

## **ISEC HEALTHCARE LTD.**

(Company Registration No.201400185H)

---

### **Unaudited Financial Statement and Dividend Announcement For the Financial Year Ended 31 December 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.**

	Group			Group		
	3 Months Ended			12 Months Ended		
	31	31	Change	31	31	Change
	December	December		December	December	
2015	2014		2015	2014		
(Unaudited)	(Unaudited)	%	(Unaudited)	(Audited)	%	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	6,578	7,131	-8%	26,690	21,997	21%
Cost of sales	(3,721)	(3,739)	0%	(14,773)	(12,416)	19%
<b>Gross profit</b>	<b>2,857</b>	<b>3,392</b>	<b>-16%</b>	<b>11,917</b>	<b>9,581</b>	<b>24%</b>
<b>Other item of income</b>						
Other income	243	23	957%	386	78	395%
<b>Other items of expense</b>						
Selling and distribution expenses	(12)	(42)	-71%	(219)	(174)	26%
Administrative expenses	(2,101)	(3,328)	-37%	(6,836)	(6,125)	12%
Other expenses	(857)	(142)	504%	(1,256)	(175)	618%
Interest expense	(1)	(11)	-91%	(7)	(44)	-84%
<b>Profit/(loss) before income tax</b>	<b>129</b>	<b>(108)</b>	<b>NM</b>	<b>3,985</b>	<b>3,141</b>	<b>27%</b>
Income tax expense	8	(314)	NM	(1,241)	(1,243)	0%
<b>Profit/(loss) for the financial period</b>	<b>137</b>	<b>(422)</b>	<b>NM</b>	<b>2,744</b>	<b>1,898</b>	<b>45%</b>
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences - foreign operations	146	(161)	NM	(947)	(132)	617%
Reclassification arising from disposal of foreign subsidiary	-	-	-	-	33	-100%
Income tax relating to items that may be reclassified	-	-	-	-	-	-
<b>Other comprehensive income for the financial period, net of tax</b>	<b>146</b>	<b>(161)</b>	<b>NM</b>	<b>(947)</b>	<b>(99)</b>	<b>857%</b>

	Group			Group		
	3 Months Ended			12 Months Ended		
	31	31	Change	31	31	Change
	December	December		December	December	
2015	2014		2015	2014		
(Unaudited)	(Unaudited)	%	(Unaudited)	(Audited)	%	
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Total comprehensive income for the financial period</b>	283	(583)	NM	1,797	1,799	0%
<b>Profit/(loss) attributable to:</b>						
Owners of the parent	150	(426)	NM	2,760	1,967	40%
Non-controlling interests	(13)	4	NM	(16)	(69)	-77%
<b>Profit/(loss) for the financial period</b>	137	(422)	NM	2,744	1,898	45%
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	298	(590)	NM	1,803	1,852	-3%
Non-controlling interests	(15)	7	NM	(6)	(53)	-89%
<b>Total comprehensive income for the financial period</b>	283	(583)	NM	1,797	1,799	0%

NM – Not meaningful

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

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

	Group 3 Months Ended			Group 12 Months Ended		
	31 December 2015	31 December 2014	Change	31 December 2015	31 December 2014	Change
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Audited) S\$'000	%
Depreciation of plant and equipment - cost of sales	115	135	-15%	452	397	14%
Depreciation of plant and equipment – administrative expenses	72	85	-15%	346	228	52%
Amortisation of intangible assets – other expenses	133	133	0%	530	133	298%
Amortisation of intangible assets – administrative expenses	33	6	450%	52	26	100%
Interest income	(66)	(19)	247%	(192)	(56)	243%
(Gain)/Loss on exchange differences - net	(41)	2	NM	109	2	NM
Interest expense on bank overdraft	-	4	-100%	-	36	-100%
Loss on disposal of subsidiary	-	-	-	-	33	-100%
Loss/(Gain) on disposal of plant and equipment	1	-	NM	1	(3)	NM
Plant and equipment written-off	613	10	NM	613	10	NM
Provisions written-back – reinstatement costs	(125)	-	NM	(125)	-	NM
Accruals written-back – others	(25)	-	NM	(25)	-	NM
Inventories written-off	76	-	NM	77	-	NM
Bad debt expense	37	-	NM	37	-	NM
Share issue expenses	-	1,443	-100%	-	1,443	-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	
	31 December 2015 (Unaudited) S\$'000	31 December 2014 (Audited) S\$'000	31 December 2015 (Unaudited) S\$'000	31 December 2014 (Audited) S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	3,639	4,285	153	187
Investment in subsidiaries	-	-	34,389	20,090
Intangible assets	25,162	13,219	8	1
Deferred tax assets	39	-	-	-
	28,840	17,504	34,550	20,278
<b>Current assets</b>				
Inventories	982	580	-	-
Trade and other receivables	1,905	2,570	2,598	7,773
Prepayments	107	179	9	9
Cash and cash equivalents	24,924	27,267	16,073	17,831
	27,918	30,596	18,680	25,613
<b>TOTAL ASSETS</b>	56,758	48,100	53,230	45,891
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	51,462	43,630	51,462	43,630
Reserves	(4,825)	(3,868)	-	-
Retained earnings	5,362	4,115	1,406	2,078
<b>Equity attributable to owners of parent</b>	51,999	43,877	52,868	45,708
Non-controlling interests	(74)	(197)	-	-
<b>TOTAL EQUITY</b>	51,925	43,680	52,868	45,708
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	842	908	-	-
Provisions	114	247	19	18
	956	1,155	19	18
<b>Current liabilities</b>				
Trade and other payables	3,392	2,498	324	165
Deferred income	18	-	18	-
Current income tax payable	467	767	1	-
	3,877	3,265	343	165
<b>TOTAL LIABILITIES</b>	4,833	4,420	362	183
<b>TOTAL EQUITY AND LIABILITIES</b>	56,758	48,100	53,230	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		12 Months Ended	
	31 December 2015 (Unaudited) S\$'000	31 December 2014 (Unaudited) S\$'000	31 December 2015 (Unaudited) S\$'000	31 December 2014 (Audited) S\$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before income tax	129	(108)	3,985	3,141
Adjustments for:				
Depreciation of plant and equipment	187	220	798	625
Amortisation of intangible assets	166	139	582	159
Plant and equipment written-off	613	10	613	10
Loss/(gain) on disposal of plant and equipment	1	-	1	(3)
Loss on disposal of subsidiary	-	-	-	33
Provisions written-back – reinstatement costs	(125)	-	(125)	-
Accruals written-back – others	(25)	-	(25)	-
Inventories written-off	76	-	77	-
Bad debt expense	37	-	37	-
Interest income	(66)	(19)	(192)	(56)
Interest expense	1	11	7	44
Operating cash flows before working capital changes	994	253	5,758	3,953
Working capital changes:				
- Inventories	(42)	(45)	(237)	(182)
- Trade and other receivables	275	1,333	820	(577)
- Prepayments	35	(27)	73	(27)

	Group		Group	
	3 Months Ended		12 Months Ended	
	31 December 2015 (Unaudited) S\$'000	31 December 2014 (Unaudited) S\$'000	31 December 2015 (Unaudited) S\$'000	31 December 2014 (Audited) S\$'000
- Trade and other payables	950	(688)	308	1,024
- Deferred income	18	-	18	-
<b>Cash generated from operations</b>	<b>2,230</b>	<b>826</b>	<b>6,740</b>	<b>4,191</b>
Income tax paid	(332)	(568)	(1,971)	(1,704)
Income tax refund	32	-	32	-
<b>Net cash from operating activities</b>	<b>1,930</b>	<b>258</b>	<b>4,801</b>	<b>2,487</b>
<b>Investing activities</b>				
Purchase of plant and equipment	(10)	(27)	(673)	(2,253)
Purchase of intangible assets	-	(12)	(180)	(12)
Proceeds from disposal of plant and equipment	36	-	36	11
Proceeds from disposal of subsidiary	-	-	-	141
Acquisition of subsidiary, net of cash acquired	(4,488)	-	(4,488)	3,811
Interest received	84	19	182	56
<b>Net cash (used in)/from investing activities</b>	<b>(4,378)</b>	<b>(20)</b>	<b>(5,123)</b>	<b>1,754</b>
<b>Financing activities</b>				
Dividends paid	-	-	(1,513)	(1,829)
Proceeds from issuance ordinary shares	-	19,600	-	25,100
Share issue expenses	-	(1,560)	-	(1,560)
Subscription of shares in subsidiaries by non-controlling interests	-	-	129	-
Interest paid	-	(4)	-	(36)
<b>Net cash from/(used in) financing activities</b>	<b>-</b>	<b>18,036</b>	<b>(1,384)</b>	<b>21,675</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,448)</b>	<b>18,274</b>	<b>(1,706)</b>	<b>25,916</b>
Cash and cash equivalents at beginning of financial period	27,254	9,085	27,267	1,421
Effects of exchange rate changes on cash and cash equivalents	118	(92)	(637)	(70)
<b>Cash and cash equivalents at end of financial period</b>	<b>24,924</b>	<b>27,267</b>	<b>24,924</b>	<b>27,267</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						Total Equity
	Share capital	Merger reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	
	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>	-	-	-	2,610	2,610	(3)	2,607
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	-	-	(1,105)	-	(1,105)	12	(1,093)
<b>Total comprehensive income for the financial period</b>	-	-	(1,105)	2,610	1,505	9	1,514
<b>Transaction with owners of the parent</b>							
Dividends declared	-	-	-	(1,513)	(1,513)	-	(1,513)
<b>Total transaction with owners of the parent</b>	-	-	-	(1,513)	(1,513)	-	(1,513)
<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 September 2015</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>
<b>At 1 October 2015</b>	43,630	(3,572)	(1,401)	5,212	43,869	(59)	43,810
<b>Profit for the financial period</b>	-	-	-	150	150	(13)	137
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	-	-	148	-	148	(2)	146
<b>Total comprehensive income for the financial period</b>	-	-	148	150	298	(15)	283
<b>Transaction with owners of the parent</b>							
Issuance of ordinary shares	7,832	-	-	-	7,832	-	7,832
<b>Total transaction with owners of the parent</b>	<b>7,832</b>	-	-	-	<b>7,832</b>	-	<b>7,832</b>
<b>At 31 December 2015</b>	<b>51,462</b>	<b>(3,572)</b>	<b>(1,253)</b>	<b>5,362</b>	<b>51,999</b>	<b>(74)</b>	<b>51,925</b>

## Statement of Changes in Equity

Group (Audited)	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>	-	-	-	2,394	2,394	(73)	2,321	
<b>Other comprehensive income</b>								
Foreign currency translation differences – foreign operations	-	-	27	-	27	3	30	
Reclassification adjustment arising from disposal of foreign subsidiary	-	-	23	-	23	10	33	
<b>Total comprehensive income for the financial period</b>	-	-	50	2,394	2,444	(60)	2,384	
<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>	25,172	(3,572)	-	-	21,600	-	21,600	
<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 September 2014</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>	
<b>At 1 October 2014</b>	25,590	(3,572)	(132)	4,541	26,427	(204)	26,223	
<b>Loss for the financial period</b>	-	-	-	(426)	(426)	4	(422)	
<b>Other comprehensive income</b>								
Foreign currency translation differences – foreign operations	-	-	(164)	-	(164)	3	(161)	
<b>Total comprehensive income for the financial period</b>	-	-	(164)	(426)	(590)	7	(583)	
<b>Transactions with owners of the parent</b>								
Issuance of ordinary shares	19,600	-	-	-	19,600	-	19,600	
Share issue expenses	(1,560)	-	-	-	(1,560)	-	(1,560)	
<b>Total transactions with owners of the parent</b>	18,040	-	-	-	18,040	-	18,040	
<b>At 31 December 2014</b>	<b>43,630</b>	<b>(3,572)</b>	<b>(296)</b>	<b>4,115</b>	<b>43,877</b>	<b>(197)</b>	<b>43,680</b>	

## Statement of Changes in Equity

Company (Unaudited)	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
At 1 January 2015	43,630	2,078	45,708
Profit for the financial period, representing total comprehensive income for the financial period	-	1,653	1,653
	-	<b>1,653</b>	<b>1,653</b>
Dividends declared	-	(1,513)	(1,513)
<b>At 30 September 2015</b>	<b>43,630</b>	<b>2,218</b>	<b>45,848</b>
At 1 October 2015	43,630	2,218	45,848
Loss for the financial period, representing total comprehensive income for the financial period	-	(812)	(812)
	-	<b>(812)</b>	<b>(812)</b>
Issuance of ordinary shares	7,832	-	7,832
<b>At 31 December 2015</b>	<b>51,462</b>	<b>1,406</b>	<b>52,868</b>

## Statement of Changes in Equity

Company (Audited)	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
At 1 January 2014	-	-	-
Loss for the financial period, representing total comprehensive income for the financial period	-	(110)	(110)
	-	<b>(110)</b>	<b>(110)</b>
Issuance of ordinary shares	25,590	-	25,590
<b>At 30 September 2014</b>	<b>25,590</b>	<b>(110)</b>	<b>25,480</b>
At 1 October 2014	25,590	(110)	25,480
Profit for the financial period, representing total comprehensive income for the financial period	-	2,188	2,188
	-	<b>2,188</b>	<b>2,188</b>
<b>Transactions with owners of the Company</b>			
Issuance of ordinary shares	19,600	-	19,600
Share issue expenses	(1,560)	-	(1,560)
<b>Total transactions with owners of the Company</b>	<b>18,040</b>	-	<b>18,040</b>
<b>At 31 December 2014</b>	<b>43,630</b>	<b>2,078</b>	<b>45,708</b>

- 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 increased by 30,711,919 ordinary shares from 458,500,000 shares as at 1 October 2015 to 489,211,919 shares as at 31 December 2015 due to the following:

	Number of ordinary shares	Issued and paid-up share capital S\$
<b>At 1 October 2015</b>	458,500,000	43,630,212
- Issuance of ordinary shares of the Company as payment for the acquisition of 100% equity interest in Southern Specialist Eye Centre Sdn. Bhd. ("SSEC")	30,711,919	7,831,539
<b>At 31 December 2015</b>	489,211,919	51,461,751

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2015 and 31 December 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**

	31 December 2015	31 December 2014
Total number of issued shares	489,211,919	458,500,000

The Company did not have any treasury shares as at 31 December 2015 and 31 December 2014.

**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 financial 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		12 months ended	
	31 December 2015 (Unaudited)	31 December 2014 (Unaudited)	31 December 2015 (Unaudited)	31 December 2014 (Restated) <sup>(1)</sup>
Earnings per share ("EPS")				
Profit/(loss) attributable to owners of the parent (S\$)	149,419	(425,536)	2,759,868	1,967,217
Weighted average number of ordinary shares in issue	466,511,805	437,956,522	460,519,414	266,077,192 <sup>(1)</sup>
Basic and fully diluted basis (Singapore cents) <sup>(2)</sup>	0.03	(0.10)	0.60	0.74
Number of ordinary shares in issue	489,211,919	458,500,000	489,211,919	458,500,000
Basic and fully diluted basis (Singapore cents) <sup>(2)</sup>	0.03	(0.09)	0.56	0.43

- (1) The calculation is based on the weighted average number of ordinary shares of the Company in issue during FY2014, 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 FY2014. The calculation was restated to reflect the time-weighting factor on the share-split that took place during the restructuring exercise.
- (2) 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 financial period reported on; and**  
**(b) Immediately preceding financial year**

	Group		Company	
	31 December 2015 (Unaudited)	31 December 2014 (Audited)	31 December 2015 (Unaudited)	31 December 2014 (Audited)
	Net asset value (S\$)	51,924,698	43,679,776	52,867,863
Number of ordinary shares in issue	489,211,919	458,500,000	489,211,919	458,500,000
Net asset value per ordinary share (S\$)	0.11	0.10	0.11	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 financial year ended 31 December 2015 ("FY2015") and 31 December 2014 ("FY2014").**

#### Consolidated Statement of Comprehensive Income

##### *Revenue*

Revenue for FY2015 was S\$26.7 million, an increase of 21% from S\$22.0 million in FY2014. Singapore operations recorded a full 12 months of revenue in FY2015, as opposed to only approximately 4.5 months of revenue in FY2014, which contributed to S\$4.0 million increase in the Group's revenue. Increased patient visits in Malaysia operations in FY2015 compared to FY2014 also contributed to the Group's increased revenue.

##### *Cost of sales*

Cost of sales increased by 19% from S\$12.4 million in FY2014 to S\$14.8 million in FY2015. The increase was mainly due to the increase in the Group's business activities as well as the higher costs of sales incurred for the full 12 months of operations in FY2015 as opposed to only 4.5 months in FY2014 for Singapore operations.

##### *Gross profit and Gross profit margin*

Gross profit increased by 24% from S\$9.6 million in FY2014 to S\$11.9 million in FY2015, with an increase in gross profit margin of 1.0 percentage points from 44% in FY2014 to 45% in FY2015, mainly due to the increase in revenue contribution and business activities of Singapore operations to the Group.

##### *Other income*

There was an increase of S\$0.31 million in other income from S\$0.08 million in FY2014 to S\$0.39 million in FY2015. The Group recorded S\$0.15 million write-back of provisions and accruals in ISEC Singapore in FY2015 as a result of the closure of the clinic. Interest income from short-term deposit placements with established banks by the Company and its Malaysia operations had also increased by S\$0.13 million (FY2015: S\$0.19 million; FY2014: S\$0.06 million).

##### *Selling and distribution expenses*

Selling and distribution expenses increased by 26% from S\$0.17 million in FY2014 to S\$0.22 million in FY2015 as the Group had engaged in marketing and advertising activities to promote its

operations in Singapore for the first half of FY2015. Such activities were reduced thereafter with the Company's decision on the closure of ISEC Singapore.

#### *Administrative expenses*

Administrative expenses increased by 12% from S\$6.1 million in FY2014 to S\$6.8 million in FY2015. The Company had in FY2014 incurred S\$1.4 million of listing expenses. Excluding the listing expenses, the increase of approximately S\$2.1 million in administrative expenses was mainly due to increased headcount to support the Group's increased business activities, expenses incurred for corporate office activities, and the rental of the new corporate office and ISEC Singapore's eye clinic, as well as new office space in Kuala Lumpur, Malaysia.

#### *Other expenses*

Other expenses increased by 618% from S\$0.2 million in FY2014 to S\$1.3 million in FY2015, mainly due to the following:

- (i) Capitalised renovation costs and plant and equipment written-off of S\$0.6 million and inventories written-off of S\$0.08 million in relation to ISEC Singapore's closure in FY2015;
- (ii) Bad debt expense recorded of S\$0.04 million in FY2015 (FY2014: Nil); and
- (iii) An increase of S\$0.4 million in amortisation charge relating to intangible assets arising from the acquisition of ISEC Eye which was completed in September 2014.

#### *Depreciation expenses*

Depreciation expenses increased by 28% from S\$0.6 million in FY2014 to S\$0.8 million in FY2015. Singapore operations recorded a full 12 months of depreciation expense in FY2015, which amounted to S\$0.36 million, an increase of S\$0.23 million compared to S\$0.13 million in FY2014 as operations in Singapore started in August 2014, which was offset by ISEC Singapore's capitalised renovation costs written-off and disposal of plant and equipment to third parties.

#### *Income tax expense*

The effective tax rates of the Group in FY2015 and FY2014 were 31% and 40% respectively, which were higher than the statutory corporate tax rates in Singapore (17%) and Malaysia (25%) where the Group operates in. This was mainly due to expenses not allowable for tax deductions incurred in Malaysia. No tax credit was recognised for the losses incurred in the Company for both FY2014 and FY2015.

#### *Profit after tax*

Net profit of the Group in FY2015 was S\$2.7 million, an increase of S\$0.8 million compared to S\$1.9 million in FY2014, mainly due to the abovementioned factors.

### Consolidated Statement of Financial Position

#### *Non-current assets*

Non-current assets (comprising plant and equipment, intangible assets and deferred tax assets)

were S\$28.8 million as at 31 December 2015, an increase of S\$11.3 million from S\$17.5 million as at 31 December 2014. There was an increase of approximately S\$11.9 million in intangible assets which was mainly due to goodwill of S\$12.4 million arising from the acquisition of SSEC which was completed on 8 December 2015, offset by amortisation expense on intangible assets arising from the acquisition of ISEC Eye. The goodwill of S\$12.4 million was arrived at based on the excess of the fair value purchase consideration of S\$13.2 million over the net amounts of the identifiable assets acquired at acquisition date and liabilities assumed of S\$0.8 million. There was a decrease of approximately S\$0.6 million in plant and equipment mainly as total depreciation expenses during FY2015 of S\$0.8 million and total plant and equipment written off of S\$0.6 million more than offset the plant and equipment additions of \$1.1 million in FY2015, which were mainly related to medical equipment.

#### *Current assets*

Current assets comprised inventories, trade and other receivables, prepayments and cash and cash equivalents. Current assets decreased by S\$2.7 million from S\$30.6 million as at 31 December 2014 to S\$27.9 million as at 31 December 2015, mainly due to net cash payment of S\$4.5 million for the acquisition of SSEC, offset by S\$2.3 million increase in net cash flows from operations. Trade and other receivables had decreased by approximately S\$0.7 million, mainly due to (i) the decrease in other receivables arising from the receipt of goods and services tax receivable of S\$0.4 million by the Company and ISEC Singapore as at 31 December 2014; (ii) the use of deposits of S\$0.1 million for the purchase of medical equipment by ISEC Singapore; and (iii) the receipt of deposits of S\$0.1 million by ISEC Singapore recorded as at 31 December 2014. Inventories had increased by approximately S\$0.4 million in anticipation of increasing business activities in Malaysia operations.

#### *Current liabilities*

Current liabilities increased by approximately S\$0.6 million from S\$3.3 million as at 31 December 2014 to S\$3.9 million as at 31 December 2015, mainly due to increased trade and other payables from increased purchases in Malaysia in line with the increased business activities, as well as increased provision for staff bonuses due to increased headcount, offset by a decrease in income tax provision of approximately S\$0.3 million.

### Consolidated Statement of Cash Flows

As at 31 December 2015, the Group had cash and cash equivalents of S\$24.9 million, as compared to S\$27.3 million of cash and cash equivalents as at 31 December 2014.

#### *Cash flows from operating activities*

The Group recorded an increase of S\$2.3 million in net cash from operating activities in FY2015, from S\$2.5 million in FY2014 to S\$4.8 million in FY2015. The Group's profit before tax recorded in FY2015 was S\$0.8 million higher compared to that in FY2014. Adjustments to profit before tax were also S\$1.0 million higher in FY2015 compared to that in FY2014 mainly due to plant and equipment written-off as well as increased depreciation and amortisation charges. Net working capital inflows had also increased by S\$0.8 million, from S\$0.2 million in FY2014 to S\$1.0 million in FY2015, mainly due to increased trade and other payables, offset by decreased trade and other receivables. The net income tax payment was S\$0.2 million higher in FY2015 when compared to S\$1.7 million of income tax paid in FY2014.

*Cash flows from investing activities*

Net cash used in investing activities in FY2015 amounted to S\$5.1 million, as compared to S\$1.8 million net cash from investing activities in FY2014. Net cash outflow of S\$4.5 million for the acquisition of SSEC, and S\$0.7 million for the purchase of plant and equipment, was made respectively during the year.

*Cash flows from financing activities*

Net cash used in financing activities of S\$1.4 million in FY2015 was mainly due to S\$1.5 million of dividends paid during the year.

**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 Group completed the closure of ISEC Singapore on 1 October 2015 and the total loss attributable to the closed clinic for FY2015 and its related closure costs of approximately S\$2.6 million were accounted for in the Group's financial statements for FY2015.

Notwithstanding the above, the demand and outlook for ophthalmology services in Singapore and Malaysia remains positive mainly driven by the ageing population, increased awareness of eye disorders, increased uptake of private insurance and growth of medical tourism. In view of this, the Group plans to extend its comprehensive range of services to other major cities in the Peninsular of Malaysia and East Malaysia.

In line with the business strategy of the Group to expand into Asia Pacific Region, the Group will consider the acquisition of assets, business and companies in similar specialty or are complementary to the Group's existing business. China, India, Indonesia, Myanmar, the Philippines, Taiwan and Vietnam, are amongst the countries that 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.

Throughout the past 12 months in FY2015 under review, the Ringgit Malaysia was observed to have depreciated against the Singapore Dollar. As the Group derives a portion of its revenue from Malaysia, the foreign exchange rate will affect the Group's performance going forward. The Group will monitor closely the impact of the foreign exchange rate on the Group's financial position.

## 11. Dividend

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

A final dividend of 0.22 Singapore cents (S\$0.0022) per ordinary share of the Company will be proposed, subject to approval by shareholders at the forthcoming annual general meeting to be convened (“AGM”).

Name of dividend	Final Dividend
Dividend type	Cash
Dividend rate	0.22 Singapore cents (S\$0.0022) per ordinary share
Tax rate	Tax exempt (one-tier)

Separately, a first interim cash dividend (tax exempt one-tier) of 0.22 Singapore cents (S\$0.0022) per ordinary share was declared for the 3 months ended 30 June 2015 and paid to shareholders on 8 September 2015.

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

Name of dividend	First and Final Dividend
Dividend type	Cash
Dividend rate	0.11 Singapore cents (S\$0.0011) per ordinary share
Tax rate	Tax exempt (one-tier)

- (c) Date payable:**

Subject to shareholders’ approval of the proposed final dividend at the AGM, the date payable for the proposed dividend will be announced at a later date.

- (d) Books closure date:**

The books closure date will be announced at a later date.

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

Not applicable.

## 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 FY2015.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

- 14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recent audited annual financial statements, with comparative information for the immediately preceding year.**

Business segments

As at 31 December 2015 and 31 December 2014, the Group has only one business segment, which is that of providing medical care, consultancy, treatment and surgery in the field of ophthalmology. Accordingly, no business segment information is presented.

Geographical segments

The Group operates in Singapore and Malaysia.

	<b>12 Months Ended</b>	
	<b>31 December 2015 S\$'000</b>	<b>31 December 2014 S\$'000</b>
<b>Segment revenue</b>		
Singapore	5,753	1,731
Malaysia	20,937	20,266
Total	26,690	21,997
<b>Segment (loss)/profit after tax</b>		
Singapore	(1,139)	(1,831)
Malaysia	3,883	3,729
Total	2,744	1,898

- 15. In the review of performance, the factors leading to any material changes in distribution to turnover and earnings by operating segments.**

Performance by geographical segments

***Singapore operations:***

*Revenue*

Revenue contribution from Singapore operations increased by approximately S\$4.0 million from S\$1.7 million in FY2014 to S\$5.8 million in FY2015. The increase was mainly due to the following:

- (i) the increase in revenue from ISEC Eye of approximately S\$3.6 million as it recognised a full 12 months of revenue in FY2015 as opposed to approximately 3 months of revenue recorded in FY2014 (FY2015: S\$5.0 million; FY2014: S\$1.4 million). The performance of ISEC Eye was consolidated as part of the Group’s performance since 26 September 2014; and

- (ii) the increase in revenue from ISEC Singapore of approximately S\$0.4 million as it was operational for 9 months in FY2015 (ISEC Singapore had ceased operations on 1 October 2015) as opposed to approximately 4.5 months in FY2014 (ISEC Singapore commenced operations in August 2014).

*Loss after tax*

The loss after tax from Singapore operations decreased by approximately S\$0.7 million to S\$1.1 million in FY2015 mainly because there was an absence of one-time listing expenses of approximately S\$1.4 million incurred in FY2014. However, there were costs associated with the closure of ISEC Singapore of approximately S\$0.7 million.

**Malaysia operations:**

For Malaysia operations, the increase in revenue and profit after tax was mainly due to an increase in number of patient visits for our Malaysia operations.

**16. Breakdown of sales in the first half and second half of the financial year**

	Group		
	12 Months Ended		Increase/ (Decrease)
	31 December 2015	31 December 2014	
	(Unaudited)	(Unaudited)	
S\$'000	S\$'000	%	
Sales reported for first half year	13,824	9,962	39%
Operating profit after tax before deducting non-controlling interests reported for first half year	1,941	2,141	-9%
Sales reported for second half year	12,866	12,035	7%
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	803	(243)	NM

**17. A breakdown the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	FY2015 (Unaudited) S\$'000	FY2014 (Audited) S\$'000
Ordinary-Interim	1,009	-
Ordinary-Final	1,076 <sup>(1)</sup>	504
Preference	-	-
Total	2,085	504

<sup>(1)</sup> The proposed final dividend of 0.22 Singapore cents (S\$0.0022) per ordinary share of the Company will be subject to approval by shareholders at the forthcoming AGM to be convened.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company as at the date of this announcement.

**19. 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 S\$'000</u>	<u>Amount allocated pursuant to reallocation of unutilised listing expenses S\$'000</u>	<u>Amount utilised S\$'000</u>	<u>Balance S\$'000</u>
Business expansion in the Asia Pacific region (including Malaysia and Singapore)	13,800	300	(5,326) <sup>(1)</sup>	8,774
General working capital	2,500	-	(2,500) <sup>(2)</sup>	-
<b>Total</b>	<u>16,300</u>	<u>300</u>	<u>(7,826)</u>	<u>8,774</u>

(1) Utilised for the acquisition of SSEC:

	<u>S\$'000</u>
Cash consideration	5,204
Administrative expenses	122
	<u>5,326</u>

(2) Utilised for:

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

**BY ORDER OF THE BOARD**

Dr Wong Jun Shyan  
Executive Director and Chief Executive Officer  
29 February 2016