

**ISEC HEALTHCARE LTD.**  
(Company Registration No. 201400185H)  
(Incorporated in the Republic of Singapore)

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**PROPOSED ACQUISITION OF ONE FLOOR AND A PART OF ANOTHER FLOOR IN A COMMERCIAL BUILDING IN WILAYAH PERSEKUTUAN KUALA LUMPUR, MALAYSIA TO BE CONSTRUCTED**

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*Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meaning as the Company's announcement on 12 August 2021 in relation to its wholly-owned subsidiary, ISEC Sdn. Bhd.'s (the "**Purchaser**") entry into a letter of offer for the proposed acquisition of one floor with a total floor area measuring approximately 60,000 to 70,000 square feet in a commercial building in Wilayah Persekutuan Kuala Lumpur, Malaysia to be constructed. (the "**Announcement**").*

**1. INTRODUCTION**

Further to the Announcement, the Board of Directors (the "**Board**" and each director, a "**Director**") of ISEC Healthcare Ltd. ("**Company**", together with its subsidiaries, the "**Group**") is pleased to announce that the Purchaser has on 14 June 2022 entered into a sale and purchase agreement ("**SPA**") with Paramount Properties Sdn. Bhd. (the "**Vendor**"), and Tunjang Idaman Sdn. Bhd. (the "**Proprietor**") in relation to the acquisition by the Purchaser of the entire Level 9 (measuring approximately 62,119 square feet (5,771.044 square meters)) and part of Level 10 (measuring approximately 5,316 square feet (493.868 square meters)), of the medical podium (the "**Property**") forming part of the commercial building (the "**Building**") to be located in Wilayah Persekutuan Kuala Lumpur, Malaysia to be constructed (the "**Proposed Acquisition**").

**2. INFORMATION ON THE VENDOR, PROPRIETOR AND THE PROPERTY**

**2.1 The Vendor and the Proprietor**

*Shareholders should note that the information relating to the Vendor and the Proprietor in this Paragraph is based on publicly available information. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.*

The Vendor and the Proprietor are wholly-owned subsidiaries of UOA Development Bhd, a property developer listed on the Main Market of Bursa Malaysia with a market capitalisation of circa RM4.28 billion as at the market day preceding this announcement. All these parties are independent from the Group.

**2.2 The Property**

The Property shall be located at the entire Level 9 (measuring approximately 62,119 square feet (5,771.044 square meters)) and part of Level 10 (measuring approximately 5,316 square feet (493.868 square meters)) of the medical podium forming part of the commercial building to be located in Wilayah Persekutuan Kuala Lumpur, Malaysia to be constructed. The Building, which shall be erected on a piece of land held under Geran 77273 Lot 480588 Mukim and Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur, measures approximately 10,749 square meters.

Construction of the Building is slated for completion in forty-two (42) calendar months from the Unconditional Date, defined as the date when all Conditions Precedent (as defined below) are satisfied or waived by both parties.

There is no profit or loss attributable to the Proposed Acquisition.

The book value of the Property to be acquired is RM60,242,610 (equivalent to approximately S\$18,944,000<sup>1</sup>).

### 3. RATIONALE FOR THE PROPOSED ACQUISITION

The Directors believe that the Proposed Acquisition will generally be beneficial to the Company and its shareholders.

The Group envisages that the Group's business in Malaysia will continue to grow and expand and has therefore decided to purchase the Property to better support the Group's expansion. The Property will be built and specifically designed with the purpose for the Group to use as a specialist eye centre.

### 4. MATERIAL TERMS AND CONDITIONS OF THE PROPOSED ACQUISITION

#### 4.1 Consideration for the Proposed Acquisition

The consideration of RM60,242,610.00 (equivalent to approximately S\$18,944,000<sup>1</sup>) (the "**Consideration**") for the Proposed Acquisition was determined based on arm's length negotiations between the Purchaser and the Vendor and arrived at on a willing-buyer, willing seller basis, taking into consideration comparative transactions in the same area which indicated that the price quoted by the Vendor is at market value, as analysed by the Group and presented to the Board.

If the measurements, boundaries and floor area of the Property measuring approximately 67,435 square feet shall be different from its measurements, boundaries and/or area as shown in the strata title of the Property when issued, then there shall be an adjustment of the Consideration for the difference whether upwards or downwards (and only that part of difference of the floor area of the Property) calculated at the rate of RM930.00 per square foot for Level 9, and RM465.00 per square foot for part of Level 10, based on the market value determined by the Vendor and as agreed by both parties.

The Consideration shall be satisfied in cash via a combination of the Company's internal resources and bank borrowings with an established financial institution in Malaysia to fund the Proposed Acquisition ("**Bank Financing**"). In connection therewith, the Company will be entering into a loan agreement with a bank for a term loan facility to finance up to 90% of the Consideration (the "**Facility Agreement**").

The Consideration shall be paid in the following manner: -

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<sup>1</sup> Unless otherwise indicated, the RM amounts in this announcement have been translated into S\$ amounts based on an exchange rate (middle rate) of S\$1: RM3.18 as published on Bank Negara Malaysia's website as at 5 p.m. on 13 June 2022, (being the last market day preceding this announcement).

- (a) the sum of Ringgit Malaysia Six Hundred Thirty-Eight Thousand Five Hundred Forty-Seven and Sen Thirty (RM638,547.30) only (the “**Earnest Deposit**”) was paid to the Proprietor’s and Vendor’s solicitors prior to the date of the SPA pursuant to the Letter of Offer dated 12 August 2021 (“**LO**”);
- (b) the sum of Ringgit Malaysia Five Million Three Hundred and Eighty-Five Thousand Seven Hundred and Thirteen and Sen Seventy (RM5,385,713.70) only (the “**Balance Deposit**”) shall be paid to the Vendor within seven (7) days from the receipt by the Purchaser of the Ministry of Health of Malaysia (“**MOH**”) Approval (as defined in paragraph 4.2 below). (The Earnest Deposit and the Balance Deposit shall be collectively referred to as the “**Deposit**”);
- (c) provided always that the Conditions Precedent (as defined in paragraph 4.2 below) have been fulfilled or waived by the Parties (if capable of being waived), as the case may be within the Condition Period (as defined in paragraph 4.2 below), ninety per centum (90%) of the Consideration (the “**Balance Consideration**”) less the Retention Sum (as defined in paragraph 4.1(d) below) shall be paid to the Vendor within fourteen (14) business days from the date of completion of the Property with the Certificate of Completion and Compliance (the “**CCC**”) as confirmed by the Vendor in writing; and
- (d) provided always that the Conditions Precedent have been fulfilled or waived (if capable of being waived), as the case may be within the Condition Period, Ringgit Malaysia Six Hundred and Thirty Eight Thousand Five Hundred Forty Seven and Sen Thirty (RM638,547.30) only (the “**Retention Sum**”) shall be retained from the Balance Consideration by the Proprietor’s and Vendor’s Solicitors who are authorised to release the Retention Sum to the Vendor at the expiry of the Defect Liability Period (as defined in paragraph 4.4(a) below). The Vendor agrees to remedy the notified defects as referred to in paragraph 4.4 below which were discovered and notified by the Purchaser prior to the expiry of the Defect Liability Period.

If the Purchaser fails to pay the Balance Deposit and Balance Consideration within the stipulated time frame, the Purchaser shall be liable to pay the Vendor interest at the rate of 10% with daily rests calculated from the respective due date of the payments until the date of the Vendor’s receipt of actual payment in full.

#### 4.2 **Conditions Precedent**

The Proposed Acquisition is subject to the following conditions precedents:-

The Purchaser and Vendor have in the SPA agreed that the sale and purchase of the Property is conditional upon, among other things, the following conditions precedent (the “**Conditions Precedent**”) being fulfilled within nine (9) months from the date of the SPA with an automatic extension of a further three (3) months (“**Condition Period**”):-

- (a) the Purchaser having applied and obtained at its own cost and expense with no objection letter from the MOH as may be required by the Purchaser under the law to enable the Purchaser to operate a specialist eye centre at the location of the Property (“**MOH Approval**”);
- (b) the Building achieving the occupancy rate of a total floor area of 210,000 square feet

decided by the Vendor at its sole discretion in writing whether by way of sale agreement or tenancy agreement as confirmed by the Proprietor's and Vendor's Solicitor's in writing ("**Occupancy Rate**");

- (c) the Purchaser obtaining the consent of the relevant authorities for the disposal of the Property to the Purchaser under Section 433B(1) or 433E(1) of the National Land Code, 2020 of Malaysia ("**State Authority Approval**");
- (d) the Company, being the parent company of the Purchaser, obtaining the approval of its shareholders for the Proposed Acquisition in accordance with the terms and conditions of the SPA and further authorising the execution of the SPA and all other relevant related documents ("**Shareholders' Approval**"); and
- (e) the Company, being the parent company of the Purchaser, obtaining all necessary consents, approvals and/or waivers from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for or in connection therewith and incidental thereto ("**Foreign Exchange Approval**") and where the Foreign Exchange Approval is subject to any conditions, such conditions being reasonably acceptable to the Purchaser and the Vendor.

#### 4.3 Further conditions

The Purchaser and Vendor have in the SPA further agreed that in the event that any of the Conditions Precedent are not fulfilled or waived (if capable of being waived) then either party shall be entitled to rescind the SPA by a notice in writing and the following shall ensue:

- (a) if the Purchaser is unable to obtain the MOH Approval within the Condition Period due to the act, omission and/or negligence of the Purchaser, the Vendor shall forfeit the Earnest Deposit as agreed liquidated damages; or
- (b) if the Purchaser is unable to obtain the MOH Approval within the Condition Period after all avenue of appeal has been subsequently exhausted and not due to the act, omission and/or negligence of the Purchaser OR if the MOH Approval obtained by the Purchaser is subject to conditions which requires such amendments or improvement of the building plans or plans which are beyond amendment or improvement to the building plans and such other plans by the Vendor, the Vendor shall refund the Earnest Deposit to the Purchaser free of interest subject to the Purchaser providing supporting documents to the reasonable satisfaction of the Vendor. For the avoidance of doubt, the Vendor and the Proprietor agree that they will use their best endeavour to assist the Purchaser upon request by the Purchaser in respect of the Purchaser's application for MOH Approval; or
- (c) if the Occupancy Rate is not achieved or the fulfilment of such condition of Occupancy Rate is not waived by the Vendor within the Condition Period as confirmed by the Proprietor's and Vendor's solicitor in writing, the Vendor shall refund the Earnest Deposit or Deposit, as the case may be, to the Purchaser free of interest. The condition for the Occupancy Rate may be waived by the Vendor exclusively; or
- (d) if the Purchaser is unable to obtain State Authority Approval after all avenue of appeal has been subsequently exhausted within the Condition Period and not due to the act,

omission and/or negligence of the Purchaser, the Vendor shall refund the Earnest Deposit or the Deposit, as the case may be, to the Purchaser free of interest;

- (e) if the Purchaser is unable to obtain Foreign Exchange Approval respectively after all avenue of appeal has been subsequently exhausted within the Condition Period and not due to the act, omission and/or negligence of the Purchaser, the Vendor shall refund the Earnest Deposit or the Deposit, as the case may be, to the Purchaser free of interest; or
- (f) if the resolution in favour of the acquisition of the Property in accordance with the terms and conditions of the SPA and further authorising the execution of the SPA and all other relevant related documents is not passed by the shareholders of the Company in the extraordinary general meeting ("**EGM**"), the Vendor shall refund the Earnest Deposit or the Deposit, as the case may be, to the Purchaser free of interest.

Thereafter the SPA shall lapse and be of no further effect and neither the Purchaser nor the Vendor and the Proprietor shall have any claim against the other party.

#### 4.4 **Defect Liability Period**

- (a) Any defect, shrinkage or other faults in the Property which shall become apparent within a period of twelve (12) months from the date of delivery of vacant possession of the Property to the Purchaser ("**Defect Liability Period**") which is due to defective workmanship or materials or the Property not having been constructed in accordance with the Vendor's building descriptions and/or building plans as approved by the appropriate authorities, shall be repaired and made good by the Vendor at its own cost and expense within thirty (30) days from the date of notification to the Vendor by the Purchaser.
- (b) If the defects in the Property have not been made good by the Vendor within thirty (30) days of the date of notification to the Vendor by the Purchaser, the Purchaser shall be entitled to carry out the works to repair and make good such defects and to recover from the Vendor the costs of repairing and making good the same provided the Vendor shall have been given an opportunity to rectify such defects within thirty (30) days and the Vendor shall have failed to repair and make good such defects within thirty (30) days. The Purchaser may deduct such costs from the Retention Sum, provided that the Purchaser shall, at any time after the expiry of the above thirty (30) days period, notify the Vendor of the costs of repairing and making good such defects and such request specifying the Purchaser's costs is supported by relevant documents.

Notwithstanding the expiry of the Defect Liability Period, the Vendor agrees at its own costs and expenses to rectify any defects or faults in the Property which were discovered by the Purchaser during the Defect Liability Period provided that the Vendor has been notified in writing of such defects or faults during the Defect Liability Period.

#### 4.5 **Valuation of the Property**

An independent valuer (the "**Valuer**") will be commissioned to prepare a valuation report on the Property. Further details on the valuation will be included in the circular to be circulated to shareholders in due course.

In accordance with the market data analysis assessed by the Valuer, the Valuer is of the view that the valuation of the Property will unlikely be lower than the Consideration.

## 5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures computed on the basis set out in Rule 1006 of the listing manual (the “Listing Manual”) Section B: Rules of Catalyst (the “Catalist Rules”) of the SGX-ST for the Proposed Acquisition of the Property are as follows:

Rule	Bases	Relative Figure (%)
Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value.	Not applicable <sup>(1)</sup>
Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	Not applicable <sup>(2)</sup>
Rule 1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	12.0% <sup>(3)</sup>
Rule 1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable <sup>(5)</sup>

Notes:

- (1) Not applicable, as the Company is not disposing any assets pursuant to the Proposed Acquisition.
- (2) Not applicable, as the Proposed Acquisition is in respect of an unconstructed property and not an income-generating operating entity. As such, there are no net profits attributable to the assets to be acquired.
- (3) Computed based on Consideration including total interest payable, stamp duty fees and registration fees of approximately RM 67,915,000 (equivalent to approximately S\$ 21,356,000) and the Company's market capitalisation of S\$ 177,391,364 as at 13 June 2022 being the last market day on which ordinary shares (“Shares”) were traded preceding the date of entering into the SPA. The market capitalisation of the Company is determined by multiplying the number of Shares in issue (being 572,230,206 Shares,

excluding treasury Shares) by the weighted average price of S\$0.31 of such Shares transacted on 13 June 2022 (being the last market day on which the Shares were traded preceding the date of the entry into the SPA), which is higher than the Group's net asset value per Share of S\$0.13 as at 31 December 2021.

- (4) No shares are issued as consideration for the Proposed Acquisition.
- (5) Not applicable, as of the Company is not a mineral, oil and gas company.

Having regard to the above, as the relative figures computed under Catalist Rules 1006(c) in respect of the Proposed Acquisition exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a discloseable transaction as defined in Chapter 10 of the Catalist Rules.

Notwithstanding that the Proposed Acquisition is a discloseable transaction that does not require shareholders' approval, as the Bank Financing in relation to the Proposed Acquisition is envisaged to result in a significant increase on the Group's gearing ratio (as disclosed in paragraph 6.3 of this announcement), this may result in a change in the risk profile of the Group. Accordingly, pursuant to Practice Note 10A of the Catalist Rules, the Board will be seeking shareholders' approval for the Proposed Acquisition at an extraordinary general meeting to be convened.

## 6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Group following the Proposed Acquisition. The figures presented below are based on the Group's audited consolidated financial statement for the financial year ended 31 December 2021 ("**FY2021**"), being the most recently completed financial year for which financial statements are publicly available as at the date of this announcement.

For the purpose of illustrating the financial effects,

- (a) the financial effects on the net tangible assets ("**NTA**") per Share of the Group have been computed assuming that the Proposed Acquisition and Proposed Transaction<sup>2</sup> (as defined below) were completed on 31 December 2021;
- (b) the financial effects on the earnings per Share ("**EPS**") of the Group have been computed assuming that the Proposed Acquisition and Proposed Transaction were completed on 1 January 2021.

### 6.1 NTA

The financial effects of the Proposed Acquisition on the consolidated NTA of the Group are as follows:

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<sup>2</sup> Please refer to the Company's announcements dated 7 April 2022, 10 May 2022 and 26 May 2022 in relation to the proposed transaction for the acquisition of 100.0% of the issued and paid-up capital of each of (1) IE Centre Sdn. Bhd., and (2) Kampar Eye Sdn. Bhd.; and the subscription of ordinary shares in each of (1) ME Centre Sdn Bhd, (2) TE Centre Sdn Bhd, and (3) Taiping Eye Sdn Bhd, comprising 50.0% plus 1 ordinary share of the enlarged share capital of each of the aforesaid companies (the "**Proposed Transaction**").

	<b>Before the Proposed Acquisition</b>	<b>Immediately following the Proposed Acquisition</b>
NTA of the Group (S\$)	14,910,901	14,910,901 <sup>(1)</sup>
Number of Shares	572,230,206 <sup>(2)</sup>	572,230,206
NTA per share (Singapore cents)	2.61	2.61

**Notes:**

(1) NTA remains unchanged as the addition of Property shall be satisfied in cash via a combination of the Company's internal resources and Bank Financing.

(2) Before the Proposed Acquisition and Bank Financing, based on the latest announced audited consolidated accounts of the Group for FY2021 and assuming completion of the Proposed Transaction, after excluding treasury shares.

**6.2 EPS**

The financial effects of the Proposed Acquisition on the EPS of the Group are as follows:

	<b>Before the Proposed Acquisition</b>	<b>Immediately following the Proposed Acquisition</b>
Profit after tax attributable to the shareholders of the Company (S\$)	8,288,098	8,202,849 <sup>(2) (3)</sup>
Weighted average number of Shares	572,205,467 <sup>(1)</sup>	572,205,467
Profit per share (Singapore cents)	1.45	1.43

**Note:**

(1) Before the Proposed Acquisition and Bank Financing, based on the latest announced audited consolidated accounts of the Group for FY2021 and assuming completion of the Proposed Transaction, after excluding treasury shares.

(2) Depreciation charge on the Property, interest expense for the Bank Financing in relation to the Property, and the respective related expenses for purpose of the Property or Bank Financing are not included.

(3) The Proposed Acquisition does not include the renovation costs as the renovation would only be conducted in the year of completion and it is too preliminary for the management to estimate the renovation costs at this juncture.



### 6.3 Gearing Ratios

The financial effects of the Proposed Acquisition and the Bank Financing on the Group's gearing ratios are as follows:

	<b>Before the Proposed Acquisition and Bank Financing</b>	<b>Immediately following the Proposed Acquisition and Bank Financing</b>
Total Debt / Equity Attributable to owners of the Company (times)	0.05	0.30
Total Debt / Total Assets (times)	0.04	0.20
Total Debt / Net Tangible Assets (times)	0.24	1.39
Total Cash and Cash Equivalents / Total Debt (times)	3.01	0.41

The Group's gearing ratios are based on the assumption that 90% of the Consideration is financed by a term loan facility as per the Facility Agreement.

### 7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their associates has any interest, direct or indirect in the Proposed Acquisition, save for their respective directorship and/or shareholding in the Company, if any.

### 8. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition and no service contract in relation thereto is proposed to be entered into by the Company.

### 9. CIRCULAR AND EXTRAORDINARY GENERAL MEETING

The Company will be convening an extraordinary general meeting to seek shareholders' approval for the Proposed Acquisition. A circular to provide shareholders of the Company with relevant information relating to the Proposed Acquisition (including the information required in Catalist Rules 1010, 1011, 1012 and 1013) will be sent to shareholders of the Company in due course.

### 10. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 101 Thomson Road #09-04 United Square Singapore 307591 for a period of three (3) months commencing from the date of this announcement.

## 11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

### BY ORDER OF THE BOARD

Dr. Lee Hung Ming  
Executive Vice-Chairman

14 June 2022

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*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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