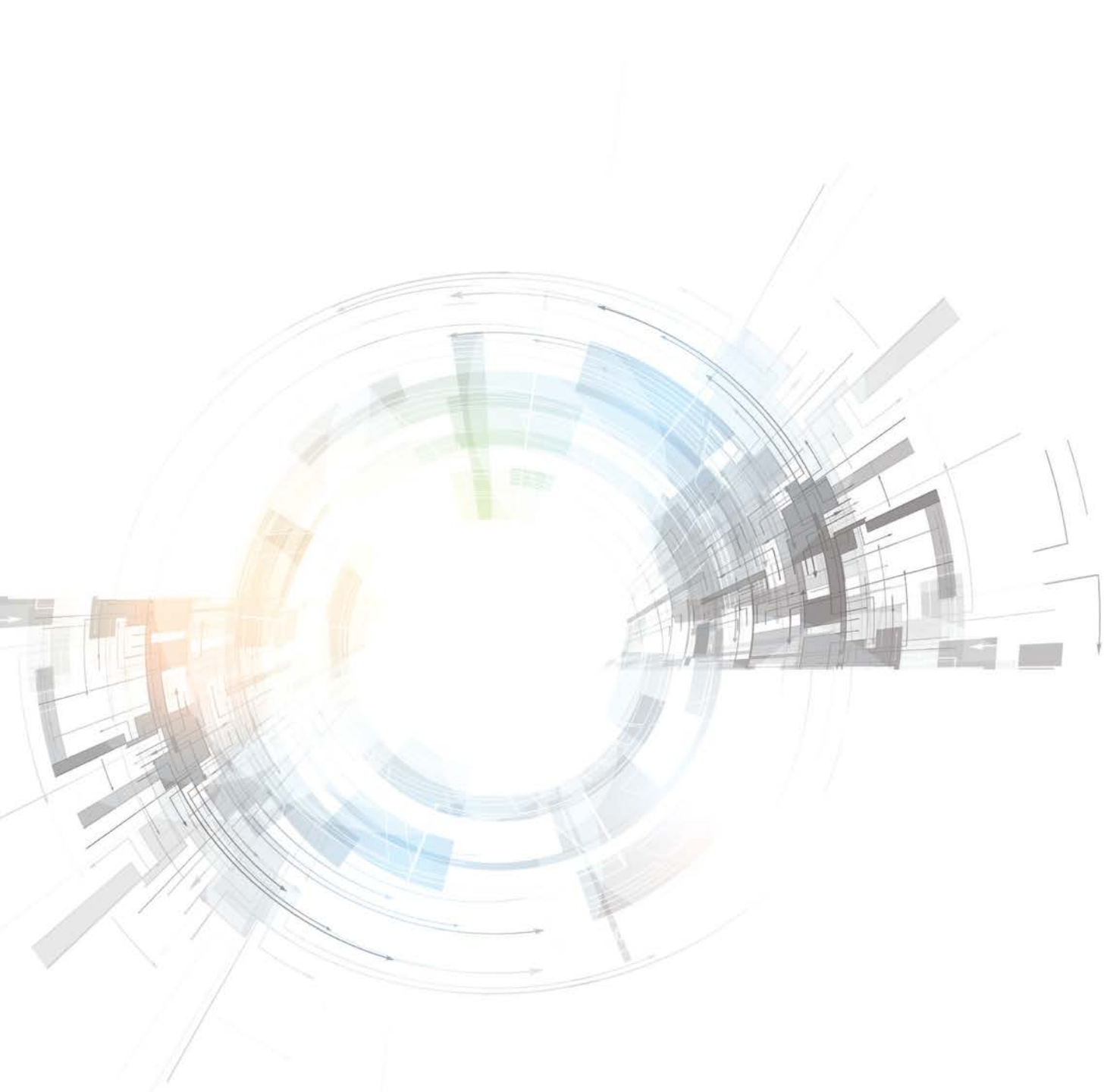


A complex, abstract diagram representing a global network or data flow. It features a central blue globe showing the Americas, surrounded by multiple concentric rings of varying colors (orange, green, blue, purple, grey). These rings are interconnected by a dense web of thin, grey lines and arrows, suggesting a complex, multi-directional system. The overall aesthetic is futuristic and technological.

# Corporate Presentation

6 months ended  
30 June 2016



ISEC Healthcare Ltd. (“ISEC” or the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 28 October 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”).

This presentation has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this presentation.

This presentation has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this presentation, including the accuracy, completeness and correctness of any of the information, statements or opinions made or reports contained in this presentation.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

**Business Overview**

**Industry Overview**

**Business Strategy and Expansion Plans**

**Corporate Developments and Use of Proceeds**

**6 months ended 30 June 2016 Financial Highlights**



# **Business Overview**

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

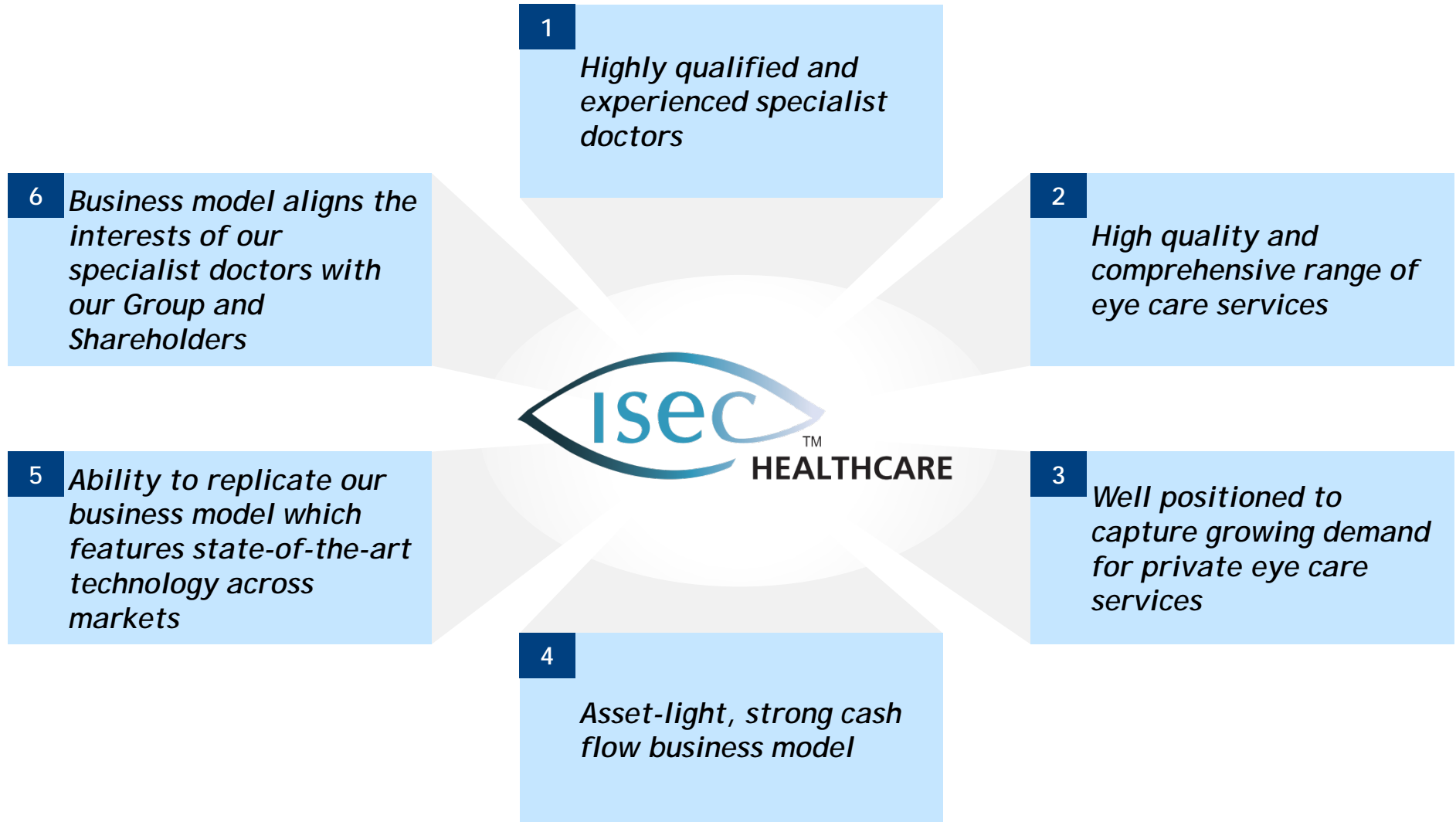


ISEC stands for “International Specialist Eye Centre”



# Business Overview

## Competitive Strengths of the Group





# Industry Overview

# Industry Overview

## Key Drivers for Private Ophthalmology



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

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

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

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

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

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

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

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



# Industry Overview

## Key Drivers for Private Ophthalmology (cont'd)



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

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

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

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

### *The ophthalmology industry is underserved by qualified ophthalmologist:*

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



# **Business Strategy And Expansion Plans**

# Our Business Strategies



## Growing the ISEC Brand and Expanding into the Asia Pacific Region

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

## Expanding Talent Pool of Specialist Doctors and Management Staff

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

## Building Regional Network with Referral Centres

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

## Investing in the Latest Technology

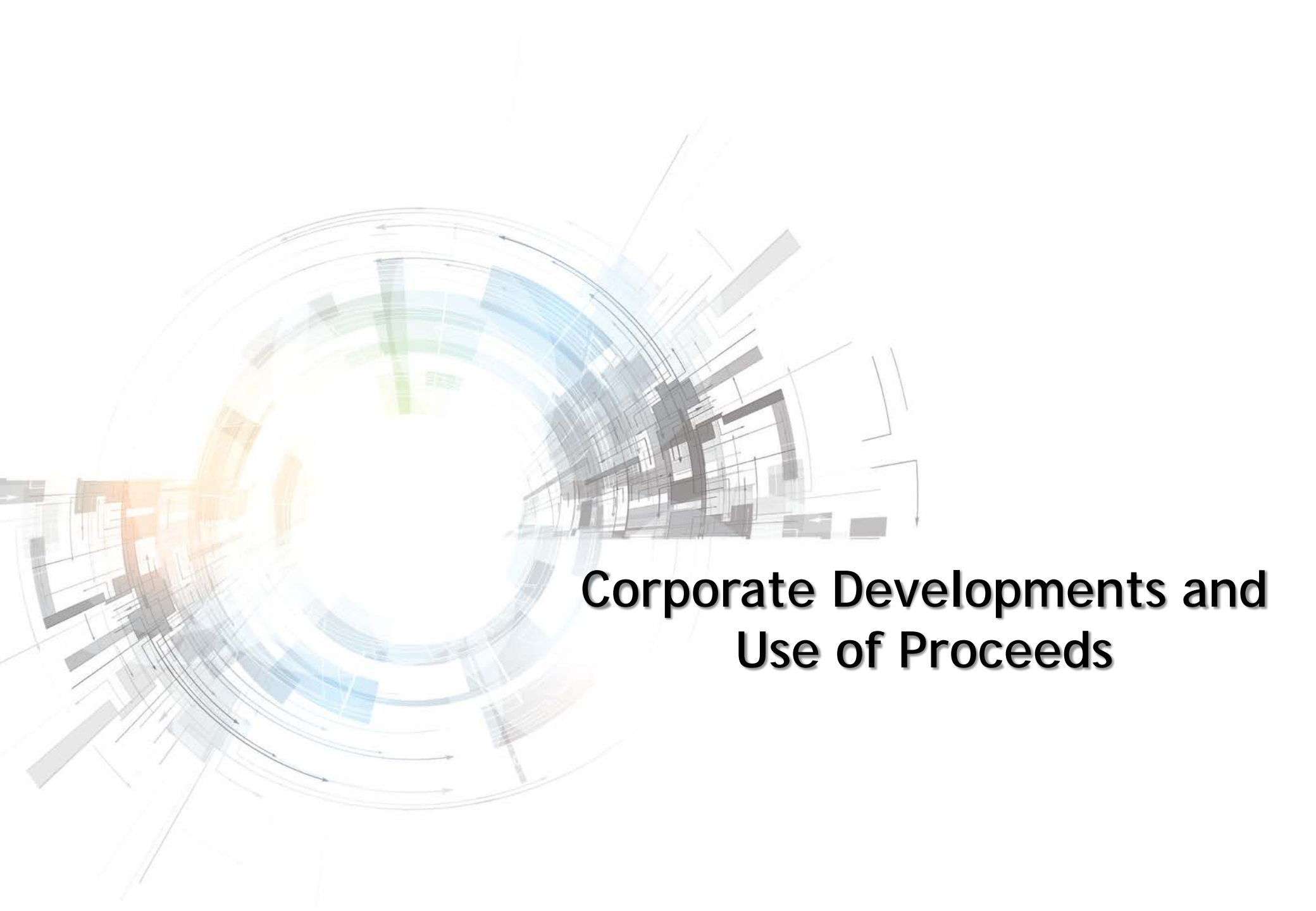
- To constantly upgrade and improve our medical equipment and keeping abreast of the latest technology to ensure that we are at the forefront of our industry

# Expansion Plans



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

★ Target Countries



# **Corporate Developments and Use of Proceeds**

May 2016 – Proposed acquisition of 100% shares in JL Medical (Bukit Batok) Pte. Ltd., JL Medical (Sembawang) Pte. Ltd., JL Medical (Woodlands) Pte. Ltd. and JL Medical (Yew Tee) Pte. Ltd. (collectively, “JLM Companies”) by ISEC Healthcare Ltd.

*Unless otherwise defined, capitalised terms used on pages 13, 14 and 15 shall have the same meanings ascribed to them in the Company’s announcement made on 27 May 2016*

## *Summary of the proposed acquisition*

- Purchase consideration - S\$13,941,876.00, approximately 12 times multiples of each of the JLM Companies’ unaudited adjusted and normalised net profit after tax for the financial year ended 31 October 2015
- The purchase consideration shall be satisfied 50% by cash and 50% consideration shares of ISEC Healthcare Ltd.
- Moratorium on the consideration shares shall apply during the period commencing on (and including) the completion date and ending on (and including) the date five (5) years from the Completion Date
- Completion is subject to certain conditions precedent being satisfied or waived in accordance with the SPA



May 2016 – Proposed acquisition of 100% shares in the JLM Companies by ISEC Healthcare Ltd. (Cont'd)

## *Summary of the proposed acquisition (Cont'd)*

- Each of the Vendors had provided a profit guarantee for the benefit of the Company in respect of the audited profit after tax (“APAT”) of that JLM Company for each of the five (5) financial years commencing from 1 January 2017 amounting to an aggregate of S\$1,161,823.00 (“Profit Guarantee”)
- In the event the APAT is lower than 90% of the respective Profit Guarantee (the “Shortfall Threshold”) in respect of a Profit Guarantee Period, the respective vendors shall pay to the Company an amount equivalent to the difference between the Shortfall Threshold and the actual APAT of such JLM Company
- Each of Dr. Lee Yeng Fen, Dr. Koo Xian Yeang and Dr. Ng Chiew Fang shall enter into a five (5)-year employment contract with the respective JLM Company for which she is the resident doctor, in form and substance approved by the Company

May 2016 – Proposed acquisition of 100% shares in the JLM Companies by ISEC Healthcare Ltd.  
(Cont'd)

## *Proposed Whitewash Resolution and Whitewash Waiver*

- The Company has submitted an application to the SIC in respect of (i) confirmation that none of the Vendors are regarded as parties acting in concert with each other and (ii) the Whitewash Waiver
- The Company intends to seek approval from independent Shareholders for the Proposed Whitewash Resolution

## *Rationale for the proposed acquisition*

- To diversify the Group's services into general (western) medical services and aesthetic treatment services
- The Group may develop and offer aesthetic treatment services in other clinics by offering oculoplastic and cosmetic eye lid services
- As referral centres for ophthalmology-related cases
- To expand our ophthalmology services into heartland areas, which in turn expand our patient base
- To increase visibility and to promote ISEC brand name in these new locations

# Use of Proceeds

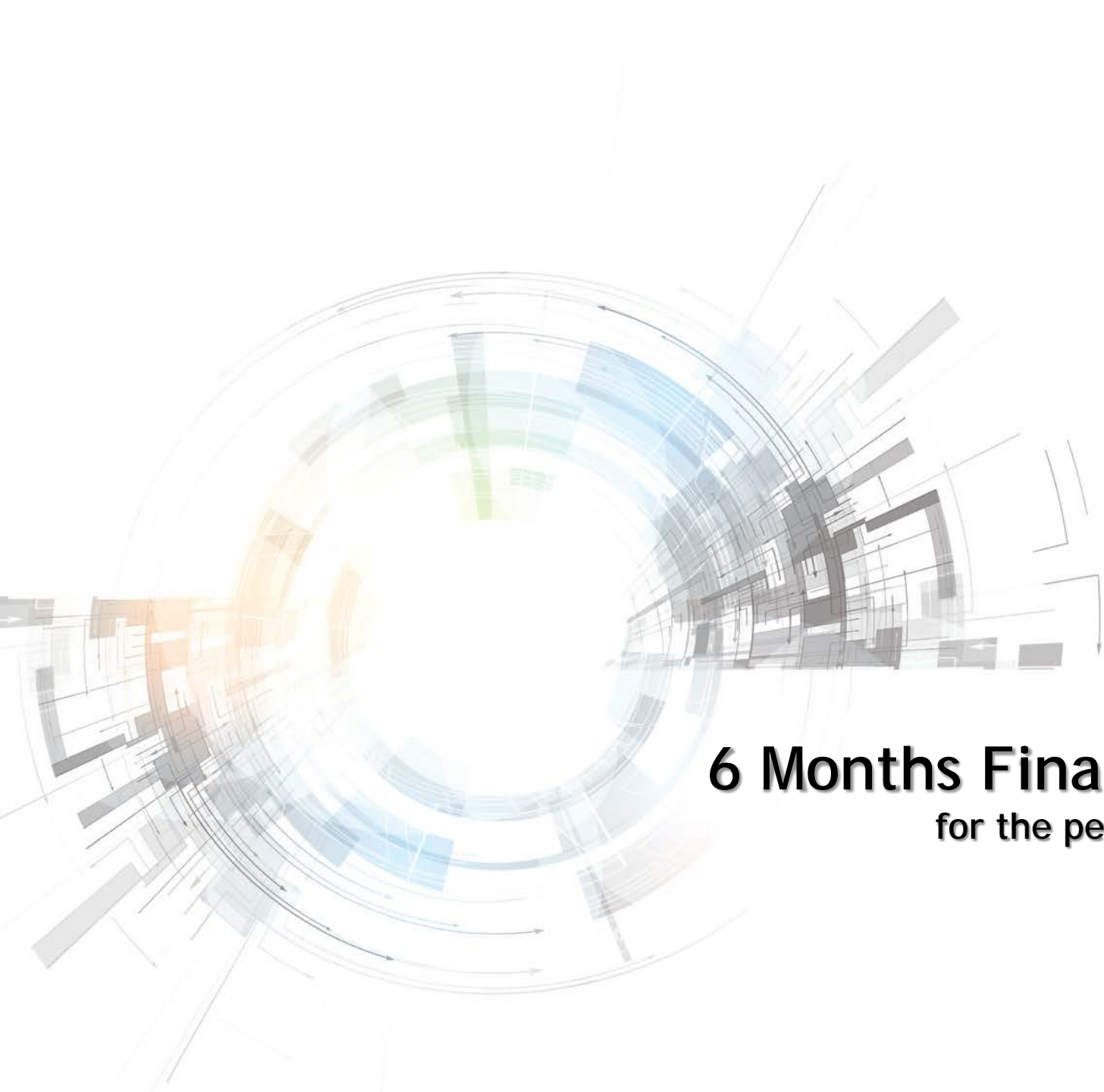
As at 11 August 2016



Use of proceeds	Amount allocated S\$'000	Amount allocated pursuant to reallocation of unutilised listing expenses S\$'000	Amount utilised S\$'000	Balance S\$'000
Business expansion in Asia Pacific region (including Malaysia and Singapore)	13,800	14,100	(5,387) (N1)	8,713
General working capital	2,500	2,500	(2,500) (N2)	-
<b>Total</b>	<b>16,300</b>	<b>16,600</b>	<b>(7,887)</b>	<b>8,713</b>

(N1) Amount utilised for:	Acquisition of SSEC S\$'000	Proposed acquisition of JLM Companies S\$'000	Total S\$'000
Cash consideration	5,204	-	5,204
Administrative expenses	122	61	183
<b>Total</b>	<b>5,326</b>	<b>61</b>	<b>5,387</b>

(N2) Amount utilised for:	S\$'000
Cost of sales	1,028
Administrative expenses	1,378
Selling and distribution expenses	94
<b>Total</b>	<b>2,500</b>

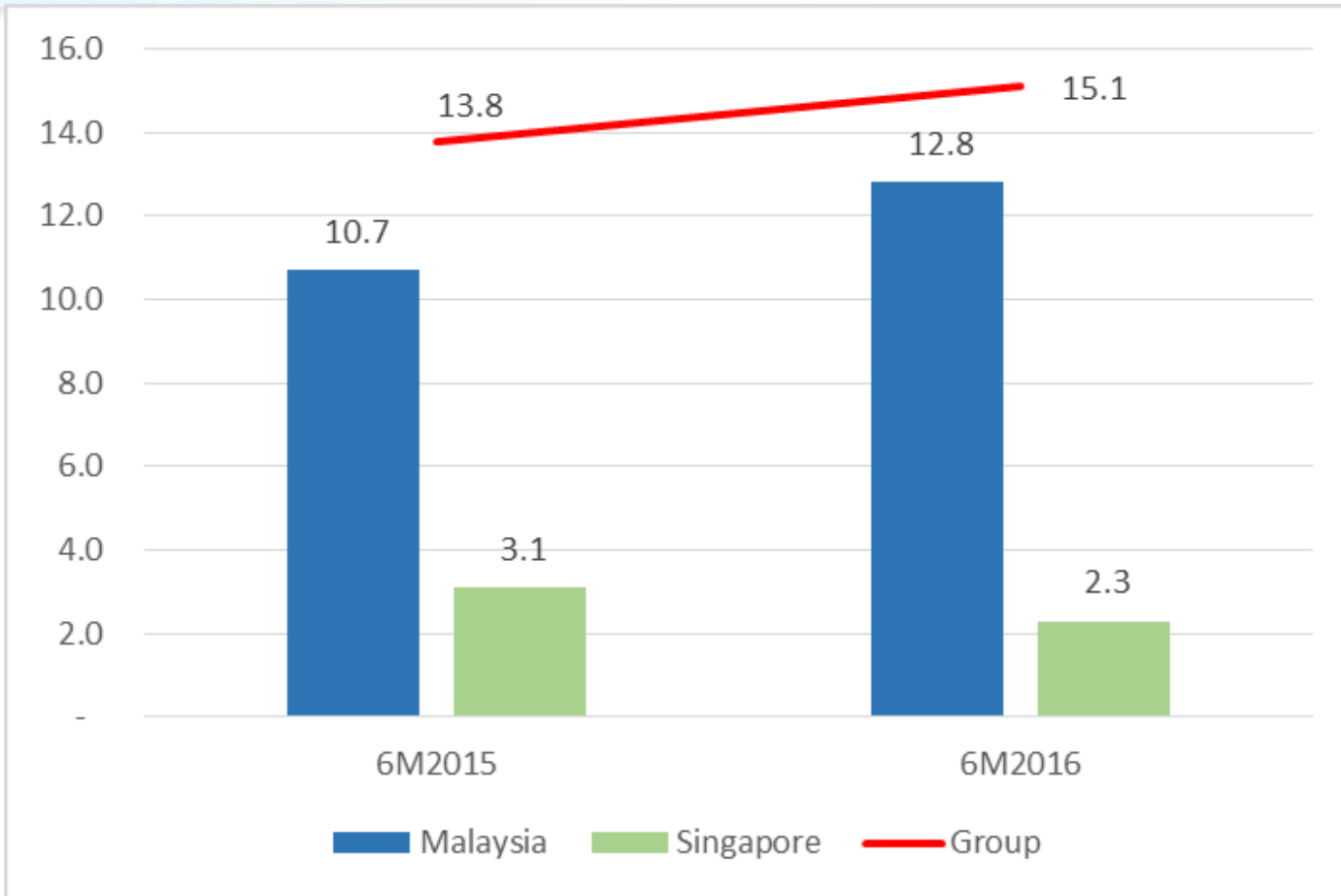


# **6 Months Financial Highlights**

for the period ended 30 June 2016

# Revenue

SGD'mil

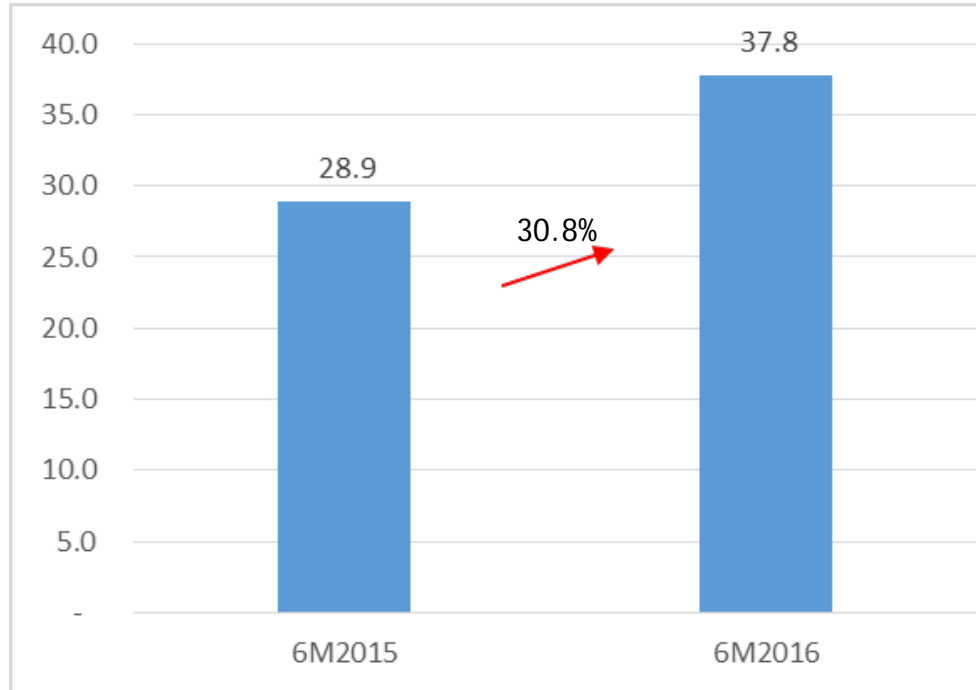


- 6M2016 vs 6M2015 Group revenue was higher. The increase was attributable to higher revenue contribution from Malaysia operations. Southern Specialist Eye Centre (“SSEC”) which was acquired on 8 December 2015 contributed S\$2.1 million to the Group’s revenue in 6M2016. Revenue from Singapore operations had decreased by S\$0.8 million, mainly due to the cessation of clinic operations at Mount Elizabeth Novena Specialist Centre (Isec Singapore) in October 2015

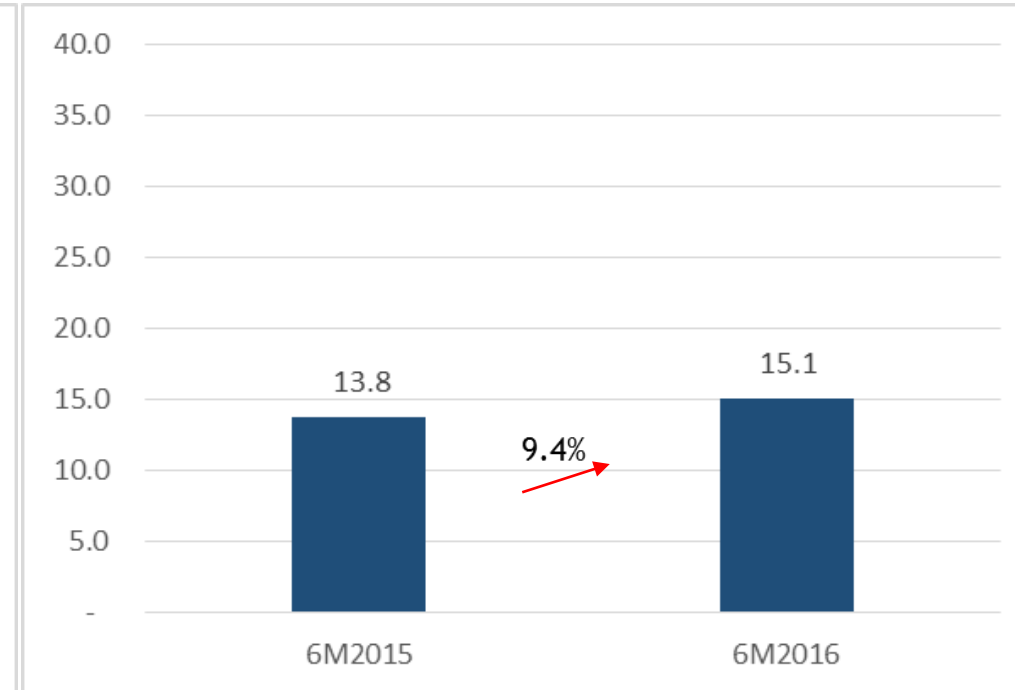
# Revenue - Malaysia



RM'mil



SGD'mil



- Revenue from Malaysia operations in Ringgit Malaysia (“RM”) increased from RM28.9 million in 6M2015 to RM37.8 million in 6M2016, up 30.8% mainly due to increased number of patients visits in ISEC KL and ISEC Penang and the inclusion of results from SSEC to the Group’s 6M2016 results post completion of the acquisition of SSEC on 8 December 2015

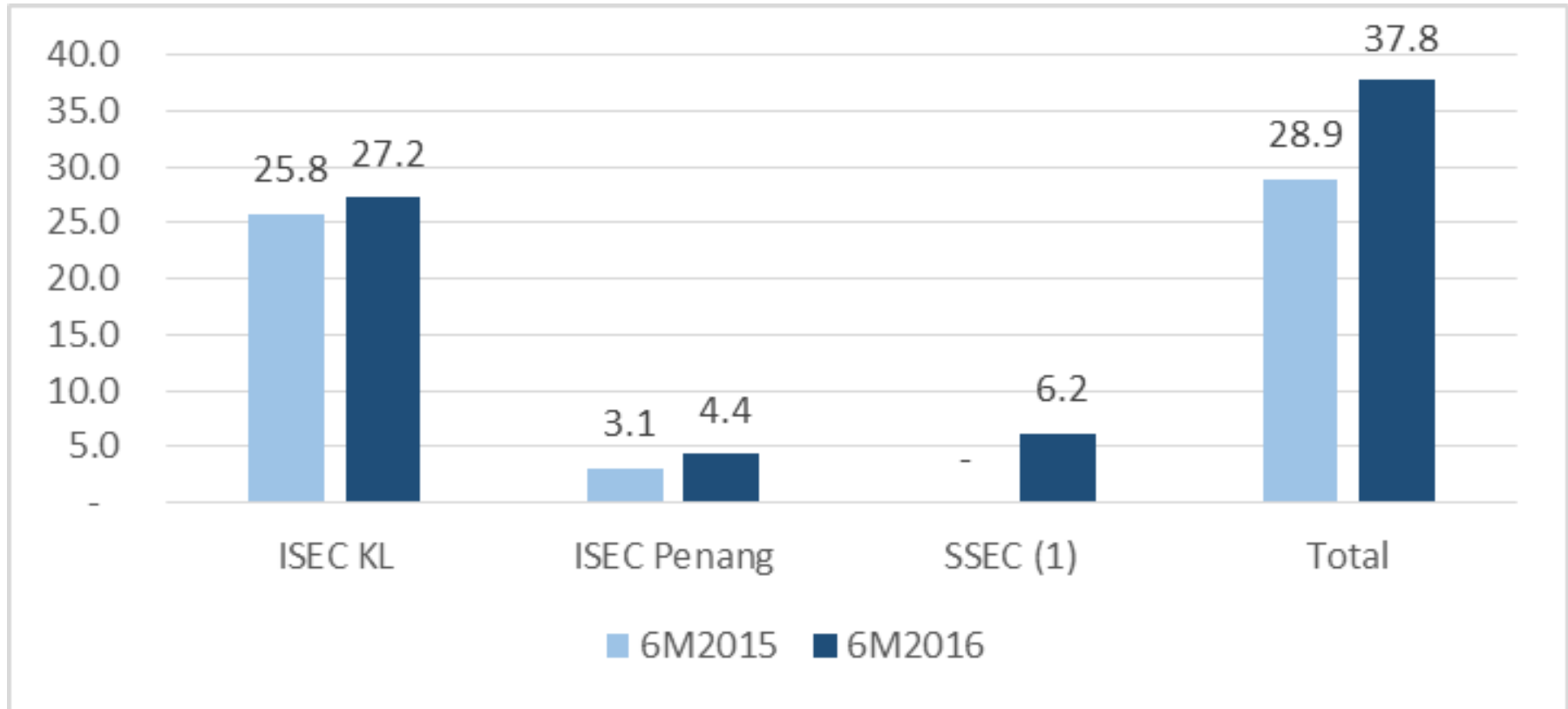
Singapore Dollar translated revenue from Malaysia operations in 6M2016 was only 9.4% higher compared to 6M2015, from S\$13.8 million in 6M2015 to S\$15.1 million in 6M2016, due to weaker RM



# Revenue - By location/clinic (Malaysia)



RM'mil

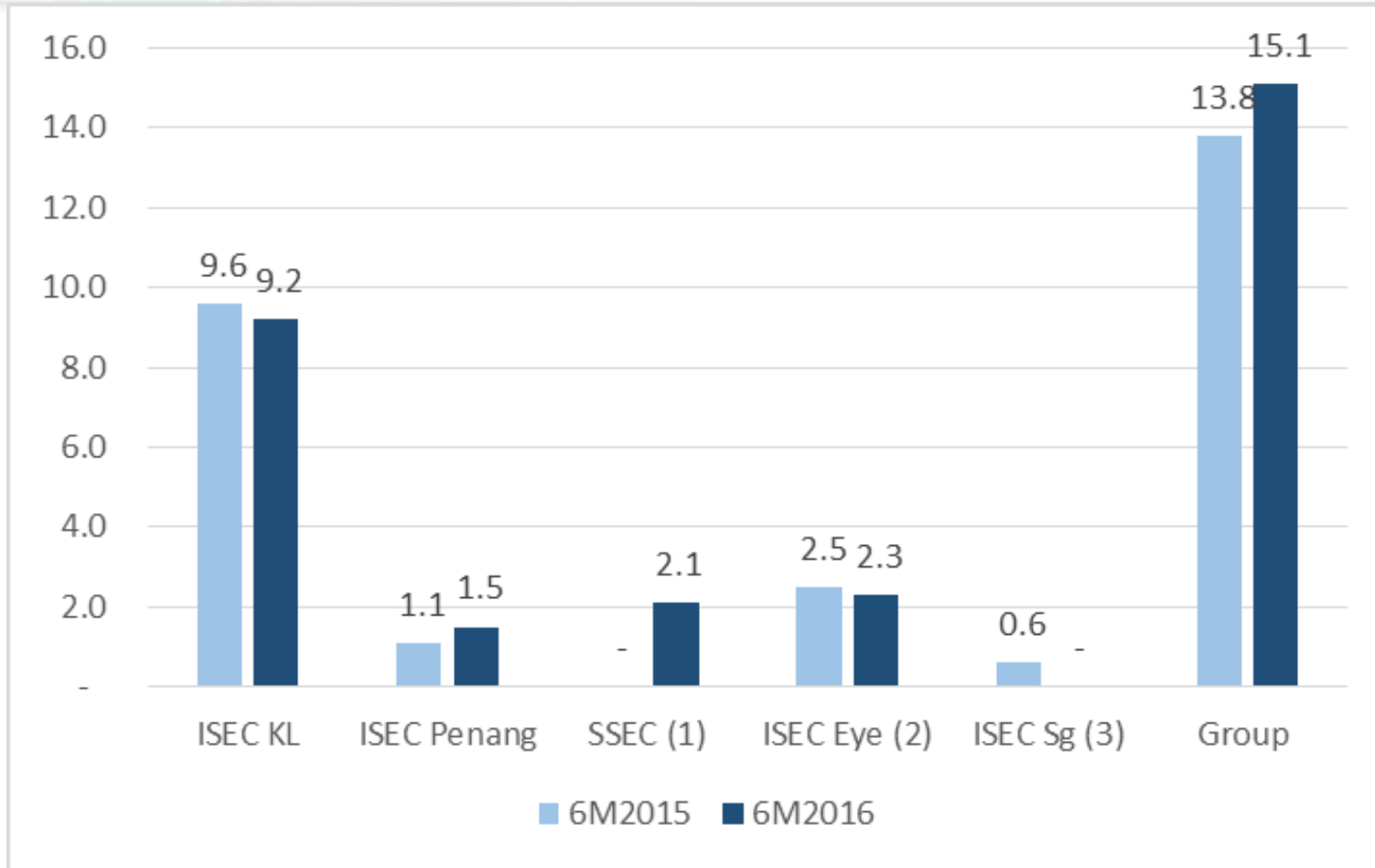


Note:

(1) On 8 Dec 2015, the Group completed the acquisition of SSEC

# Revenue - By location/clinic (Group)

SGD'mil



Notes:

(1) On 8 Dec 2015, the Group completed the acquisition of SSEC

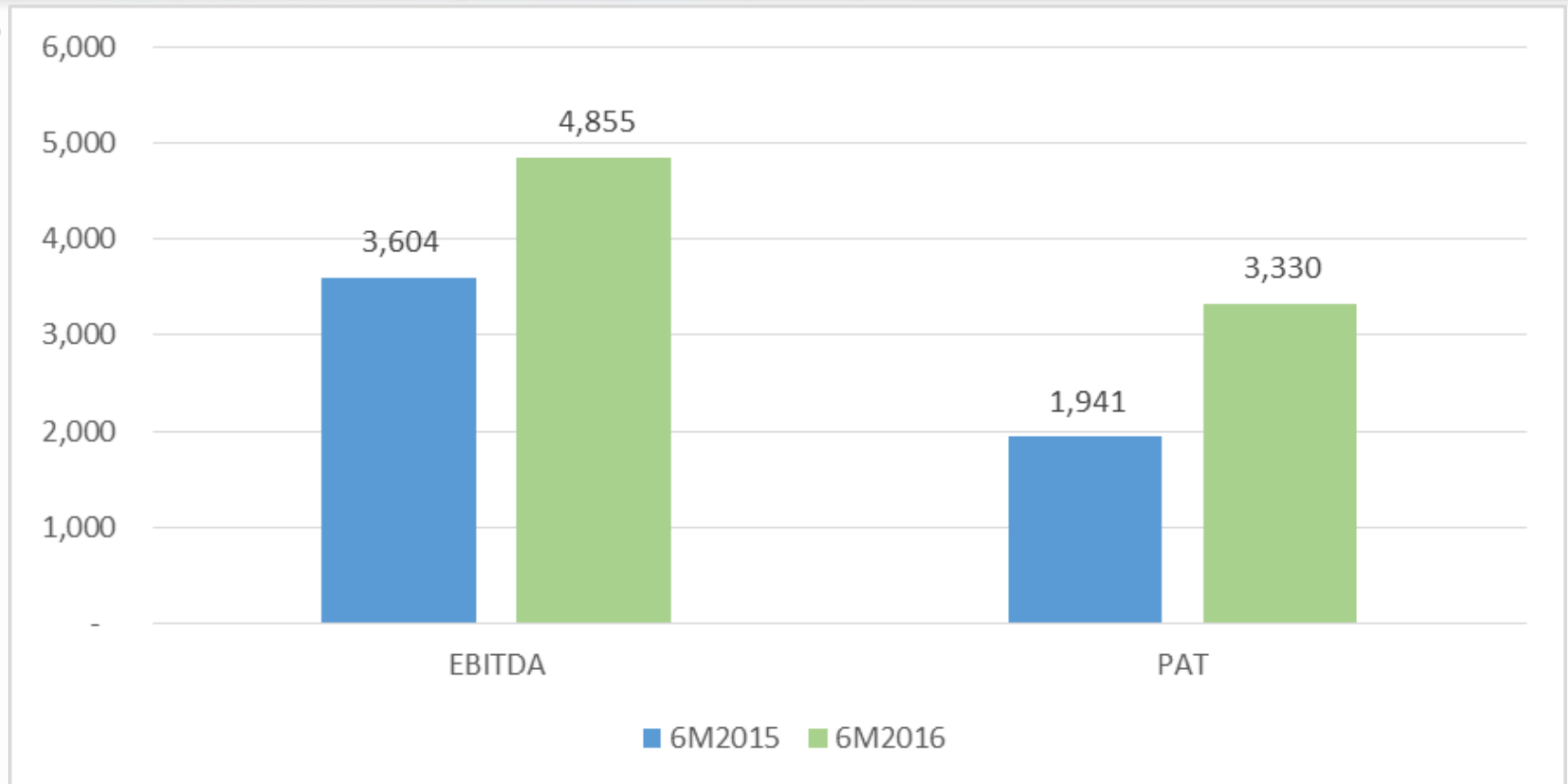
(2) ISEC Eye - revenue from Lee Hung Ming Eye Centre

(3) ISEC Sg - revenue from ISEC Singapore (which ceased operations in October 2015)

# Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) and Profit After Tax (PAT)

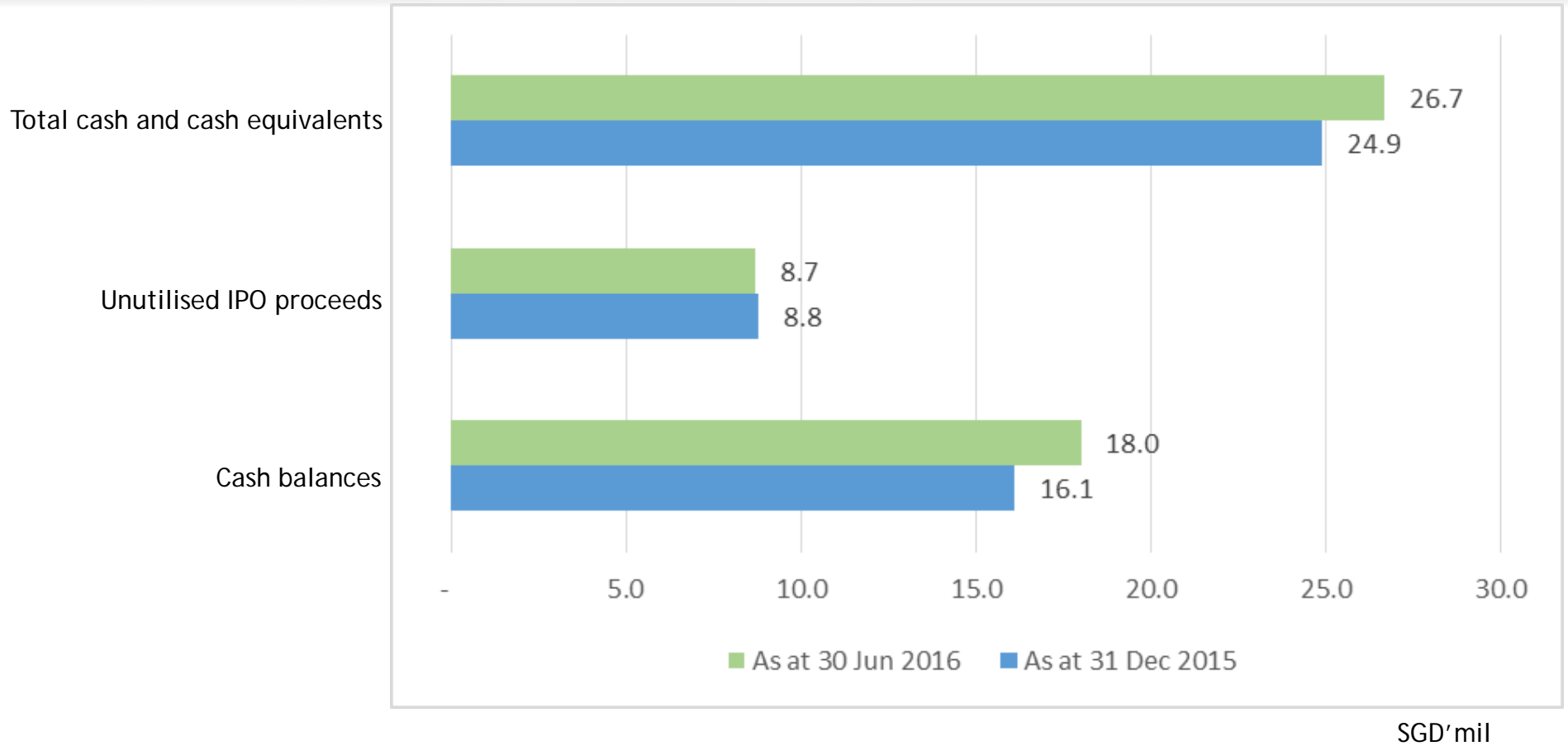


SGD'000



- EBITDA was S\$4.9 million in 6M2016 as compared to S\$3.6 million in 6M2015 mainly due to the revenue contribution from SSEC in 6M2016 (6M2015: nil) and lower selling and distribution expenses and administrative expenses, which were mainly due to the closure of ISEC Singapore in October 2015
- PAT was S\$3.3 million in 6M2016 as compared to S\$1.9 million in 6M2015 mainly due to the above reasons and lower provision of income tax for Singapore operations as the Group is expected to utilise tax credit for the losses incurred by ISEC Singapore in FY2015, as well as the unutilised capital allowances from ISEC Singapore

# Cash Position



- Total cash and cash equivalents as at 30 June 2016 was S\$26.7 million. No debts.
- Cash balances (exclude unutilised IPO proceeds) increased from S\$16.1 million as at 31 Dec 2015 to S\$18.0 million as at 30 June 2016

# Statement of Financial Position



\$S'000	30 June 2016	31 December 2015
<b>Key Assets</b>		
Plant and equipment	3,518	3,639
Intangible assets <sup>^</sup>	25,120	25,162
Trade and other receivables	1,911	1,905
Cash and cash equivalents	26,652	24,924
<b>Key Liabilities</b>		
Trade and other payables	2,337	3,410
<b>Equity</b>		
Shareholders equity	54,522	51,925

<sup>^</sup> - Arose mainly from the acquisition of:

- (i) ISEC Eye Pte. Ltd. (Intangible assets arose from contractual relationship of S\$4.8 million and goodwill of S\$8.0 million); and
- (ii) SSEC (goodwill of S\$12.4 million)



**Thank You**