	(2,112)
<b>Total comprehensive income for the financial period</b>	-	-	(2,001)	-	-	-	6,131	4,130	(22)	4,108
<b>Transactions with owners of the Company</b>										
Issuance of ordinary shares <sup>(1)</sup>	549	-	-	-	-	(79)	-	470	-	470
Treasury shares transferred <sup>(2)</sup>	(105)	105	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(6,180)	(6,180)	-	(6,180)
Share-based compensation expense <sup>(3)</sup>	-	-	-	-	-	53	-	53	-	53
<b>Total transactions with owners of the Company</b>	<b>444</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26)</b>	<b>(6,180)</b>	<b>(5,657)</b>	<b>-</b>	<b>(5,657)</b>
<b>At 30 June 2023</b>	<b>75,928</b>	<b>-</b>	<b>(4,669)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>116</b>	<b>15,005</b>	<b>78,345</b>	<b>1,448</b>	<b>79,793</b>

- (1) On 22 June 2023, the Company issued and allotted 1,235,072 ordinary shares in the share capital of the Company (the "New Shares"), at an issue price of S\$0.29 per New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issue and allotment of the 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)**

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		
	Note										
<b>At 1 July 2023</b>		<b>75,928</b>	<b>-</b>	<b>(4,669)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>116</b>	<b>15,005</b>	<b>78,345</b>	<b>1,448</b>	<b>79,793</b>
<b>Profit for the financial period</b>		-	-	-	-	-	-	3,793	3,793	56	3,849
<b>Other comprehensive income</b>											
Foreign currency translation		-	-	221	-	-	-	-	221	(36)	185
<b>Total comprehensive income for the financial period</b>		-	-	<b>221</b>	-	-	-	<b>3,793</b>	<b>4,014</b>	<b>20</b>	<b>4,034</b>
<b>Transactions with owners of the Company</b>											
Issuance of ordinary shares <sup>(1)</sup>		157	-	-	-	-	(22)	-	135	-	135
Dividends	18	-	-	-	-	-	-	(4,361)	(4,361)	-	(4,361)
Share-based compensation expense <sup>(2)</sup>		-	-	-	-	-	25	-	25	-	25
<b>Total transactions with owners of the Company</b>		<b>157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>(4,361)</b>	<b>(4,201)</b>	<b>-</b>	<b>(4,201)</b>
<b>At 30 September 2023</b>		<b>76,085</b>	<b>-</b>	<b>(4,448)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>119</b>	<b>14,437</b>	<b>78,158</b>	<b>1,468</b>	<b>79,626</b>

(1) On 4 September 2023, the Company issued and allotted 465,250 ordinary shares in the share capital of the Company (the "3Q2023 New Shares"), at an issue price of S\$0.29 per 3Q2023 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issue and allotment of the 3Q2023 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 573,851,678 ordinary shares to 574,316,928 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.

**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		
<b>At 1 October 2023</b>	<b>76,085</b>	-	<b>(4,448)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>119</b>	<b>14,437</b>	<b>78,158</b>	<b>1,468</b>	<b>79,626</b>
<b>Profit for the financial period</b>	-	-	-	-	-	-	3,039	3,039	42	3,081
<b>Other comprehensive income</b>										
Foreign currency translation	-	-	(550)	-	-	-	-	(550)	(79)	(629)
<b>Total comprehensive income for the financial period</b>	-	-	<b>(550)</b>	-	-	-	<b>3,039</b>	<b>2,489</b>	<b>(37)</b>	<b>2,452</b>
<b>Transactions with owners of the Company</b>										
Issuance of ordinary shares <sup>(1)</sup>	53	-	-	-	-	(7)	-	46	-	46
Share-based compensation expense <sup>(2)</sup>	-	-	-	-	-	16	-	16	-	16
<b>Total transactions with owners of the Company</b>	<b>53</b>	-	-	-	-	<b>9</b>	-	<b>62</b>	-	<b>62</b>
<b>Transaction with non-controlling interest</b>										
Subscription of share in a subsidiary by non-controlling interest <sup>(3)</sup>	-	-	-	-	-	-	-	-	10	10
<b>Total transaction with non-controlling interests</b>	-	-	-	-	-	-	-	-	<b>10</b>	<b>10</b>
<b>At 31 December 2023</b>	<b>76,138</b>	-	<b>(4,998)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>128</b>	<b>17,476</b>	<b>80,709</b>	<b>1,441</b>	<b>82,150</b>

(1) On 1 December 2023, the Company issued and allotted 156,984 ordinary shares in the share capital of the Company (the "4Q2023 New Shares"), at an issue price of S\$0.29 per 4Q2023 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issue and allotment of the 4Q2023 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 574,316,928 ordinary shares to 574,473,912 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) During the 3 months financial period ended 31 December 2023, ISEC (Klang) Sdn. Bhd. ("ISEC Klang"), a 65%-owned indirect subsidiary of the Company through its wholly-owned subsidiary, ISEC Sdn. Bhd., increased its share capital from S\$29 (equivalent to RM100) to S\$29,000 (equivalent to RM100,000), through issuance of shares allotted to the existing shareholders of the subsidiary 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										
		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	Non-controlling interests	Total equity
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 January 2022</b>		<b>70,068</b>	<b>(105)</b>	<b>(245)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>139</b>	<b>6,932</b>	<b>68,754</b>	<b>553</b>	<b>69,307</b>
<b>Profit for the financial period</b>		-	-	-	-	-	-	5,484	5,484	84	5,568
<b>Other comprehensive income</b>											
Foreign currency translation		-	-	(803)	-	-	-	-	(803)	1	(802)
<b>Total comprehensive income for the financial period</b>		-	-	<b>(803)</b>	-	-	-	<b>5,484</b>	<b>4,681</b>	<b>85</b>	<b>4,766</b>
<b>Transactions with owners of the Company</b>											
Issuance of ordinary shares <sup>(1)</sup>		5,472	-	-	-	-	-	-	5,472	-	5,472
Share issue expenses		(16)	-	-	-	-	-	-	(16)	-	(16)
Dividends	18	-	-	-	-	-	(1,651)	(1,651)	(1,651)	-	(1,651)
Share-based compensation expense <sup>(2)</sup>		-	-	-	-	-	21	-	21	-	21
<b>Total transactions with owners of the Company</b>		<b>5,456</b>	-	-	-	-	<b>21</b>	<b>(1,651)</b>	<b>3,826</b>	-	<b>3,826</b>
<b>Transaction with non-controlling interests</b>											
Arising from acquisition <sup>(3)</sup>		-	-	-	-	-	-	-	-	403	403
<b>Total transaction with non-controlling interests</b>		-	-	-	-	-	-	-	-	<b>403</b>	<b>403</b>
<b>At 30 June 2022</b>		<b>75,524</b>	<b>(105)</b>	<b>(1,048)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>160</b>	<b>10,765</b>	<b>77,261</b>	<b>1,041</b>	<b>78,302</b>

(1) On 26 May 2022, the Company, through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), completed the acquisition of IE Centre Sdn. Bhd. ("IE Centre") and Kampar Eye Sdn. Bhd. ("Kampar Eye"), by way of the allotment and issuance of 21,881,135 consideration shares, equivalent to fair value consideration of S\$5,472,000 to the Vendors.

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

(3) On 26 May 2022, the Company, through its wholly-owned subsidiary, ISEC KL, completed the acquisition of 50% plus 1 ordinary share each of ME Centre Sdn Bhd ("ME Centre"), TE Centre Sdn Bhd ("TE Centre") and Taiping Eye Sdn Bhd ("Taiping Eye") respectively, by way of subscription of 500,001 new ordinary shares in each of the respective entities at an offer price of approximately \$0.315 (RM1.00) per share, with total net identifiable assets at fair value of S\$807,000 (equivalent to RM2,555,000).

**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	Equity attributable to owners of the company		
Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 July 2022	75,524	(105)	(1,048)	(3,572)	(4,463)	160	10,765	77,261	1,041	78,302	
<b>Profit for the financial period</b>	-	-	-	-	-	-	3,618	3,618	21	3,639	
<b>Other comprehensive income</b>											
Foreign currency translation	-	-	(987)	-	-	-	-	(987)	(8)	(995)	
<b>Total comprehensive income for the financial period</b>	-	-	(987)	-	-	-	3,618	2,631	13	2,644	
<b>Transactions with owners of the Company</b>											
Dividends	-	-	-	-	-	-	(2,747)	(2,747)	-	(2,747)	
Share-based compensation expense <sup>(1)</sup>	-	-	-	-	-	5	-	5	-	5	
Forfeiture of share options <sup>(2)</sup>	-	-	-	-	-	(26)	-	(26)	-	(26)	
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	(21)	(2,747)	(2,768)	-	(2,768)	
<b>At 30 September 2022</b>	<b>75,524</b>	<b>(105)</b>	<b>(2,035)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>139</b>	<b>11,636</b>	<b>77,124</b>	<b>1,054</b>	<b>78,178</b>	

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

(2) The forfeiture of share options refers to participants who left the Group and hence no longer eligible for the options as at 30 September 2022.



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

Group (Unaudited)	Attributable to owners of the Company										
		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	Non-controlling interests	Total equity
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 October 2022</b>		<b>75,524</b>	<b>(105)</b>	<b>(2,035)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>139</b>	<b>11,636</b>	<b>77,124</b>	<b>1,054</b>	<b>78,178</b>
<b>Profit for the financial period</b>		-	-	-	-	-	-	3,418	3,418	103	3,521
<b>Other comprehensive income</b>											
Foreign currency translation		-	-	(633)	-	-	-	-	(633)	(3)	(636)
<b>Total comprehensive income for the financial period</b>		-	-	<b>(633)</b>	-	-	-	<b>3,418</b>	<b>2,785</b>	<b>100</b>	<b>2,885</b>
<b>Transactions with owners of the Company</b>											
Fair valuation of the ordinary shares issued <sup>(1)</sup>		(40)	-	-	-	-	-	-	(40)	-	(40)
Share-based compensation expense <sup>(2)</sup>		-	-	-	-	-	5	-	5	-	5
Forfeiture of share options <sup>(3)</sup>		-	-	-	-	-	(2)	-	(2)	-	(2)
<b>Total transactions with owners of the Company</b>		<b>(40)</b>	-	-	-	-	<b>3</b>	-	<b>(37)</b>	-	<b>(37)</b>
<b>Transactions with non-controlling interests</b>											
Subscription of share in a subsidiary by non-controlling interest <sup>(4)</sup>		-	-	-	-	-	-	-	-	293	293
Arising from fair valuation of acquisition <sup>(5)</sup>		-	-	-	-	-	-	-	-	23	23
<b>Total transactions with non-controlling interests</b>		-	-	-	-	-	-	-	-	<b>316</b>	<b>316</b>
<b>At 31 December 2022</b>		<b>75,484</b>	<b>(105)</b>	<b>(2,668)</b>	<b>(3,572)</b>	<b>(4,463)</b>	<b>142</b>	<b>15,054</b>	<b>79,872</b>	<b>1,470</b>	<b>81,342</b>

(1) On 26 May 2022, the Company, through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), completed the acquisition of IE Centre Sdn. Bhd. ("IE Centre") and Kampar Eye Sdn. Bhd. ("Kampar Eye"), by way of the allotment and issuance of 21,881,135 consideration shares, equivalent to fair value consideration of S\$5,472,000 to the Vendors. The fair value consideration was revised from S\$5,472,000 to S\$5,432,000 in 4Q2022 following an independent valuation assessment performed on the consideration shares.

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

(3) The forfeiture of share options refers to participants who left the Group and hence no longer eligible for the options as at 31 December 2022.

(4) During the 3 months financial period ended 31 December 2022, ISEC (Kuching) Sdn. Bhd. ("ISEC Kuching"), a 51% owned indirect subsidiary of the Company through its wholly-owned subsidiary, ISEC KL, increased its share capital from S\$3,000 (equivalent to RM10,000) to S\$602,000 (equivalent to RM2,000,000), through issuance of shares allotted to the existing shareholders of the subsidiary in equal proportion to their existing shareholdings.

(5) The fair value of the net identifiable assets of ME Centre was revised upwards by S\$46,000 (equivalent to RM150,000) following an independent valuation assessment performed.

**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
<b>Company (Unaudited)</b>						
<b>At 1 January 2023</b>		<b>75,484</b>	<b>(105)</b>	<b>142</b>	<b>6,621</b>	<b>82,142</b>
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	4,792	4,792
<b>Transactions with owners of the Company</b>						
Issuance of ordinary shares <sup>(1)</sup>	14	549	-	(79)	-	470
Treasury shares transferred <sup>(2)</sup>	15	(105)	105	-	-	-
Dividends	18	-	-	-	(6,180)	(6,180)
Share-based compensation expense <sup>(3)</sup>		-	-	53	-	53
<b>Total transactions with owners of the Company</b>		<b>444</b>	<b>105</b>	<b>(26)</b>	<b>(6,180)</b>	<b>(5,657)</b>
<b>At 30 June 2023</b>		<b>75,928</b>	<b>-</b>	<b>116</b>	<b>5,233</b>	<b>81,277</b>
<b>At 1 July 2023</b>		<b>75,928</b>	<b>-</b>	<b>116</b>	<b>5,233</b>	<b>81,277</b>
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	4,517	4,517
<b>Transactions with owners of the Company</b>						
Issuance of ordinary shares <sup>(4)</sup>	14	210	-	(29)	-	181
Dividends	18	-	-	-	(4,361)	(4,361)
Share-based compensation expense <sup>(3)</sup>		-	-	41	-	41
<b>Total transactions with owners of the Company</b>		<b>210</b>	<b>-</b>	<b>12</b>	<b>(4,361)</b>	<b>(4,139)</b>
<b>At 31 December 2023</b>		<b>76,138</b>	<b>-</b>	<b>128</b>	<b>5,389</b>	<b>81,655</b>

(1) On 22 June 2023, the Company issued and allotted 1,235,072 ordinary shares in the share capital of the Company (the "New Shares"), at an issue price of S\$0.29 per New Share, respectively, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issue and allotment of the 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.

(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.

(4) On 4 September 2023 and 1 December 2023, the Company issued and allotted 465,250 and 156,984 ordinary shares, respectively in the share capital of the Company (collectively "2H23023 New Shares"), at an issue price of S\$0.29 per 2H2023 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issue and allotment of the 2H2023 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 573,851,678 ordinary shares to 574,473,912 ordinary shares.

**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
<b>Company (Unaudited)</b>						
<b>At 1 January 2022</b>		<b>70,068</b>	<b>(105)</b>	<b>139</b>	<b>2,474</b>	<b>72,576</b>
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	2,412	2,412
<b>Transactions with owners of the Company</b>						
Issuance of ordinary shares <sup>(1)</sup>	14	5,472	-	-	-	5,472
Share issue expenses	14	(16)	-	-	-	(16)
Dividends	18	-	-	-	(1,651)	(1,651)
Share-based compensation expense <sup>(2)</sup>		-	-	21	-	21
<b>Total transactions with owners of the Company</b>		<b>5,456</b>	<b>-</b>	<b>21</b>	<b>(1,651)</b>	<b>3,826</b>
<b>At 30 June 2022</b>		<b>75,524</b>	<b>(105)</b>	<b>160</b>	<b>3,235</b>	<b>78,814</b>
<b>At 1 July 2022</b>		<b>75,524</b>	<b>(105)</b>	<b>160</b>	<b>3,235</b>	<b>78,814</b>
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	6,133	6,133
<b>Transactions with owners of the Company</b>						
Fair valuation of the ordinary shares issued <sup>(1)</sup>	14	(40)	-	-	-	(40)
Dividends	18	-	-	-	(2,747)	(2,747)
Share-based compensation expense <sup>(2)</sup>		-	-	10	-	10
Forfeiture of share options <sup>(3)</sup>		-	-	(28)	-	(28)
<b>Total transactions with owners of the Company</b>		<b>(40)</b>	<b>-</b>	<b>(18)</b>	<b>(2,747)</b>	<b>(2,805)</b>
<b>At 31 December 2022</b>		<b>75,484</b>	<b>(105)</b>	<b>142</b>	<b>6,621</b>	<b>82,142</b>

(1) On 26 May 2022, the Company, through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), completed the acquisition of IE Centre Sdn. Bhd. ("IE Centre") and Kampar Eye Sdn. Bhd. ("Kampar Eye"), by way of the allotment and issuance of 21,881,135 consideration shares, equivalent to fair value consideration of S\$5,472,000 to the Vendors. The fair value consideration was revised from S\$5,472,000 to S\$5,432,000 in 4Q2022 following an independent valuation assessment performed on the consideration shares.

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

(3) The forfeiture of share options refers to participants who left the Group and hence no longer eligible for the options as at 31 December 2022.

## **E. Notes to the Condensed Interim Financial Statements**

### **1. Corporate information**

ISEC Healthcare Ltd. (the “Company” and together with the 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 (“SGX”).

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.

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.

### **2. Basis of preparation**

The condensed interim financial statements for the six-month period ended 31 December 2023 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 2022.

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/year. 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/year. 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/year 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/year.

**4. Disaggregation of revenue**

	<b>For six-month period ended 31 December</b>					
	<b>General health services</b>		<b>Specialised health services</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Types of goods or services</u>						
Consultation, medication and procedures	1,999	2,212	33,613	32,807	35,612	35,019
<u>Timing of transfer of goods or services</u>						
At a point in time	1,979	2,187	33,613	32,807	35,592	34,994
Over time	20	25	-	-	20	25
	1,999	2,212	33,613	32,807	35,612	35,019

	<b>For twelve-month period ended 31 December</b>					
	<b>General health services</b>		<b>Specialised health services</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Types of goods or services</u>						
Consultation, medication and procedures	3,979	4,440	66,015	58,514	69,994	62,954
<u>Timing of transfer of goods or services</u>						
At a point in time	3,940	4,391	66,015	58,514	69,955	62,905
Over time	39	49	-	-	39	49
	3,979	4,440	66,015	58,514	69,994	62,954

	<b>Group</b>		
	<b>For financial year ended</b>		
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Sales reported for the first half year	34,382	27,935	23%
Operating profit after tax before deducting non-controlling interests reported for first half year	6,220	5,568	12%
Sales reported for second half year	35,612	35,019	2%
Operating profit after tax before deducting non-controlling interests reported for second half year	6,930	7,160	-3%

#### 4. Disaggregation of revenue (cont'd)

##### (a) Contract liabilities

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

	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$'000	\$'000
Contract liabilities, included in advances and contract liabilities	59	56

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:

	<b>For six-month period ended 31 December</b>		<b>For twelve-month period ended 31 December</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	7	5	19	15

##### (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.

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

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

	<b>Group</b>		<b>Group</b>	
	<b>For six-month period ended</b>		<b>For twelve-month period</b>	
	<b>31 December</b>		<b>ended 31 December</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000
<b>Segment revenue</b>				
Specialised health services	33,613	32,807	66,015	58,514
General health services	1,999	2,212	3,979	4,440
	<hr/> 35,612	<hr/> 35,019	<hr/> 69,994	<hr/> 62,954
<b>Segment profit after tax</b>				
Specialised health services	6,532	6,674	12,408	11,786
General health services	398	486	742	942
	<hr/> 6,930	<hr/> 7,160	<hr/> 13,150	<hr/> 12,728
<b>Impairment loss for goodwill</b>				
Specialised health services	-	-	-	-
General health services	-	-	-	-
	<hr/> -	<hr/> -	<hr/> -	<hr/> -
<b>Depreciation of property, plant and equipment and right-of-use assets</b>				
Specialised health services	1,559	1,394	3,079	2,651
General health services	143	133	276	265
	<hr/> 1,702	<hr/> 1,527	<hr/> 3,355	<hr/> 2,916
<b>Additions to property, plant and equipment</b>				
Specialised health services			3,043	5,927
General health services			46	40
			<hr/> 3,089	<hr/> 5,967



**5. Segment information (cont'd)***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		Group	
	For six-month period ended		For twelve-month period	
	31 December		ended 31 December	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Segment revenue</b>				
Singapore	6,083	6,017	12,047	11,342
Malaysia	28,491	27,955	55,960	49,696
Myanmar	1,038	1,047	1,987	1,916
	35,612	35,019	69,994	62,954
<b>Segment profit after tax</b>				
Singapore	792	900	1,428	1,617
Malaysia	5,905	5,949	11,335	10,610
Myanmar	233	311	387	501
	6,930	7,160	13,150	12,728
<b>Impairment loss for goodwill</b>				
Singapore	-	-	-	-
Malaysia	-	-	-	-
Myanmar	-	-	-	-
	-	-	-	-
<b>Depreciation of property, plant and equipment and right-of-use assets</b>				
Singapore	175	171	338	345
Malaysia	1,408	1,253	2,767	2,358
Myanmar	119	133	250	213
	1,702	1,527	3,355	2,916

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

*Geographical information (cont'd)*

	<b>Group</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$'000	\$'000
<b>Additions to property, plant and equipment</b>		
Singapore	51	127
Malaysia	2,974	5,816
Myanmar	64	24
	3,089	5,967
	3,089	5,967

*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 (FY2022: 1) corporate customer, which in total had contributed to 9% (FY2022: 8%) of the Group's total revenue for the financial year ended 31 December 2023.

**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:

	<b>Group</b>		<b>Group</b>	
	<b>For six-month period ended 31 December</b>		<b>For twelve-month period ended 31 December</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	2,358	2,264	4,384	4,162
Deferred income tax (credit) relating to origination and reversal of temporary differences	(166)	(63)	(220)	(112)
	2,192	2,201	4,164	4,050
	2,192	2,201	4,164	4,050

**7. Net Asset Value**

	<b>Group</b>		<b>Company</b>	
	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Net asset value attributable to owners of the Company (S\$'000)	80,709	79,872	81,655	82,142
Number of ordinary shares in issue (excluding treasury shares)	574,473,912	572,230,206	574,473,912	572,230,206
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
<b>Cost</b>									
At 1 January 2022	594	565	55	7,019	656	2,346	1,300	5,271	17,806
Acquisition of subsidiaries	23	91	7	690	284	344	778	708	2,925
Additions	391	1,349	-	864	284	679	853	1,547	5,967 <sup>(1)</sup>
Disposals	(13)	-	-	-	-	-	-	-	(13)
Written-off	(8)	(437)	-	(715)	(85)	(547)	-	-	(1,792)
Reclassification	-	-	-	-	-	30	(1,494)	1,464	-
Currency translation differences	(50)	(43)	(4)	(554)	(74)	(172)	(188)	(341)	(1,426)
At 31 December 2022 and 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 <sup>(1)</sup>
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	966	1,434	54	7,560	1,055	2,704	3,050	8,234	25,057

(1) During the financial year ended 31 December 2023, \$40,000 (FY2022: \$437,000) of the property, plant and equipment purchased remained unpaid and was included in other payables of the financial statements. The remaining \$68,000 (FY2022: \$52,000) of the 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
<b>Accumulated depreciation</b>									
At 1 January 2022	492	481	45	5,086	510	1,764	-	-	8,378
Depreciation charge for the year	86	63	11	705	102	201	-	-	1,168
Disposals	(12)	-	-	-	-	-	-	-	(12)
Written-off	(8)	(432)	-	(710)	(83)	(535)	-	-	(1,768)
Currency translation differences	(31)	(30)	(3)	(379)	(51)	(121)	-	-	(615)
At 31 December 2022 and 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)
At 31 December 2023	616	221	52	5,060	557	1,471	-	82	8,059
<b>Carrying amount</b>									
At 31 December 2022	410	1,443	5	2,602	587	1,371	1,249	8,649	16,316
At 31 December 2023	350	1,213	2	2,500	498	1,233	3,050	8,152	16,998

Assets under construction

Included in the Group's property, plant and equipment of S\$3,050,000 (FY2022: \$1,249,000) as at 31 December 2023 mainly relates to the acquisition of land and building and expenditures on renovation of clinics 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 are 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:

	<b>Clinic/office premises \$'000</b>	<b>Motor vehicle \$'000</b>	<b>Medical equipment \$'000</b>	<b>Total \$'000</b>
<b>Group</b>				
At 1 January 2022	5,650	12	720	6,382
Acquisition of subsidiaries	3,659	-	639	4,298
Additions	1,703	-	748	2,451
Lease modification	(16)	-	-	(16)
Depreciation charge for the year	(1,193)	(4)	(551)	(1,748)
Currency translation differences	(433)	(1)	(56)	(490)
<hr/>				
At 31 December 2022 and 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	8,204	3	1,636	9,843
<hr/>				

\* Less than \$1,000

Lease modification during the current financial year relates to the reduction of the lease period in the existing/past leases of an office premise and a medical equipment. In the previous financial year, the lease modification relates to the price revision and/or extension of the lease period in the existing/past leases of two clinic/office premises.

**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:

	<b>Group</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$'000	\$'000
Beginning of financial year	11,225	6,772
Acquisition of subsidiaries	-	4,361
Additions	1,588	2,451
Lease modification	(35)	(24)
Interest expense	455	366
Payments, net	(2,282)	(2,194)
Rental rebates	-	(3)
Currency translation differences	(561)	(504)
	<hr/>	<hr/>
End of financial year	10,390	11,225
	<hr/> <hr/>	<hr/> <hr/>
Current	1,614	1,652
Non-current	8,776	9,573
	<hr/> <hr/>	<hr/> <hr/>

Lease modification during the current financial year relates to the reduction of the lease period in the existing/past leases of an office premise and a medical equipment. In the previous financial year, the lease modification relates to the price revision and/or extension of the lease period in the existing/past leases of two clinic/office premises.

**(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:

	<b>Group</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$'000	\$'000
Beginning of financial year	50	108
Accretion of interest income	2	3
Addition	170	-
Receipts, net	(61)	(61)
	<hr/>	<hr/>
End of financial year	161	50
	<hr/> <hr/>	<hr/> <hr/>
Current	54	50
Non-current	107	-
	<hr/> <hr/>	<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:

	<b>Group</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$'000	\$'000
Depreciation of right-of-use assets	1,890	1,748
Interest expense on lease liabilities	455	366
Interest income on sublease	(2)	(3)
Rental rebates	-	(3)
Gain on lease modification	(10)	(8)
Lease expenses not capitalised in lease liabilities		
- Expenses relating to leases of short-term leases (included in administrative expenses)	50	92
- Expenses relating to leases of short-term leases (included in cost of sales)	3	3
- Expenses relating to leases of low-value leases (included in administrative expenses)	13	11
	<hr/>	<hr/>
Total amount recognised in profit or loss	2,399	2,206
	<hr/> <hr/>	<hr/> <hr/>

**(e) Total cash outflow**

The Group had total cash outflows for leases (including short-term and low-value leases) of \$2,287,000 as at 31 December 2023 (FY2022: \$2,239,000), net of receipts from sublease and rental rebates.

**(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.



**11. Intangible assets**

<b>Group</b>	<b>Computer software \$'000</b>	<b>Software under development \$'000</b>	<b>Goodwill \$'000</b>	<b>Contractual relationship \$'000</b>	<b>Customer relationships \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>						
As at 1 January 2022	537	149	41,865	5,300	155	48,006
Acquisition of a subsidiary	2	-	-	-	-	2
Additions	2	-	14,111	-	-	14,113
Currency translation differences	(32)	(9)	(1,761)	-	-	(1,802)
At 31 December 2022 and 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	489	219	52,242	5,300	155	58,405
<b>Accumulated amortisation</b>						
At 1 January 2022	524	-	-	3,843	155	4,522
Amortisation for the year	9	-	-	530	-	539
Currency translation differences	(31)	-	-	-	-	(31)
At 31 December 2022 and 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	477	-	-	4,903	155	5,535
<b>Carrying amount</b>						
At 31 December 2022	7	140	54,215	927	-	55,289
At 31 December 2023	12	219	52,242	397	-	52,870

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 are not subjected to amortisation and are 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 cash-generating units ("CGUs") that are expected to benefit from the business combinations.

	31 December 2023 \$'000	31 December 2022 \$'000
<b>Goodwill</b>		
<i>ISEC Eye Pte. Ltd. ("ISEC Eye")</i>	7,970	7,970
<i>Southern Specialist Eye Centre Sdn. Bhd. ("SSEC")</i>	10,781	11,437
<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>	8,732	9,265
<i>IE Centre Sdn. Bhd. ("IE Centre")</i>	10,984	11,654
<i>Kampar Eye Sdn. Bhd. ("Kampar Eye")</i>	1,830	1,942
<i>TE Centre Sdn. Bhd. ("TE Centre")</i>	16	17
<i>ME Centre Sdn. Bhd. ("ME Centre")</i>	12	12
<i>Taipung Eye Sdn. Bhd. ("Taiping Eye")</i>	15	16
	52,242	54,215

The Group has assessed that there is no further impairment to the carrying amount of goodwill as at 31 December 2023 based on the CGU's business performance. The recoverable amounts of the CGUs have been determined based on the cash flow forecasts of the respective CGUs from financial budgets approved by management that uses a number of significant operational and predictive assumptions, covering a five-year period and projection to terminal year. The key assumptions for the value-in-use calculations are those regarding the revenue, terminal growth rates, and the pre-tax discount rates as follows:

	Revenue growth rate		Terminal growth rate		Pre-tax discount rate	
	2024 to 2028 %	2023 to 2027 %	2023 %	2022 %	2023 %	2022 %
ISEC Eye	3 – 6	3	1.0	1.0	17	17
SSEC	3 – 6	5 – 7	3.0	3.0	15	15
JLMBB	4 – 6	4	2.0	2.0	10	10
JLMS	2 – 3	3	2.0	2.0	10	10
JLMW	4 – 5	4	2.0	2.0	10	10
JLMYT	4	3 – 8	2.0	2.0	10	10

**11. Intangible assets (cont'd)**

	Revenue growth rate		Terminal growth rate		Pre-tax discount rate	
	2024 to 2028	2023 to 2027	2023	2022	2023	2022
	%	%	%	%	%	%
Indah						
Specialist	6 – 9	6 – 8	3.0	3.0	15	15
IE Centre	5 – 7	3 – 6	3.0	3.0	15	15
Kampar Eye	5 – 8	2 – 5	3.0	3.0	15	15

Management estimates the discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risks specific to each CGU. The revenue and terminal growth rates are based on management's estimates and expectations from historical trends, market and economic conditions, industry indices and planned strategies on revenue growth and cost initiatives.

**Key assumptions used in the value in use calculations**

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Revenue growth rates – The forecasted revenue growth rates are based on management's expectations for each CGU from historical trends and planned business strategies, as well as long-term average growth rates of the healthcare industry in the respective countries.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its CGUs and derived from its weighted average cost of capital ("WACC").

**Sensitivity analysis**

Management has determined the most likely revenue growth rates scenario from the alternate sets of cash flow scenarios based on their best estimates on the expectations for each CGU. Management has taken into consideration the historical trend and long-term average growth rates of the healthcare industry in the respective countries.

**12. Non-controlling interests ("NCI")**

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

	ISEC Myanmar	
	31 December 2023	31 December 2022
Proportion of ownership interest held by non-controlling interest (%)	49	49
Profit after taxation allocated to NCI during the reporting period (\$'000)	157	229
Accumulated NCI at the end of reporting period (\$'000)	753	783

**12. Non-controlling interest (“NCI”) (cont’d)****(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 are as follows:

**Summarised statement of financial position**

	<b>ISEC Myanmar</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$'000	\$'000
Non-current assets	501	611
Current assets	1,357	912
Non-current liabilities	(47)	(111)
Current liabilities	(272)	(182)
	<hr/>	<hr/>
Net assets	1,539	1,230
	<hr/>	<hr/>

**Summarised statement of profit or loss**

	<b>ISEC Myanmar</b>			
	<b>6 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$'000	\$'000	\$'000	\$'000
Revenue	1,038	1,047	1,987	1,916
Profit for the financial period/year, representing total comprehensive income	182	277	321	467
	<hr/>	<hr/>	<hr/>	<hr/>

**Other summarised information**

	<b>ISEC Myanmar</b>			
	<b>6 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$'000	\$'000	\$'000	\$'000
Net cash generated from operating activities	318	201	490	560
Net cash generated from/(used in) investing activities	3	(1)	(29)	*
Net cash used in financing activities	(23)	(142)	(175)	(186)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in cash and cash equivalents	298	58	286	374
	<hr/>	<hr/>	<hr/>	<hr/>

\* Less than \$1,000

**13. Borrowings**

	Group	
	31 December 2023 \$'000	31 December 2022 \$'000
Bank loan A	1,249	2,119
Bank loan B	424	474
Bank loan C	497	-
	2,170	2,593
	2,170	2,593
Current	843	826
Non-current	1,327	1,767
	1,327	1,767

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 year ended 31 December 2023 was 4.05% (FY2022: 3.75%). 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 year ended 31 December 2023 was 4.42% (FY2022: 4.17%). The loan is secured by the building for which the loan was entered into.

Bank loan C

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 year ended 31 December 2023 was 4.15% (FY2022: Nil). The loan is secured by the land and building for which the loan was entered into.

#### 14. Share capital

	<b>Group and Company</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	Number of ordinary shares		\$'000	\$'000
<b>Issued and fully paid:</b>				
At 1 January	572,616,606	550,735,471	75,484	70,068
Issuance of consideration shares for the acquisition of 100% equity interest in IE Centre and Kampar Eye on 26 May 2022	-	21,881,135	-	5,432
Issuance of ordinary shares from the exercise of options granted under Share Option Scheme	1,857,306	-	539	-
Reclassification of fair value of exercised options from Share Compensation Reserve	-	-	108	-
Cash on exercise of share options in excess of cost of treasury shares	-	-	7	-
Less: Share issue expenses	-	-	-	(16)
<b>At 31 December</b>	<b>574,473,912</b>	<b>572,616,606</b>	<b>76,138</b>	<b>75,484</b>

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
Total number of issued shares (excluding treasury shares)	<b>574,473,912</b>	<b>572,230,206</b>

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 31 December 2023, the number of ordinary shares in issue was 574,473,912. There were no treasury shares as at 31 December 2023 (as at 31 December 2022: 386,400).

#### 15. Treasury share reserve

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

	<b>Group and Company</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	Number of ordinary shares		\$'000	\$'000
<b>Issued and fully paid:</b>				
At 1 January	386,400	386,400	(105)	(105)
Treasury shares transferred for the exercise of options granted under Share Option Scheme	(386,400)	-	105	-
<b>At 31 December</b>	<b>-</b>	<b>386,400</b>	<b>-</b>	<b>(105)</b>

In the prior financial year, there were 386,400 treasury shares representing 0.067% of the Company's 572,230,206 ordinary shares (excluding treasury shares) as at year end.

**16. Other reserves**

	<b>Group</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	\$'000	\$'000
Foreign currency translation reserve	(4,998)	(2,668)
Merger reserve	(3,572)	(3,572)
Capital reserve	(4,463)	(4,463)
Share compensation reserve	128	142
	(12,905)	(10,561)
	(12,905)	(10,561)

*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.

*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 31 December 2023 and 31 December 2022.

**17. Earnings per share**

	Group 6 months ended		Group 12 months ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
<b>Earnings per share (“EPS”)</b>				
Profit attributable to owners of the parent (S\$’000)	6,832	7,036	12,963	12,520
Weighted average number of ordinary shares in issue (excluding treasury shares)	574,176,493	572,230,206	573,251,330	563,537,700
Basic (Singapore cents)	1.19	1.23	2.26	2.22
Adjusted weighted average number of ordinary shares in issue (excluding treasury shares) <sup>(1)</sup>	574,338,755	572,401,867	573,417,766	563,688,269
Fully diluted basis (Singapore cents)	1.19	1.23	2.26	2.22

(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	
	31 December 2023 \$’000	31 December 2022 \$’000
<i>Dividends on ordinary shares:</i>		
- Final tax-exempt dividend for 2022: 1.08 cents (2021: 0.30 cents) per share	6,180	1,651
- First interim tax-exempt dividend for 2023: 0.76 cents (2022: 0.48 cents) per share	4,361	2,747
	<u>10,541</u>	<u>4,398</u>
Proposed but not recognised as a liability as at 31 December:		
- Final tax-exempt dividends on ordinary shares for FY2023 of 0.85 cents (FY2022: 1.08 cents) per share, subject to shareholders’ approval at the Annual General Meeting	4,883	6,180
	<u>4,883</u>	<u>6,180</u>

**19. Events occurring after the reporting period**

*Political situation in Myanmar*

Myanmar’s military has further extended the country’s state of emergency by another six months until 31 July 2024. The latest extension further delays the country’s election, as it is known that election is prohibited to be held during the country’s current state of emergency. As at the date of this announcement, ISEC Myanmar’s clinic continues to be operational.



**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 819,700 and 3,063,406 as at 31 December 2023 and 31 December 2022 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 and 680,000 as at 31 December 2023 and 31 December 2022 respectively.

There were no options granted pursuant to the Company’s employee share options scheme as at 31 December 2023 and 31 December 2022 respectively.

**Treasury Shares**

There were no treasury shares held by the Company as at 31 December 2023. In the prior year, there were 386,400 treasury shares representing 0.067% of the Company’s 572,230,206 ordinary shares (excluding treasury shares) as at 31 December 2022.

**Subsidiary Holdings**

There were no subsidiary holdings as at 31 December 2023 and 31 December 2022.

**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 2022.

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 12 months ended 31 December 2023 (“FY2023”) and 31 December 2022 (“FY2022”) where applicable.**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

*Revenue*

The Group recorded revenue of S\$69.99 million in FY2023, an increase of 11% from S\$62.95 million in FY2022.

The Group’s specialised health services revenue increased by S\$7.50 million to S\$66.02 million in FY2023, largely due to significant increase in patient visits and business activities which was seen with the lifting of international travel restrictions and easing of movement control measures in Singapore, Malaysia and Myanmar since second quarter of 2022. In addition, IE Centre and Kampar Eye which were acquired by the Group on 26 May 2022 (the “Acquisition”), contributed S\$3.58 million to the increase, with full year revenue reported in FY2023, compared to S\$5.96 million in FY2022.

Revenue from general health services decreased by S\$0.46 million between FY2022 and FY2023, mainly due to the reduced number of COVID-19 swab tests performed by the Group’s clinics.

*Cost of sales*

The increased cost of sales in FY2023 was in line with increased revenue and business activities in the Group’s operations, with an increase shown of 14%, or S\$4.77 million to S\$38.96 million in FY2023 compared to that in FY2022.

*Gross profit and gross profit margin*

As a result of the above, gross profit increased by 8% to S\$31.04 million in FY2023, compared to S\$28.77 million in FY2022. Gross profit margins in both FY2022 and FY2023 were 45.7% and 44.3% respectively, a decrease of 1.4 percentage points between both years mainly due to increased operating cost during the year.

*Administrative expenses*

The Group recorded administrative expenses of S\$12.13 million in FY2023, an increase of S\$1.82 million from FY2022. The increase was mainly due to higher staff-related costs and depreciation expenses of S\$0.92 million and S\$0.36 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 acquired from the Acquisition.

*Income tax expense*

The Group recorded income tax expenses of S\$4.16 million in FY2023, compared to S\$4.05 million in FY2022, an increase of S\$0.11 million between the years. The effective tax rates of the Group in FY2022 and FY2023 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 FY2023.

*Profit after tax*

The Group reported a net profit of S\$13.15 million in FY2023, an increase of S\$0.42 million from FY2022, mainly due to the reasons explained above.

**Review of comparative financial position of the Group for the financial year ended 31 December 2023 and 31 December 2022.**Consolidated Statement of Financial Position*Non-current assets*

Non-current assets decreased by S\$2.59 million to S\$80.09 million as at 31 December 2023. This was mainly attributable to the following:

- i) Depreciation expenses of property, plant and equipment of S\$1.47 million;
- ii) Depreciation expenses of right-of-use assets of S\$1.89 million;
- iii) Currency translation loss of S\$0.94 million on property, plant and equipment;
- iv) Currency translation loss of S\$0.54 million on right-of-use assets;
- v) Currency translation loss of S\$1.97 million on goodwill that arose from the acquisition of foreign subsidiaries; and
- vi) Amortisation expenses of S\$0.53 million on intangible assets.

The decrease in non-current assets was offset by:

- i) Additions of S\$2.20 million on property, plant and equipment mainly arising from renovation expenditures for the respective centre in ISEC (Melaka), TE Centre, ME Centre and Taiping Eye;
- ii) Additions in medical equipment of S\$0.73 million on property, plant and equipment mainly arising from ISEC KL and ISEC Penang;
- iii) Additions of S\$1.42 million on right-of-use assets which is mainly due to the new and renewal of the leasing of premises and medical equipment; and
- iv) Addition of S\$0.11 million on net investment in sublease arising from the renewal of the leasing of a premise to the existing tenant.

*Current assets*

Current assets decreased by S\$0.60 million mainly due to the decrease in cash and cash equivalents of S\$1.23 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\$0.21 million and increase in inventories of S\$0.36 million, in line with the Group's increased business activities.

*Non-current liabilities*

Non-current liabilities decreased by S\$2.37 million to S\$10.49 million as at 31 December 2023. This was mainly attributable to the following:

- i) Partial repayment of bank loans (principal) of S\$0.80 million;
- ii) Repayment of lease liabilities of S\$2.28 million in FY2023; and
- iii) Purchase consideration balance of S\$1.04 million due to vendors for the Acquisition reclassified to current liabilities upon becoming payable within 12 months as at end of 1H2023.

The decrease in non-current liabilities was offset by:

- i) Additions in lease liabilities of S\$1.59 million, mainly arising from the new and renewal of the leasing of premises and medical equipment; and
- ii) Bank borrowing of S\$0.51 million taken up by TE Centre in FY2023, of which S\$0.43 million is categorised under non-current liabilities.

*Current liabilities*

Current liabilities decreased by S\$1.63 million to S\$14.47 million as at 31 December 2023 mainly attributable to the payment of purchase consideration for the acquisition of IE Centre and Kampar Eye of S\$3.21 million. The decrease in current liabilities was offset by the reclassification of purchase consideration balance of S\$1.04 million from non-current liabilities as mentioned above and the advances of S\$1.18 million from the non-controlling shareholders to the indirect subsidiaries of the Company in Malaysia.

## **Review of cash flows of the Group for FY2023**

### Consolidated Statement of Cash Flows

As at 31 December 2023, the Group had cash and cash equivalents of S\$19.40 million, as compared to S\$20.63 million of cash and cash equivalents as at 31 December 2022.

#### *Cash flows from operating activities*

In FY2023, net cash flows from operating activities was recorded at S\$17.17 million. This comprised operating cash flows before working capital changes of S\$21.66 million, and changes in working capital inflow of S\$0.10 million from trade and other receivables and S\$0.65 million from trade and other payables, offset by decrease in inventories of S\$0.47 million, mainly resulted from increased business activities, and decrease in prepayments of S\$0.04 million, less net of income tax paid amounting to S\$4.73 million.

#### *Cash flows used in investing activities*

Net cash used in investing activities in FY2023 amounted to S\$6.43 million mainly due to:

- i) Payment for purchase of property, plant and equipment amounting to S\$3.42 million; and
- ii) Payment to vendors of S\$3.21 million.

The cash outflow was offset by interest income received of S\$0.29 million.

#### *Cash flows used in financing activities*

Net cash used in financing activities was S\$11.31 million in FY2023, mainly due to the following factors:

- i) Payment to shareholders in relation to FY2022 final dividend of S\$6.18 million and FY2023 first interim dividend of S\$4.36 million;
- ii) Repayment of lease liabilities and its corresponding finance costs of S\$2.22 million; and
- iii) Repayment of bank loans and its corresponding interest expense of S\$0.89 million.

The cash outflow was offset by:

- i) Proceeds from exercise of share options of S\$0.65 million;
- ii) Advances from the non-controlling interests of S\$1.18 million; and
- iii) Proceeds from bank loan disbursed to TE Centre, an indirect subsidiary of the Company amounting to S\$0.51 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 still 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 is exploring fund-raising opportunities to fund its expansion plans.

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.

As our Malaysia operations contributed a significant portion of the Group’s revenue, the revenue from Malaysia operations translated to Singapore Dollar will be impacted by foreign exchange movements as the presentation currency of the Group is in Singapore Dollar. We will continue to monitor the impact of the movement of the Malaysian Ringgit on the Singapore Dollar.

**11. Dividend**

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

Yes.

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

Name of dividend	Final Dividend
Dividend type	Cash
Dividend rate	0.85 Singapore cents (S\$0.0085) per ordinary share
Tax rate	Tax exempt (one-tier)

**(ii) Previous corresponding period (cents)**

Name of dividend	Final Dividend
Dividend type	Cash
Dividend rate	1.08 Singapore cents (S\$0.0108) per ordinary share
Tax rate	Tax exempt (one-tier)

In addition, a first interim cash dividend (tax exempt one-tier) of 0.76 Singapore cents (S\$0.0076) per ordinary share was declared for the 6 months ended 30 June 2023 and paid on 21 August 2023.

- (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 final dividend is tax exempt (one-tier) dividend.

- (d) The date the dividend is payable.**

To be announced at a later date.

- (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.**

To be announced at a later date.

- 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 IPTs.

There was no IPT of S\$100,000 and above for the financial year ended 31 December 2023.

- 14. 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).



**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Please refer to "E. Notes to the Condensed Interim Financial Statements: 5. Segment information" above.

**16. In the review of performance, the factors leading to any material changes in distribution to turnover and earnings by operating segments**

Performance by business segments

***Specialised health services:***

Revenue increased by S\$7.50 million, or 13%, to S\$66.02 million in FY2023. The business activities improved significantly in FY2023 with increased patient visits and business activities following the Acquisition as well as the lifting of respective international travel restrictions and relaxation of COVID-19 movement measures since second quarter of 2022. The Acquisition contributed S\$3.58 million to the increase, with full year revenue reported in FY2023, compared to S\$5.96 million in FY2022.

Profit after tax increased by S\$0.62 million, or 5%, from S\$11.79 million in FY2022 to S\$12.41 million in FY2023 mainly attributed by the increase in revenue.

***General health services:***

Revenue decreased by S\$0.46 million, or 10%, from S\$4.44 million in FY2022 to S\$3.98 million in FY2023 mainly due to the reduced number of COVID-19 swab tests performed by the Group's clinics.

Profit after tax decreased by S\$0.20 million, or 21%, as a result of the decrease in revenue.

Performance by geographical segments

***Singapore operations:***

Revenue from Singapore operations increased by 6%, from S\$11.34 million in FY2022 to S\$12.05 million in FY2023. Overall patient visits have increased compared to that in FY2022 with the lifting of international travel restrictions and relaxation of COVID-19 movement measures since the second quarter of 2022.

Profit after tax in FY2023 recorded at S\$1.43 million, with a decrease of S\$0.19 million compared to that in FY2022, mainly arising from the increased operating cost in FY2023.

***Malaysia operations:***

In Malaysia, revenue increased by S\$6.26 million, or 13%, from S\$49.70 million in FY2022 to S\$55.96 million in FY2023. The business activities improved significantly in FY2023 with increased patient visits and business activities following the Acquisition as well as the lifting of international travel restrictions and relaxation of COVID-19 movement measures since second quarter of 2022. The Acquisition contributed S\$3.58 million to the increase, with full year revenue reported in FY2023, compared to S\$5.96 million in FY2022.

The profit after tax increased by S\$0.73 million, or 7%, from S\$10.61 million in FY2022 to S\$11.34 million in FY2023 mainly due to the increased revenue.

**Myanmar operations:**

Revenue from Myanmar operations has increased by S\$0.07 million, or 4%, from S\$1.92 million in FY2022 to S\$1.99 million in FY2023. The increase in sales is mainly attributable to the increase in patient visits during the year.

Despite the increase in revenue compared to prior year, there was also a rise in staff-related costs compared to FY2022, leading to a reduction in profit after tax of S\$0.11 million, from S\$0.50 million in FY2022 to S\$0.39 million in FY2023.

**17. Breakdown of sales in the first half and second half of the financial year**

Please refer to “E. Notes to the Condensed Interim Financial Statements: 4. Disaggregation of revenue” above.

**18. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year**

	<b>FY2023 (Unaudited) S\$'000</b>	<b>FY2022 (Audited) S\$'000</b>
Ordinary-Interim	4,361	2,747
Ordinary-Final	4,883 <sup>(1)</sup>	6,180
Special	-	-
Preference	-	-
<b>Total</b>	<b>9,244</b>	<b>8,927</b>

<sup>(1)</sup> Then proposed final cash dividend (tax exempt one-tier) of 0.85 Singapore cents (S\$0.0085) per ordinary share of the Company will be subject to approval by shareholders at the forthcoming annual general meeting to be convened.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.**

Save as disclosed below, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company as at the date of this announcement.

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director, chief executive officer and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Dr Lee Yeng Fen	58	Spouse of Dr Lee Hung Ming, Executive Vice Chairman	Group Medical Director, JLM Companies (2016)	None

**20. Disclosures on Acquisition and Realisation of Shares pursuant to Catalyst Rule 706A**

As announced on 15 August 2023, the Company's wholly-owned subsidiary ISEC Sdn. Bhd., incorporated a 65% owned subsidiary in Malaysia, namely ISEC (Klang) Sdn. Bhd. (the "New Entity"), by way of subscribing for 65 ordinary shares of Ringgit Malaysia ("RM") 1.00 each at cash consideration of RM65. In December 2023, the New Entity has increased its share capital from RM100 to RM100,000 through issuance of shares allotted to the existing shareholders of the New Entity in equal proportion to their existing shareholdings. The Entity has a net asset value (unaudited) of approximately RM37,000 as at 31 December 2023. The incorporation of the New Entity was funded by internal resources of the Group and 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 ended 31 December 2023.

**BY ORDER OF THE BOARD**

Dr Lee Hung Ming

Executive Vice Chairman  
22 February 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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