

**ISEC HEALTHCARE LTD.**

(Company Registration No.201400185H)

---

**Unaudited Financial Statement and Dividend Announcement  
For the Third Quarter Ended 30 September 2015**

---

*ISEC Healthcare Ltd. (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 (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").*

*This announcement 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 announcement.*

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

*The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*

**Background**

ISEC Healthcare Ltd. (the "**Company**") was incorporated in the Republic of Singapore on 2 January 2014 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the "**Group**") were formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") prior to listing on the Catalist of the SGX-ST on 28 October 2014. Please refer to the Company's offer document dated 14 October 2014 for further details on the Restructuring Exercise.

On 22 September 2014, ISEC Eye Pte. Ltd. ("**ISEC Eye**") (which was a standalone entity then) acquired the entire businesses of Lee HM & Co Pte. Ltd., Singapore Lasik Hub Pte. Ltd., Perfect Vision Eye Centre Pte. Ltd. and Lee Hung Ming Eye Centre Pte. Ltd. (collectively, "**LHM Companies**"), each wholly-owned by Dr Lee Hung Ming, as part of the Restructuring Exercise to streamline the Group's business operations.

On 26 September 2014, the Company completed the acquisition of the entire issued and paid up share capital of ISEC Sdn. Bhd. and its subsidiaries, by way of pooling-of-interest, and ISEC Eye, by way of acquisition accounting. Accordingly, ISEC Eye became a wholly-owned subsidiary of the Company and the Group consolidated the results of ISEC Eye with effect from 26 September 2014.

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

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

N<sup>1</sup> –31 December 2014 and 30 September 2014 figures consist of financial position and financial performance of ISEC Sdn. Bhd. and its subsidiaries in Malaysia, and financial results of ISEC Healthcare Ltd., International Specialist Eye Centre Pte. Ltd. (which was set up in August 2014) and ISEC Eye Pte. Ltd. (the acquisition of which was completed on 26 September 2014) in Singapore.

	Group 3 Months Ended			Group 9 Months Ended		
	30 September 2015 (Unaudited) S\$'000	30 September 2014 (N <sup>1</sup> ) (Unaudited) S\$'000	Change	30 September 2015 (Unaudited) S\$'000	30 September 2014 (N <sup>1</sup> ) (Unaudited) S\$'000	Change
Revenue	6,289	4,916	28%	20,113	14,867	35%
Cost of sales	(3,597)	(3,080)	17%	(11,052)	(8,677)	27%
<b>Gross profit</b>	<b>2,692</b>	<b>1,836</b>	<b>47%</b>	<b>9,061</b>	<b>6,190</b>	<b>46%</b>
<b>Other item of income</b>						
Other income	60	18	233%	145	54	169%
<b>Other items of expense</b>						
Selling and distribution expenses	(32)	(65)	-51%	(207)	(131)	58%
Administrative expenses	(1,641)	(1,287)	28%	(4,738)	(2,798)	69%
Other expenses	(133)	-	NM	(399)	(33)	NM
Interest expense	(2)	(11)	-82%	(6)	(33)	-82%
<b>Profit before income tax</b>	<b>944</b>	<b>491</b>	<b>92%</b>	<b>3,856</b>	<b>3,249</b>	<b>19%</b>
Income tax expense	(278)	(311)	-11%	(1,249)	(929)	34%
<b>Profit for the financial period</b>	<b>666</b>	<b>180</b>	<b>270%</b>	<b>2,607</b>	<b>2,320</b>	<b>12%</b>
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences - foreign operations	(813)	10	NM	(1,243)	30	NM
Reclassification arising from disposal of foreign subsidiary	-	-	-	-	33	-100%
Income tax relating to items that may be reclassified	-	-	-	-	-	-

	Group 3 Months Ended			Group 9 Months Ended		
	30 September 2015 (Unaudited) S\$'000	30 September 2014 (N <sup>1</sup> ) (Unaudited) S\$'000	Change	30 September 2015 (Unaudited) S\$'000	30 September 2014 (N <sup>1</sup> ) (Unaudited) S\$'000	Change
<b>Other comprehensive income for the financial period, net of tax</b>	(813)	10	NM	(1,243)	63	NM
<b>Total comprehensive income for the financial period</b>	(147)	190	-177%	1,364	2,383	-43%
<b>Profit attributable to:</b>						
Owners of the parent	680	198	243%	2,610	2,393	9%
Non-controlling interests	(14)	(18)	-22%	(3)	(73)	-96%
<b>Profit for the financial period</b>	666	180	270%	2,607	2,320	12%
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	(140)	207	-168%	1,355	2,443	-45%
Non-controlling interests	(7)	(17)	-59%	9	(60)	NM
<b>Total comprehensive income for the financial period</b>	(147)	190	-177%	1,364	2,383	-43%

NM – Not meaningful

## 1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

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

	Group 3 Months Ended			Group 9 Months Ended		
	30 September 2015 (Unaudited) S\$'000	30 September 2014 (N <sup>1</sup> ) (Unaudited) S\$'000	Change	30 September 2015 (Unaudited) S\$'000	30 September 2014 (N <sup>1</sup> ) (Unaudited) S\$'000	Change
Depreciation of plant and equipment - cost of sales	112	103	9%	335	260	29%
Depreciation of plant and equipment – administrative expenses	91	66	38%	278	146	90%
Amortisation of intangible assets – other expenses	133	-	NA	399	-	NA
Amortisation of intangible assets – administrative expenses	6	6	0%	18	18	0%
Interest income	(60)	(17)	253%	(126)	(38)	232%
Loss on exchange differences	150	-	NA	150	-	NA
Interest expense on bank overdraft	-	-	-	-	22	-100%
Loss on disposal of subsidiary	-	-	-	-	33	-100%
Gain on disposal of plant and equipment	-	-	-	-	(3)	-100%

NM – Not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	30 September 2015 (Unaudited) S\$'000	31 December 2014 (N <sup>1</sup> ) (Audited) S\$'000	30 September 2015 (Unaudited) S\$'000	31 December 2014 (Audited) S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	4,004	4,285	161	187
Investment in subsidiaries	-	-	20,090	20,090
Intangible assets	12,950	13,219	1	1
	16,954	17,504	20,252	20,278
<b>Current assets</b>				
Inventories	775	580	-	-
Trade and other receivables	2,053	2,570	7,285	7,773
Prepayments	140	179	17	9
Cash and cash equivalents	27,254	27,267	18,485	17,831
	30,222	30,596	25,787	25,613
<b>TOTAL ASSETS</b>	47,176	48,100	46,039	45,891
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	43,630	43,630	43,630	43,630
Reserves	(4,973)	(3,868)	-	-
Retained earnings	5,212	4,115	2,218	2,078
<b>Equity attributable to owners of parent</b>	43,869	43,877	45,848	45,708
Non-controlling interests	(59)	(197)	-	-
<b>TOTAL EQUITY</b>	43,810	43,680	45,848	45,708
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	837	908	-	-
Provisions	235	247	19	18
	1,072	1,155	19	18
<b>Current liabilities</b>				
Trade and other payables	1,856	2,498	170	165
Current income tax payable	438	767	2	-
	2,294	3,265	172	165
<b>TOTAL LIABILITIES</b>	3,366	4,420	191	183
<b>TOTAL EQUITY AND LIABILITIES</b>	47,176	48,100	46,039	45,891

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities

### Amount repayable in one year or less, or on demand

None.

### Amount repayable after one year

None.

### Details of any collateral

Not applicable.

## 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Consolidated Statement of Cash Flows

	Group		Group	
	3 Months Ended		9 Months Ended	
	30 September 2015	30 September 2014 (N <sup>1</sup> )	30 September 2015	30 September 2014 (N <sup>1</sup> )
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	944	491	3,856	3,249
Adjustments for:				
Depreciation of plant and equipment	203	169	613	406
Amortisation of intangible assets	139	6	417	18
Gain on disposal of plant and equipment	-	-	-	(3)
Loss on disposal of subsidiary	-	-	-	33
Interest income	(60)	(17)	(126)	(38)
Interest expense	2	11	6	33
Operating cash flows before working capital changes	1,228	660	4,766	3,698
Working capital changes:				
- Inventories	505	(91)	(195)	(136)
- Trade and other receivables	329	(7,408)	545	(1,831)
- Prepayments	(17)	-	38	(79)
- Trade and other payables	(173)	7,123	(642)	1,713
Cash generated from operations	1,872	284	4,512	3,365
Income tax paid	(529)	(705)	(1,639)	(1,136)
<b>Net cash from/(used in) operating activities</b>	<b>1,343</b>	<b>(421)</b>	<b>2,873</b>	<b>2,229</b>

	Group		Group	
	3 Months Ended		9 Months Ended	
	30 September 2015	30 September 2014 (N <sup>1</sup> )	30 September 2015	30 September 2014 (N <sup>1</sup> )
	(Unaudited) S\$'000	(Unaudited) S\$'000	(Unaudited) S\$'000	(Unaudited) S\$'000
<b>Investing activities</b>				
Purchase of plant and equipment	(31)	(2,188)	(663)	(2,240)
Purchase of intangible assets	-	-	(180)	-
Proceeds from disposal of plant and equipment	-	-	-	24
Proceeds from disposal of subsidiary	-	-	-	142
Cash proceeds from business acquired	-	3,811	-	3,811
Interest received	43	17	98	38
<b>Net cash (used in)/from investing activities</b>	<b>12</b>	<b>1,640</b>	<b>(745)</b>	<b>1,775</b>
<b>Financing activities</b>				
Dividends paid	(1,009)	-	(1,513)	(1,829)
Proceeds from issuance ordinary shares	-	5,500	-	5,500
Subscription of shares in subsidiaries by non-controlling interests	-	-	129	-
Interest paid	-	(11)	-	(33)
<b>Net cash (used in)/from financing activities</b>	<b>(1,009)</b>	<b>5,489</b>	<b>(1,384)</b>	<b>3,638</b>
<b>Net change in cash and cash equivalents</b>	<b>346</b>	<b>6,708</b>	<b>744</b>	<b>7,642</b>
Cash and cash equivalents at beginning of financial period	27,357	2,384	27,267	1,421
Effects of exchange rate changes on cash and cash equivalents	(449)	(7)	(757)	22
<b>Cash and cash equivalents at end of financial period (Note A)</b>	<b>27,254</b>	<b>9,085</b>	<b>27,254</b>	<b>9,085</b>

**Note A**

	Group	
	(Unaudited)	
	30 September 2015 S\$'000	30 September 2014 (N <sup>1</sup> ) S\$'000
Cash and cash equivalents comprised cash at bank and petty cash	27,254	9,774
Less: Bank overdrafts	-	(689)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>27,254</b>	<b>9,085</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Changes in Equity**

	Attributable to owners of the parent						Non-controlling interests	Total Equity
	Share capital	Merger reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the parent			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
<b>Group (Unaudited)</b>								
<b>At 1 January 2015</b>	43,630	(3,572)	(296)	4,115	43,877	(197)	43,680	
<b>Profit for the financial period</b>	-	-	-	1,930	1,930	11	1,941	
<b>Other comprehensive income</b>								
Foreign currency translation differences – foreign operations	-	-	(435)	-	(435)	5	(430)	
<b>Total comprehensive income for the financial period</b>	-	-	(435)	1,930	1,495	16	1,511	
<b>Transaction with owners of the parent</b>								
Dividends declared	-	-	-	(504)	(504)	-	(504)	
<b>Total transaction with owners of the parent</b>	-	-	-	(504)	(504)	-	(504)	
<b>Transaction with non-controlling interests</b>								
Subscription of shares in subsidiaries by non-controlling interests	-	-	-	-	-	129	129	
<b>Total transaction with non-controlling interests</b>	-	-	-	-	-	129	129	
<b>At 30 June 2015</b>	<b>43,630</b>	<b>(3,572)</b>	<b>(731)</b>	<b>5,541</b>	<b>44,868</b>	<b>(52)</b>	<b>44,816</b>	
<b>At 1 July 2015</b>	43,630	(3,572)	(731)	5,541	44,868	(52)	44,816	
<b>Profit for the financial period</b>	-	-	-	680	680	(14)	666	
<b>Other comprehensive income</b>								
Foreign currency translation differences – foreign operations	-	-	(670)	-	(670)	7	(663)	
<b>Total comprehensive income for the financial period</b>	-	-	(670)	680	10	(7)	3	
<b>Transaction with owners of the parent</b>								
Dividends declared	-	-	-	(1,009)	(1,009)	-	(1,009)	
<b>Total transaction with non-controlling interests</b>	-	-	-	(1,009)	(1,009)	-	(1,009)	
<b>At 30 September 2015 (N<sup>1</sup>)</b>	<b>43,630</b>	<b>(3,572)</b>	<b>(1,401)</b>	<b>5,212</b>	<b>43,869</b>	<b>(59)</b>	<b>43,810</b>	



## Statement of Changes in Equity

Group (Unaudited)	Attributable to owners of the parent						Non- controlling interests	Total Equity
	Share capital	Merger reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the parent			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
<b>At 1 January 2014</b>	418	-	(182)	2,147	2,383	(82)	2,301	
<b>Profit for the financial period</b>	-	-	-	2,196	2,196	(53)	2,143	
<b>Other comprehensive income</b>								
Foreign currency translation differences – foreign operations	-	-	18	-	18	-	18	
Reclassification adjustment arising from disposal of foreign subsidiary	-	-	23	-	23	10	33	
<b>Total comprehensive income for the financial period</b>	-	-	41	2,196	2,237	(43)	2,194	
<b>Transaction with owners of the parent</b>								
Issuance of subscriber's shares on incorporation of the Company	*	-	-	-	-	-	-	
<b>Total transaction with owners of the parent</b>	*	-	-	-	-	-	-	
<b>Transaction with non-controlling interests</b>								
Disposal of subsidiary	-	-	-	-	-	(62)	(62)	
<b>Total transaction with non-controlling interests</b>	-	-	-	-	-	(62)	(62)	
<b>At 30 June 2014</b>	<b>418</b>	<b>-</b>	<b>(141)</b>	<b>4,343</b>	<b>4,620</b>	<b>(187)</b>	<b>4,433</b>	
<b>At 1 July 2014</b>	418	-	(141)	4,343	4,620	(187)	4,433	
<b>Profit for the financial period</b>	-	-	-	198	198	(18)	180	
<b>Other comprehensive income</b>								
Foreign currency translation differences – foreign operations	-	-	9	-	9	1	10	
<b>Total comprehensive income for the financial period</b>	-	-	9	198	207	(17)	190	
<b>Transactions with owners of the parent</b>								
Issuance of ordinary shares	25,590	-	-	-	25,590	-	25,590	
Deemed distribution to owners of the parent pursuant to the restructuring exercise	(418)	(3,572)	-	-	(3,990)	-	(3,990)	
<b>Total transactions with owners of the parent</b>	<b>25,172</b>	<b>(3,572)</b>	<b>-</b>	<b>-</b>	<b>21,600</b>	<b>-</b>	<b>21,600</b>	
<b>At 30 September 2014 (N<sup>1</sup>)</b>	<b>25,590</b>	<b>(3,572)</b>	<b>(132)</b>	<b>4,541</b>	<b>26,427</b>	<b>(204)</b>	<b>26,223</b>	

\* The Company was incorporated on 2 January 2014 with an issued and paid-up share capital of S\$100 comprising 100 shares.

### Statement of Changes in Equity

Company (Unaudited)	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
<b>At 1 January 2015</b>	43,630	2,078	45,708
<b>Profit for the financial period</b>	-	1,381	1,381
<b>Total comprehensive income for the financial period</b>	-	1,381	1,381
<b>Transaction with owners of the Company</b>			
Dividends declared	-	(504)	(504)
<b>Total transaction with owners of the Company</b>	-	(504)	(504)
<b>At 30 June 2015</b>	<b>43,630</b>	<b>2,955</b>	<b>46,585</b>
<b>At 1 July 2015</b>	43,630	2,955	46,585
<b>Profit for the financial period</b>	-	272	272
<b>Total comprehensive income for the financial period</b>	-	272	272
<b>Transaction with owners of the Company</b>			
Dividends declared	-	(1,009)	(1,009)
<b>Total transaction with owners of the Company</b>	-	(1,009)	(1,009)
<b>At 30 September 2015</b>	<b>43,630</b>	<b>2,218</b>	<b>45,848</b>

## Statement of Changes in Equity

Company (Unaudited)	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
<b>At 1 January 2014</b>	-	-	-
<b>Loss for the financial period</b>	-	(55)	(55)
<b>Total comprehensive income for the financial period</b>	-	(55)	(55)
<b>Contribution by owners of the Company</b>			
Issuance of subscriber's shares on incorporation of the Company	*	-	*
<b>Total transaction with owners of the Company</b>	*	-	*
<b>At 30 June 2014</b>	*	(55)	(55)
<b>At 1 July 2014</b>	*	(55)	(55)
<b>Loss for the financial period</b>	-	(55)	(55)
<b>Total comprehensive income for the financial period</b>	-	(55)	(55)
<b>Transaction with owners of the Company</b>			
Issuance of ordinary shares	25,590	-	25,590
<b>Total transaction with owners of the Company</b>	25,590	-	25,590
<b>At 30 September 2014</b>	<b>25,590</b>	<b>(110)</b>	<b>25,480</b>

\* The Company was incorporated on 2 January 2014 with an issued and paid-up share capital of S\$100 comprising 100 shares.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

**Shares Capital – Ordinary Shares**

The Company's issued and fully paid-up share capital as at 30 September 2015 was as follows:

	<b>Number of ordinary shares</b>	<b>Issued and paid-up share capital S\$</b>
<b>At 1 July 2015 and 30 September 2015</b>	458,500,000	43,630,212

The Company did not have any outstanding options, convertibles or treasury shares as at 30 September 2015 and 30 September 2014. There have been no options granted pursuant to the Company's employee share options scheme.

- (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**

	<u><b>30 September 2015</b></u>	<u><b>30 September 2014</b></u>
Total number of issued shares	458,500,000	388,500,000*

The Company did not have any treasury shares as at 30 September 2015 and 30 September 2014.

\* After Restructuring Exercise and share split but prior to the placement shares in connection to its listing on Catalist.

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

Not applicable. The Company did not have any treasury shares 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.

**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 reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2014.

**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**

The Group has adopted all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 January 2015. The adoption of these new and revised FRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

**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**

	Group		Group	
	3 months ended		9 months ended	
	30 September 2015 (Unaudited)	30 September 2014 (N <sup>1</sup> ) (Unaudited)	30 September 2015 (Unaudited)	30 September 2014 (N <sup>1</sup> ) (Unaudited)
Earnings per share ("EPS")				
Profit attributable to owners of the parent (S\$)	679,897	197,914	2,610,450	2,392,832
Weighted average number of ordinary shares in issue	458,500,000	225,179,873 <sup>(1)</sup>	458,500,000	208,154,487 <sup>(1)</sup>
Basic and fully diluted basis (Singapore cents) <sup>(3)</sup>	0.15	0.09	0.57	1.15
Number of ordinary shares in issue post-IPO <sup>(2)</sup>	458,500,000	458,500,000	458,500,000	458,500,000
Basic and fully diluted basis (Singapore cents) <sup>(3)</sup>	0.15	0.04	0.57	0.52

- (1) The calculation is based on the weighted average number of ordinary shares of the Company in issue during the respective financial periods, on the assumption that share split of each share in the Company into 7 ordinary shares on 29 September 2014 has occurred since the beginning of the respective financial period. The calculations have been restated to reflect the restructuring exercise.
- (2) This is based on post-IPO share capital of 458,500,000 issued ordinary shares of the Company.
- (3) There were no potentially dilutive ordinary shares in existence during all the respective financial periods.

**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 period reported on; and**  
**(b) Immediately preceding financial year**

	Group		Company	
	30 September 2015 (Unaudited)	31 December 2014 (Audited)	30 September 2015 (Unaudited)	31 December 2014 (Audited)
	Net asset value (S\$)	43,810,249	43,679,776	45,848,586
Number of ordinary shares in issue	458,500,000	458,500,000	458,500,000	458,500,000
Net asset value per ordinary share (S\$)	0.10	0.10	0.10	0.10

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 3 months ended 30 September 2015 ("3Q2015") and 30 September 2014 ("3Q2014").**

*The figures for 3Q2014 consist of financial results of ISEC Sdn. Bhd. and its subsidiaries in Malaysia, and financial results of ISEC Healthcare Ltd., International Specialist Eye Centre Pte. Ltd. ("ISEC Singapore") (which was set up in August 2014) and ISEC Eye Pte. Ltd. ("ISEC Eye") (the acquisition of which was completed on 26 September 2014) in Singapore.*

#### Consolidated Statement of Comprehensive Income

##### *Revenue*

The Group recorded revenue of S\$6.3 million in 3Q2015, an increase of 28% as compared to S\$4.9 million in 3Q2014. Revenue contribution from Singapore operations in 3Q2014 was negligible, since ISEC Singapore only commenced operations in August 2014 and the recognition of ISEC Eye revenue contribution commenced from 27 September 2014 onwards. The increase in 3Q2015 revenue was attributable to contribution from Singapore operations and increased number of patient visits in Malaysia operations.

##### *Cost of sales*

Cost of sales increased by 17% from 3Q2014 to 3Q2015 (3Q2014: S\$3.1 million; 3Q2015: S\$3.6 million) mainly due to the increase in the Group's business activities as well as the costs of sales incurred by Singapore operations.

##### *Other income*

Other income relates mainly to interest income from short-term deposit placements with established banks by the Company and its Malaysia operations. The Company contributed S\$34,000 out of the S\$60,000 total 3Q2015 interest income.

##### *Selling and distribution expenses*

Selling and distribution expenses decreased by 51%, from S\$65,000 in 3Q2014 to S\$32,000 in 3Q2015 due to reduced marketing and advertising activities in view of the impending closure of its eye clinic operation in Mount Elizabeth Novena.

### *Administrative expenses*

Administrative expenses increased by 28%, from S\$1.3 million in 3Q2014 to S\$1.6 million in 3Q2015 mainly due to additional headcount to support the increased business activities of the Group, expenses incurred for corporate office activities, and the rental of the new corporate office and ISEC Singapore's clinic premise in Singapore, as well as new office space in Kuala Lumpur, Malaysia (rental expenses was incurred mainly since August 2014). The Company has also recognised an unrealised exchange loss of S\$150,000 during the financial period.

### *Other expenses*

Other expenses in 3Q2015 consisted of amortisation charge of S\$133,000, relating to the intangible assets arising from the acquisition of ISEC Eye.

### *Depreciation expenses*

Depreciation expenses increased by 20% from S\$169,000 in 3Q2014 to S\$203,000 in 3Q2015, mainly due to the additions of plant and equipment from Singapore operations which started operating in August 2014.

### *Income tax expense*

The effective tax rates of the Group in 3Q2014 and 3Q2015 were 63% and 25% respectively. The statutory corporate tax rates where the Group operates in are 17% in Singapore and 25% in Malaysia. The lower effective tax rate in 3Q2015 was because there were expenses not allowable for tax deductions incurred by operations in Malaysia in 3Q2014, whilst additional tax provision was made in 3Q2014, resulting in higher effective tax rates during the prior financial period. In addition, for both comparative periods under review, no deferred tax asset was recognised for the losses incurred in the Company and ISEC Singapore.

### *Profit after tax*

The net profit of the Group in 3Q2015 was S\$816,000, an increase of S\$636,000 compared to S\$180,000 in 3Q2014, mainly due to increase in revenue as stated above.

## Consolidated Statement of Financial Position

### *Non-current assets*

Non-current assets (comprising plant and equipment and intangible assets) were S\$17.0 million as at 30 September 2015, representing a decrease of S\$550,000 from S\$17.5 million as at 31 December 2014 as the additional of plant and equipment and computer software was more than offset by depreciation and amortisation charges.

### *Current assets*

Current assets comprised inventories, trade and other receivables, prepayments and cash and cash equivalents. Current assets decreased by S\$0.4 million from S\$30.6 million as at 31 December 2014 to S\$30.2 million as at 30 September 2015, mainly due to the receipt of net goods and service tax



receivable of S\$0.4 million by the Company and ISEC Singapore as at 31 December 2014.

#### *Current liabilities*

Current liabilities decreased by S\$971,000 from S\$3.3 million as at 31 December 2014 to S\$2.3 million as at 30 September 2015, mainly due to decreased trade and other payables as a result of payments made.

#### Consolidated Statement of Cash Flows

As at 30 September 2015, the Group had cash and cash equivalents of S\$27.3 million, as compared to S\$9.1 million of cash and cash equivalents, net of bank overdraft facilities, as at 30 September 2014.

#### *Cash flows from operating activities*

Net cash from operating activities in 3Q2015 recorded an increase of S\$1.8 million, from cash outflow of S\$421,000 in 3Q2014 to cash inflow of S\$1.4 million in 3Q2015. The Group's profit before tax recorded in 3Q2015 was S\$453,000 higher compared to that in 3Q2014. Changes in net working capital has also increased by S\$1.0 million, from net working capital outflow of S\$376,000 in 3Q2014 to net working capital inflow of S\$644,000, mainly due to the following changes in working capital: 1) increased inventories and 2) increased trade and other receivables, offset by reduced trade and other payables. The income tax payment was S\$176,000 lower in 3Q2015, compared to S\$705,000 in 3Q2014.

#### *Cash flows from investing activities*

Net cash from investing activities in 3Q2015 amounted to S\$12,000, as compared to S\$1.6 million in 3Q2014. In 3Q2014, the acquisition of ISEC Eye contributed to S\$3.8 million of cash proceeds to the Group. Cash outflow of S\$2.2 million was made to purchase plant and equipment mainly by ISEC Singapore.

#### *Cash flows from financing activities*

Net cash used in financing activities of S\$1.0 million in 3Q2015 was a result of the interim tax exempt (one-tier) dividend of S\$0.0022 per ordinary share paid to the shareholders of the Company. Net cash from financing activities of S\$5.5 million in 3Q2014 was attributed to the receipt of cash proceeds from additional share issuance.

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

No forecast or prospect statement has been 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.**

The local demand and outlook for ophthalmology services in Malaysia is positive mainly driven by the ageing population, increased awareness of eye disorders, increased uptake of private insurance and growth of medical tourism. The Group with its comprehensive range of services is well position to capture the needs in the market it operates, mainly Malaysia and Singapore.

Ringgit Malaysia continued to depreciate further against the Singapore Dollar for the quarter under review. If this trend continues, it will affect negatively on the contribution from our Malaysia operations.

ISEC Singapore had since 1 October 2015 ceased its eye clinic operation in Mount Elizabeth Novena Specialist Centre. Most of its plant and equipment will be transferred to the Group's Malaysia operations. The total cost of the closure is expected to be charged by Quarter 4, 2015.

Regionally, the Group will continue to seek expansion strategies in China, India, Myanmar, the Philippines, Taiwan and Vietnam, which the Group has identified as markets with growth potential in private healthcare spending. The Group aims to expand its regional business to a size where there is a healthy and diverse mix of revenue streams from various geographical markets.

**11. Dividend**

**(a) Current Financial Period Reported On:** Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended for the current reporting period.

**(b) Corresponding Period of the Immediately Preceding Financial Year:** Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend has been declared or recommended for 3Q2014.

**(c) Date payable:**

Not applicable.

**(d) Books closure date:**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for 3Q2015.

- 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 3Q2015.

**14. Use of IPO proceeds**

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

	<u>Amount allocated</u> <u>S\$'000</u>	<u>Amount allocated pursuant to reallocation of unutilised listing expenses</u> <u>S\$'000</u>	<u>Amount utilised</u> <u>S\$'000</u>	<u>Balance</u> <u>S\$'000</u>
Business expansion in the Asia Pacific region (including Malaysia and Singapore)	13,800	300	-	14,100
General working capital	2,500	-	(2,500) <sup>(1)</sup>	-
<b>Total</b>	<u>16,300</u>	<u>300</u>	<u>(2,500)</u>	<u>14,100</u>

(1) Utilised for:

	<u>S\$'000</u>
Cost of sales	1,028
Administrative expenses	1,378
Selling and distribution expenses	94
	<u>2,500</u>

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

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 3-month and 9-month financial period ended 30 September 2015 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Dr Wong Jun Shyan  
Executive Director and Chief Executive Officer  
5 November 2015