

**ISEC HEALTHCARE LTD.**  
(Company Registration No. 201400185H)  
(Incorporated in Singapore on 2 January 2014)  
(the “**Company**”)

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**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FOR THE PURPOSES OF THE  
ANNUAL GENERAL MEETING 2020 TO BE HELD ON 24 JUNE 2020**

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ISEC Healthcare Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to thank shareholders for submitting their questions in advance of the Annual General Meeting to be held by electronic means on 24 June 2020. Below are the responses of the Company to the questions.

**Question 1:**

**Impact of COVID-19: Please provide updates on impact for both the operations and financial of the Company.**

***Company’s Response:***

Our operations in both Malaysia and Singapore, in particular the specialist health services segment, have been adversely affected by the travel restrictions and safe distancing measures imposed by the respective countries to pre-empt the trend of increasing local transmission of COVID-19 as explained in our voluntary announcement on our Q1 2020 results which was released via SGXNet on 21 April 2020.

In Singapore, patient visits have significantly decreased since the start of the COVID-19 pandemic. Additionally, the reduction in business was also contributed by the absence of foreign patients, who are prohibited from entering Singapore to seek healthcare treatment. Singapore had entered into Phase 2 of the country’s reopening on 19 June 2020, and all eye consultations and procedures are allowed to be seen. However, with the restrictions of foreign patient visits and the requirements of safe distancing measures, patient visits are still adversely affected.

Over in Malaysia, the enforcement of the Movement Control Order (“MCO”) has also seen economic activity slowing down significantly. The country had entered the “Recovery Movement Control Order” (“RMCO”) on 10 June 2020, with further restrictions eased and interstate travels allowed. However, foreign patients are still prohibited from going to Malaysia to seek healthcare treatment, thereby contributing to the reduction in business.

The Group’s top priorities are to ensure the safety of our patients and staff as well as the viability of the business, while at the same time protecting employees’ jobs. As such, adjustments have been made to the salaries/remuneration of most of the Group’s Ophthalmologists for the period from April to June 2020. The Group will continue to monitor the performance of its clinics in the coming months and consider any further salary adjustments if necessary. On top of adopting other cost-cutting measures, the Group continues to fine-tune daily operations and strategies to adapt to the evolving business environment.

We will continue to monitor the situation and its impact on the Group's operations in the financial year ending 31 December 2020 ("FY2020") and beyond and continue to develop and implement mitigation measures where necessary. We will also continually assess if any impairment loss for goodwill needs to be accounted for during the relevant financial year.

Given the constantly evolving nature of the COVID-19 pandemic and the lack of a vaccine or a definitive cure as of now, it is not possible to determine how long this pandemic will last and the scale of its impact globally and hence, it is currently not possible for the Group to ascertain the full impact of this pandemic on the Group's operations and finances for FY2020 at this juncture.

While the Group expects demand for some of our services across the Group to gradually pick up when control measures are progressively lifted, based on the current situation, the management is of the view that the Group's financial performance for FY2020 is likely to be adversely affected.

**Question 2:**

**Impairment loss \$1.18M for financial year ended 31 December 2019 ("FY2019") on page 69 of annual report 2019: Please advise the formula for the calculation.**

***Company's Response:***

S\$0.8 million was in relation to JL Medical (Sembawang) Pte. Ltd. ("JLMSB") as the resident doctor went on extended medical leave which resulted in lower forecasted revenue for future years compared to that previously forecasted, and S\$0.4 million was in relation to JL Medical (Woodlands) Pte. Ltd. ("JLMWL") as patient visits were significantly reduced following the relocation of the clinic.

The recoverable amounts of the respective JLMSB and JLMWL were determined based on the cash flow forecasts of the respective entities based on financial budgets approved by the management which adopt 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 pre-tax discount rates.

More details on the underlying assumptions and bases for these assumptions may be found on pages 71 and 72 of our annual report 2019.

**Question 3:**

**Opportunities with major shareholder Aier Eye International (Singapore) Pte. Ltd. ("Aier") on page 3 of annual report 2019: Please elaborate on the opportunities and advise if any specific opportunity is being pursued by the company.**

***Company's Response:***

Aier is one of the leading eye care groups in the world with a chain of eye care medical service institutions in the provision of ophthalmic medical services including refractive surgery, cataract surgery and other operations, as well as optometry services. With Aier on board, the Group is able to tap on their extensive network and share best practices and eye care medical know-how to further strengthen our capabilities as we continue to harness our strategic growth plans.

At the moment no specific opportunity is being pursued by the Company.

By Order of the Board

**Dr. Wong Jun Shyan**  
**Executive Director and Chief Executive Officer**  
**21 June 2020**

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*This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the information, statements or opinions made or reports contained in this announcement.*

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