





This presentation has been prepared by the Company and its contents have been reviewed by the Company's sponsor, 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 Catalist.

This presentation has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this presentation, including the correctness of any of the 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 (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).

**Business Overview**

**Competitive Strengths of the Group**

**Business Strategies and Expansion Plans**

**Corporate Developments and Use of Proceeds**

**12 Months Financial Highlights for the Period Ended 31 December 2019**



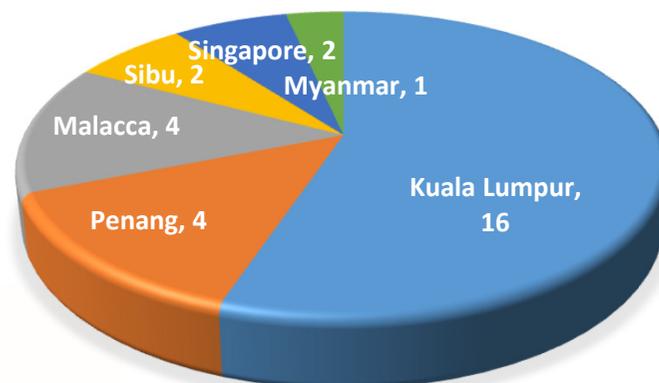
# Business Overview

# Business Overview

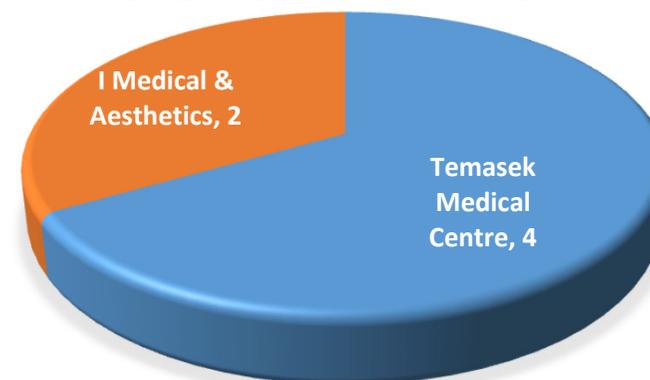


- Specialised Health Services – Medical eye care service provider
  - ISEC is a comprehensive medical eye care service provider, with ambulatory surgical centres in Malaysia (Kuala Lumpur, Penang, Malacca & Sibü), provides specialist medical ophthalmology services to Asia Pacific Eye Centre (formerly known as Lee Hung Ming Eye Centre) in Gleneagles Hospital (Singapore) and operates and administers Ophthalmology centres providing medical consultations and services in Myanmar (Yangon)
  - 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
  - Our vision is to provide high quality, compassionate, world-class eye care at affordable level
- General Health Services – General family medicine and aesthetics services
  - Our clinics (Temasek Medical Centre) are located at Bukit Batok, Sembawang, Woodlands and Yew Tee (Singapore)
  - We invested in an associated company, I Medical & Aesthetics Pte. Ltd. (I Medical & Aesthetics) in August 2018
- Listed on Catalist SGX-ST on 28 October 2014

**29 SPECIALIST DOCTORS**



**6 GENERAL PRACTITIONERS**



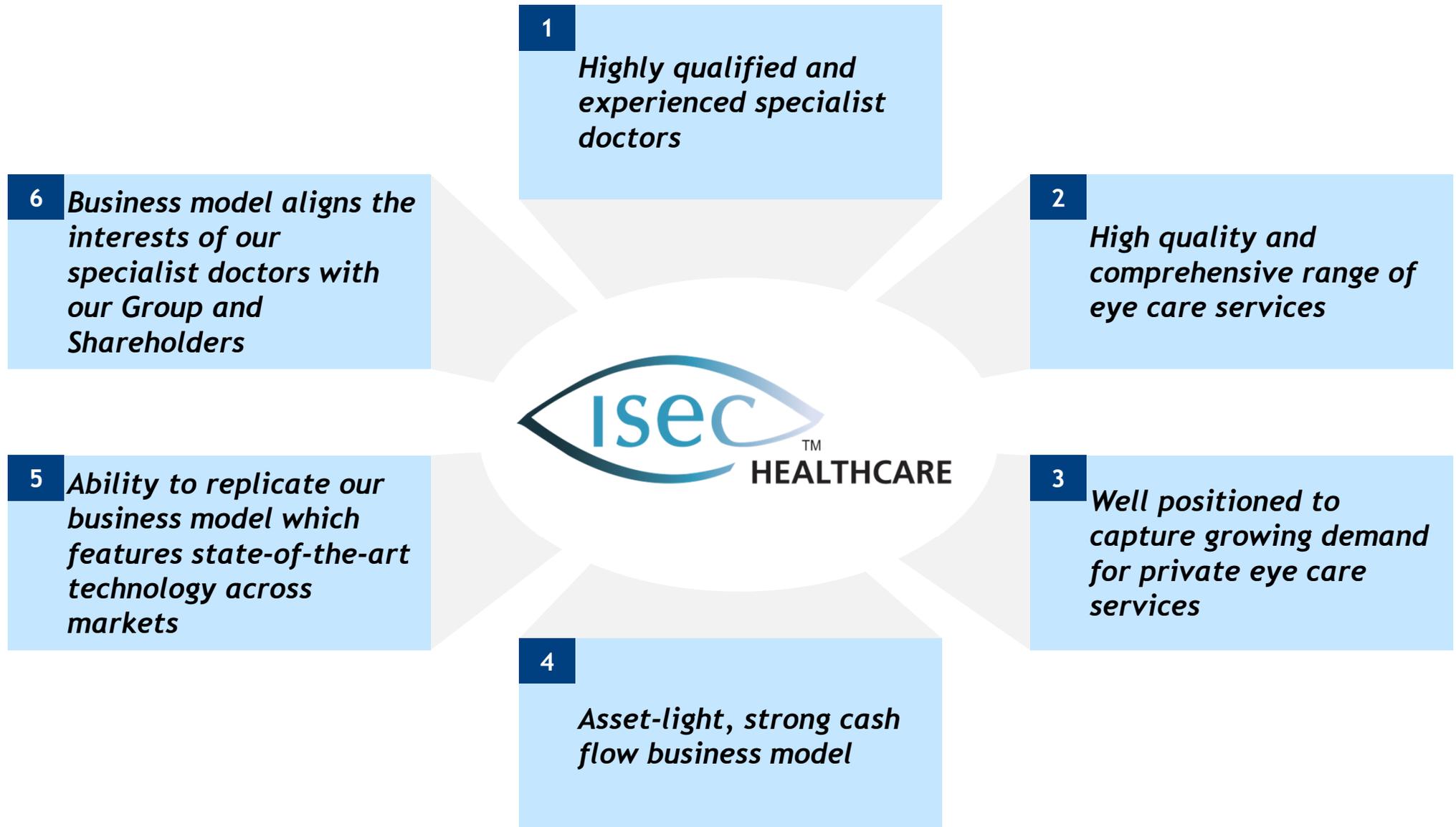
ISEC stands for “International Specialist Eye Centre”



## **Competitive Strengths of the Group**

# Business Overview

## Competitive Strengths of the Group





# **Business Strategies And Expansion Plans**



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

- To reach out to more patients in locations where we currently operate, as well as new locations such as major cities or locations in Peninsular Malaysia, East Malaysia, Singapore and Myanmar
- To expand via setting up of subsidiaries, joint ventures, expand existing centres, acquire assets, businesses and companies
- Identified China, Indonesia, Myanmar 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 opportunities 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,  
Singapore and  
Myanmar)**

★ Target Countries



# Corporate Developments And Use of Proceeds

January 2020 - Proposed Acquisition of the Entire Issued and Paid-up Share Capital of Indah Specialist Eye Centre Sdn. Bhd. (“Indah Specialist”)

*Unless otherwise defined, capitalised terms used on pages 11, 12, 13 and 14 shall have the same meanings ascribed to them in the Company’s announcements made on 7 January 2020.*

## *Summary of the proposed acquisition*

- Aggregate consideration of RM37,360,000 million (“Consideration”), approximately a multiple of 13 times of Indah Specialist’s adjusted and normalised profit after tax based on its audited accounts for the period between 1 July 2018 to 30 June 2019
- The Consideration of RM37,360,000 million will be satisfied in the following manner:
  - (a) RM17,932,800 of the Consideration (“Cash Portion”) shall be payable in cash in the following manner:
    - (i) on completion of the Proposed Acquisition (“Completion”), the Company shall pay 60% of the Cash Portion; and
    - (ii) within 12 months after the date of Completion, the Company shall pay 30% of the Cash Portion; and

January 2020 - Proposed Acquisition of the Entire Issued and Paid-up Share Capital of Indah Specialist Eye Centre Sdn. Bhd. (Cont'd)

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

- (iii) within 24 months after the date of Completion, the Company shall pay 10% of the Cash Portion; and
  - (b) RM19,427,200 of the Consideration shall be satisfied by way of allotment and issue of an aggregate 17,950,913 new Shares (“Consideration Shares”) to the Vendors on the date of Completion
- Each of the Vendors has undertaken to the Purchaser not to, during the 5-year period commencing from the date of Completion (“Moratorium Period”), sell, transfer, assign, charge or howsoever deal with 80% of the Consideration Shares issued to each of the Vendors (“Moratorium Shares”), and at the end of every 12-month period (first period commencing from the date of Completion), 20% of the total Moratorium Shares will be released from the moratorium until no more Consideration Shares are subject to such moratorium

January 2020 - Proposed Acquisition of the Entire Issued and Paid-up Share Capital of Indah Specialist Eye Centre Sdn. Bhd. (Cont'd)

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

- Completion is subject to certain conditions precedent being satisfied or waived in accordance with the SPA
- On the date of Completion, each of Loh Swee Seng (“LSS”), Siow Yun Ching (“SYC”) and Tan Siow Wei (“TSW”) will terminate his/her existing contract of employment with Indah Specialist. LSS will enter into a new employment agreement with Indah Specialist for a fixed term of two (2) years commencing from the date of Completion with an option to renew for a further one (1) year. Each of SYC and TSW will enter into a new employment agreement with Indah Specialist for a fixed term of five (5) years commencing from the date of Completion

January 2020 - Proposed Acquisition of the Entire Issued and Paid-up Share Capital of Indah Specialist Eye Centre Sdn. Bhd. (Cont'd)

### *Rationale for the proposed acquisition*

- Indah Specialist is expected to provide the Group with a growing stream of recurring income and cash flow in Johor Bahru where the demand for specialised and quality medical eye care services is expected to increase.
- The Group considers partial settlement of the Consideration by way of the allotment and issue of Consideration Shares to be advantageous to the Group given that it would conserve the Group's cash reserves. In addition, such partial settlement in the form of equity will align the interests of each of LSS, SYS and TSW with the Group and is in the long-term interest of the Group.

# Use of Proceeds

## As at 26 February 2020



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	300	(13,942) (N1)	158
General working capital	2,500	-	(2,500) (N2)	-
<b>Total</b>	<b>16,300</b>	<b>300</b>	<b>(16,442)</b>	<b>158</b>

(N1) Amount utilised for:	Acquisition of SSEC <sup>(1)</sup> S\$'000	Acquisition of JLM Companies <sup>(2)</sup> S\$'000	Joint venture into ISEC Myanmar <sup>(3)</sup> S\$'000	Subscription of shares in I Medical & Aesthetics <sup>(4)</sup> S\$'000	Total S\$'000
Cash consideration	5,204	6,971	1,041	250	13,466
Administrative expenses	122	268	85	1	476
<b>Total</b>	<b>5,326</b>	<b>7,239</b>	<b>1,126</b>	<b>251</b>	<b>13,942</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>

### Notes:

(1) SSEC refers to Southern Specialist Eye Centre Sdn. Bhd.

(2) JLM Companies refer to JL Medical (Bukit Batok) Pte. Ltd., JL Medical (Sembawang) Pte. Ltd., JL Medical (Woodlands) Pte. Ltd. and JL Medical (Yew Tee) Pte. Ltd.

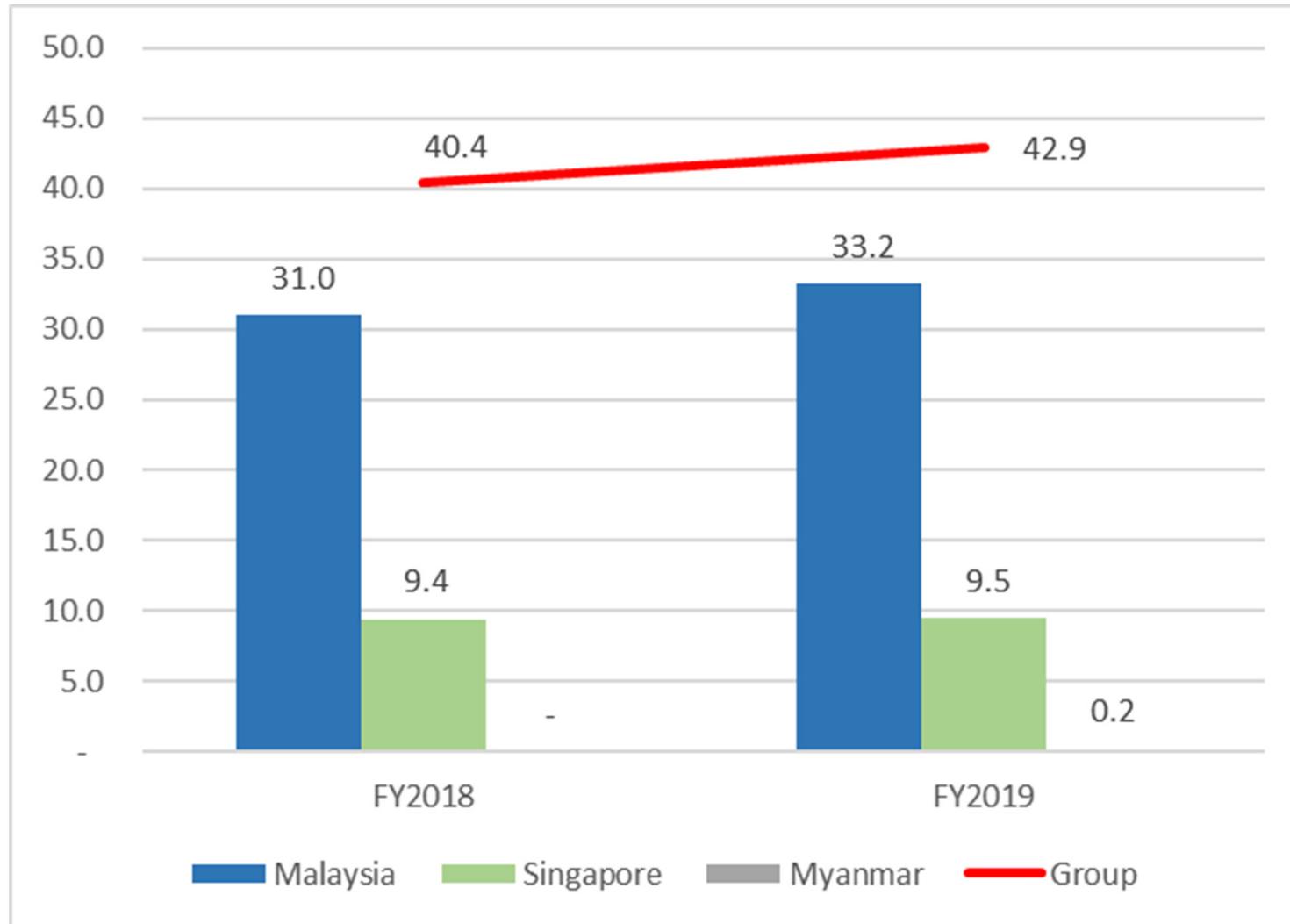
(3) ISEC Myanmar refers to ISEC Myanmar Company Limited

(4) I Medical & Aesthetics refers to I Medical & Aesthetics Pte. Ltd.



**12 Months**  
**Financial Highlights**  
for the Period Ended 31 December 2019

SGD'mil

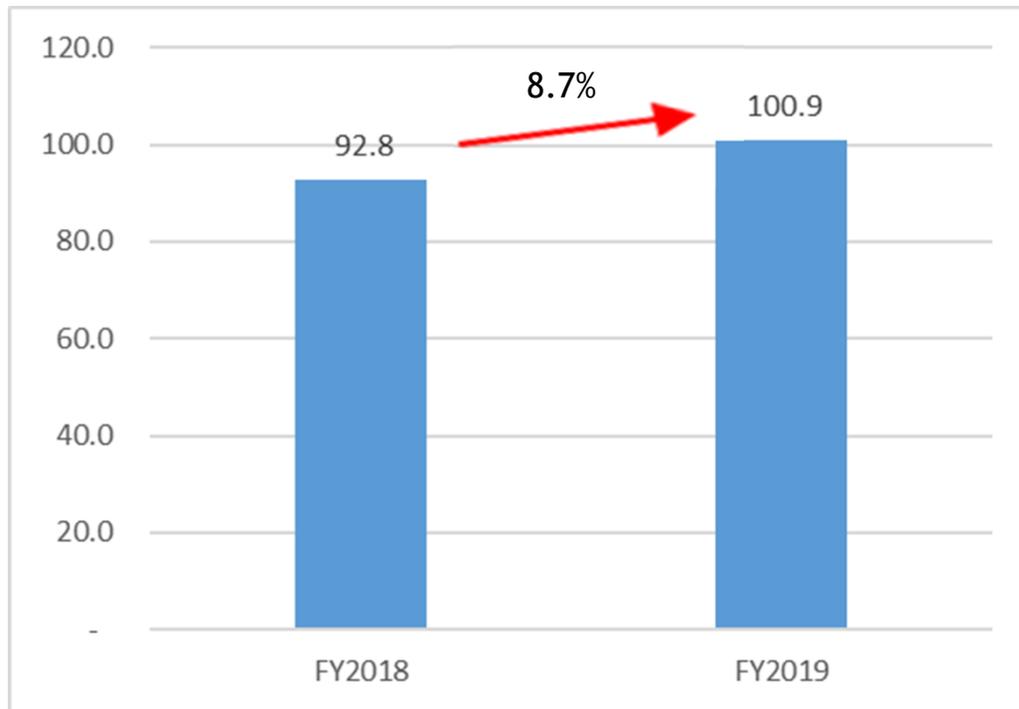


- **FY2019 vs FY2018** The increase in Group revenue was mainly attributable to increased business activities from the Group's specialised health services business segment.

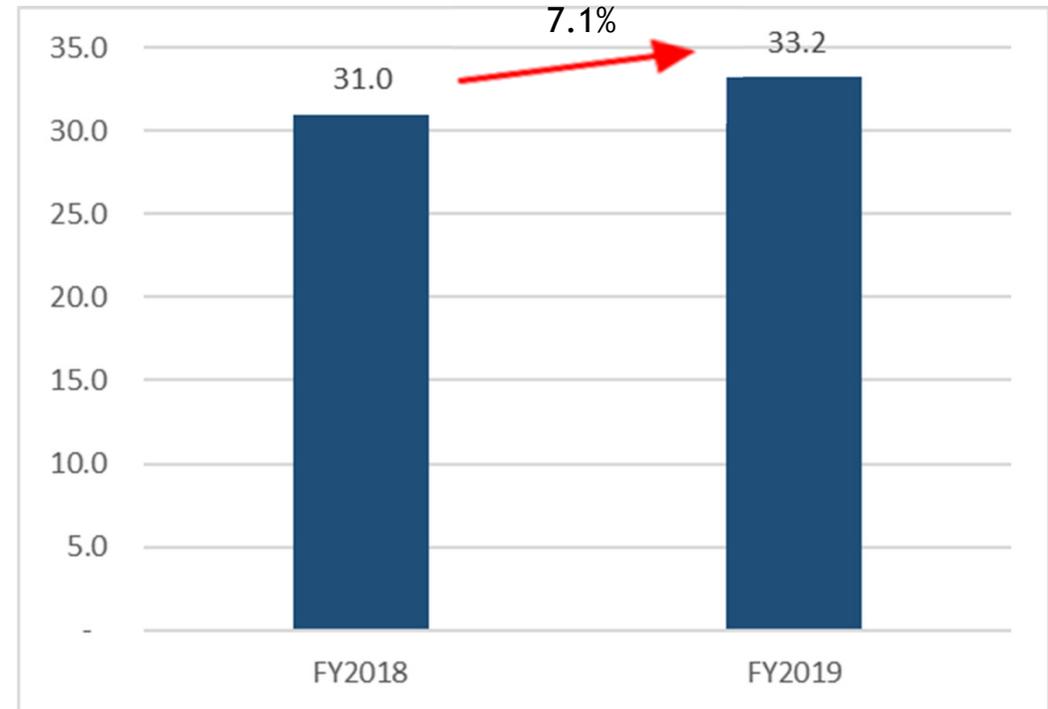
# Revenue - Malaysia



RM'mil



SGD'mil



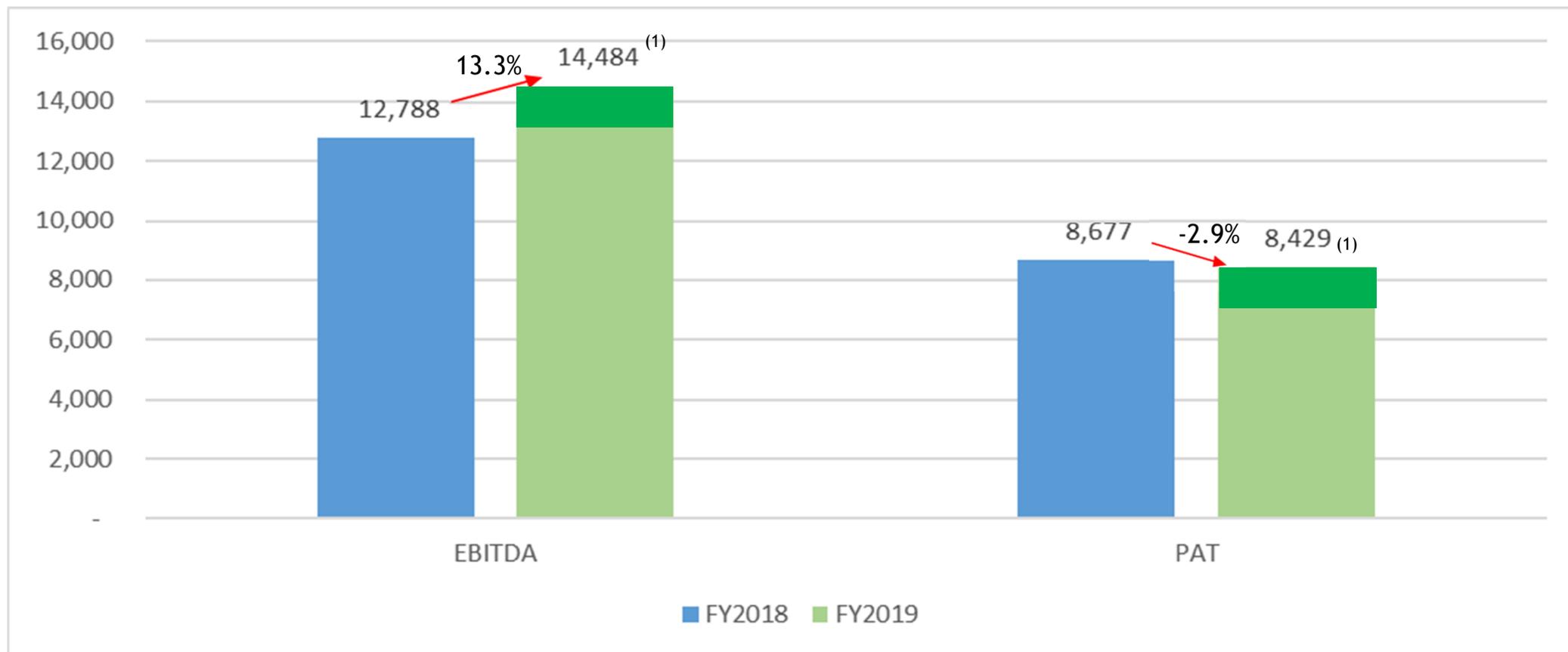
- Revenue from Malaysia operations in Ringgit Malaysia (“RM”) increased from RM92.8 million in FY2018 to RM100.9 million in FY2019, up 8.7% mainly due to increased business activities.

Singapore Dollar translated revenue from Malaysia operations in FY2019 was 7.1% higher compared to FY2018, from S\$31.0 million in FY2018 to S\$33.2 million in FY2019, due to weakening RM.

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



SGD'000



<sup>(1)</sup> Adjusted after adding back impairment loss for goodwill S\$1.18 million.

- The variance in EBITDA was mainly due to the increased depreciation expenses by S\$1.6 million and in finance expenses by S\$0.2 million in FY2019, arising from the adoption of SFRS(I) 16 *Leases* with effect from 1 January 2019.
- Adjusted PAT was S\$8.4 million in FY 2019, compared to S\$8.7 million in FY 2018, a decrease of S\$0.3 million mainly due to professional expenses incurred in relation to the mandatory cash offer by Aier Eye International (Singapore) Pte. Ltd., a wholly-owned subsidiary of Aier Eye Hospital Group Co., Ltd..

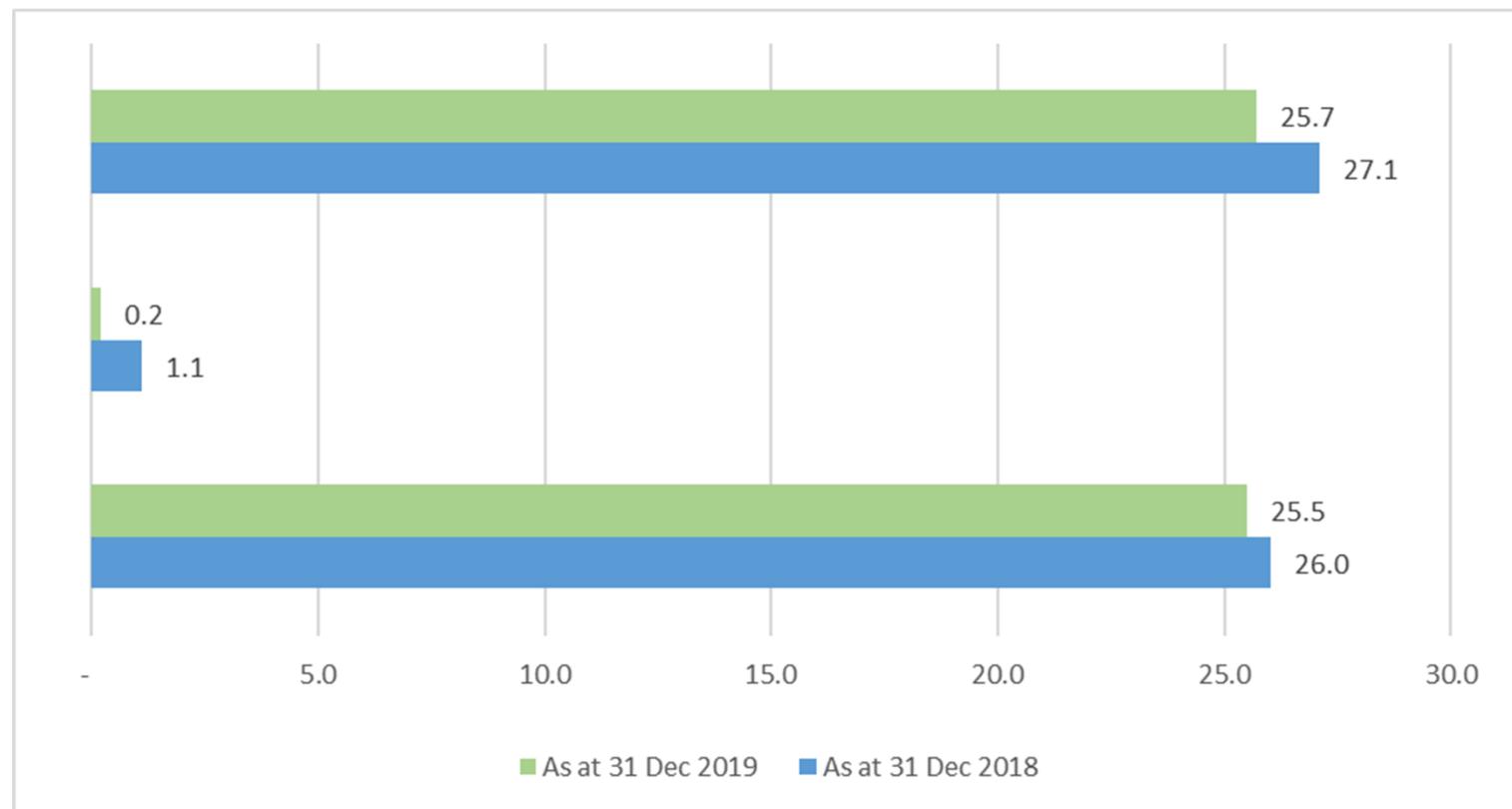
# Cash Position



Total cash and cash equivalents

Unutilised IPO proceeds

Cash balances



SGD'mil

- Total cash and cash equivalents as at 31 December 2019 was S\$25.7 million. No bank borrowings.
- Cash balances (excluding unutilised IPO proceeds) decreased from S\$26.0 million as at 31 December 2018 to S\$25.5 million as at 31 December 2019.

# Statement of Financial Position



S\$'000	31 December 2019	31 December 2018
<b>Key Assets</b>		
Plant and equipment	3,957	3,735
Right-of-use assets	4,130 <sup>#</sup>	-
Intangible assets	36,358 <sup>^</sup>	38,182 <sup>^</sup>
Trade and other receivables	3,085	2,984
Cash and cash equivalents	25,657	27,105
<b>Key Liabilities</b>		
Lease liabilities - non-current	3,170 <sup>#</sup>	-
Lease liabilities - current	1,544 <sup>#</sup>	-
Trade and other payables	4,745	4,184
<b>Equity</b>		
<b>Total equity (Including non-controlling interest)</b>	<b>64,103</b>	<b>67,602</b>

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

- (i) ISEC Eye Pte. Ltd. - Intangible assets related to contractual relationship of S\$2.5 million (FY2018: S\$3.0 million) and goodwill of S\$8.0 million (FY2018: S\$8.0 million) ; and
- (ii) SSEC - goodwill of S\$12.4 million (FY2018: S\$12.4 million)
- (iii) JLM Companies - Intangible assets related to customer relationship of S\$0.06 million (FY2018: S\$0.09 million) and goodwill of S\$13.4 million (net of S\$1.2 million impairment loss for goodwill)(FY2018: S\$14.6 million)

<sup>#</sup> Arose from the adoption of SFRS(I) 16 *Leases* with effect from 1 January 2019.



**Thank You**