

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

**Unaudited Financial Statement and Dividend Announcement
For the Financial Year Ended 31 December 2014**

*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. As such, the comparative results of the Group for three months and twelve months ended 31 December 2013 were presented in a manner with the inclusion of ISEC Sdn. Bhd. and its subsidiaries only.

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.

N¹ – 31 December 2013 figures only consist of financial results of ISEC Sdn. Bhd. and its subsidiaries in Malaysia.

N² – 31 December 2014 figures 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. (which was set up in August 2014) and ISEC Eye Pte. Ltd. (the acquisition of which was completed on 26 September 2014) in Singapore.

N³ – Includes one-off listing expenses of S\$1.4 million recorded in the 3 months ended 31 December 2014.

For Pro Forma figures, please refer to the Presentation Slides as announced separately via the SGXNET today.

	Group 3 Months Ended			Group 12 Months Ended		
	31 December 2014 (N ²) (Unaudited) S\$'000	31 December 2013 (N ¹) (Unaudited) S\$'000	Change %	31 December 2014 (N ²) (Unaudited) S\$'000	31 December 2013 (N ¹) (Audited) S\$'000	Change %
Revenue	7,119	4,198	70%	21,986	17,483	26%
Cost of sales	(3,739)	(2,579)	45%	(12,417)	(10,667)	16%
Gross profit	3,380	1,619	109%	9,569	6,816	40%
Other item of income						
Other income	35	15	133%	90	94	-4%
Other items of expense						
Selling and distribution expenses	(42)	(27)	56%	(174)	(123)	41%
Administrative expenses	(3,328) (N ³)	(1,098)	203%	(6,125) (N ³)	(3,459)	77%
Other expenses	(142)	-	NM	(175)	-	NM
Finance costs	(11)	(11)	0%	(44)	(29)	52%
(Loss)/Profit before income tax	(108) (N³)	498	NM	3,141 (N³)	3,299	-5%
Income tax expense	(314)	(187)	68%	(1,243)	(986)	26%
(Loss)/Profit for the financial period/year	(422)	311	NM	1,898	2,313	-18%

	Group 3 Months Ended			Group 12 Months Ended		
	31 December 2014 (N ²) (Unaudited) S\$'000	31 December 2013 (N ¹) (Unaudited) S\$'000	Change %	31 December 2014 (N ²) (Unaudited) S\$'000	31 December 2013 (N ¹) (Audited) S\$'000	Change %
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences - foreign operations	(161)	33	NM	(131)	(104)	26%
Reclassification arising from disposal of foreign subsidiary	-	-	NA	33	-	NM
Income tax relating to items that may be reclassified	-	-	NA	-	-	NA
Other comprehensive income for the financial period/year, net of tax	(161)	33	NM	(98)	(104)	-6%
Total comprehensive income for the financial period/year	(583)	344	NM	1,800	2,209	-19%
Profit attributable to:						
Owners of the parent	(426)	459	NM	1,967	2,684	-27%
Non-controlling interests	4	(148)	NM	(69)	(371)	-81%
(Loss)/Profit for the financial period/year	(422)	311	NM	1,898	2,313	-18%
Total comprehensive income attributable to:						
Owners of the parent	(590)	495	NM	1,853	2,588	-28%
Non-controlling interests	7	(151)	NM	(53)	(379)	-86%
Total comprehensive income for the financial period/year	(583)	344	NM	1,800	2,209	-19%

NA – Not applicable
 NM – Not meaningful

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

	Group 3 Months Ended			Group 12 Months Ended		
	31 December 2014 (N ²) (Unaudited) S\$'000	31 December 2013 (N ¹) (Unaudited) S\$'000	Change %	31 December 2014 (N ²) (Unaudited) S\$'000	31 December 2013 (N ¹) (Audited) S\$'000	Change %
Depreciation of plant and equipment - cost of sales	135	68	99%	397	465	-15%
Depreciation of plant and equipment – administrative expenses	85	114	-25%	228	330	-31%
Amortisation of intangible assets	139	6	NM	159	28	468%
Share issue expenses	1,443	-	NM	1,443	-	NM
Plant and equipment written-off	10	148	-93%	10	148	-93%
Interest expense on bank overdraft	4	10	-60%	37	29	28%
Loss on disposal of subsidiary	-	-	NA	(33)	-	NM
Exchange gain/(loss), net	2	(3)	NM	2	(3)	NM

NA – Not applicable
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 2014 (N ²) (Unaudited) S\$'000	31 December 2013 (N ¹) (Audited) S\$'000	31 December 2014 (Unaudited) S\$'000
ASSETS			
Non-current assets			
Plant and equipment	4,285	2,475	187
Investment in subsidiaries	-	-	20,090
Intangible assets	13,219	97	1
	17,504	2,572	20,278
Current assets			
Inventories	580	406	-
Trade and other receivables	2,569	1,217	7,773
Prepayments	180	155	9
Cash and cash equivalents	27,267	2,168	17,831
	30,596	3,946	25,613
TOTAL ASSETS	48,100	6,518	45,891
EQUITY AND LIABILITIES			
Equity			
Share capital	43,630	418	43,630
Reserves	(3,868)	(182)	-
Retained earnings	4,115	2,147	2,078
Equity attributable to owners of parent	43,877	2,383	45,708
Non-controlling interests	(197)	(82)	-
TOTAL EQUITY	43,680	2,301	45,708
LIABILITIES			
Non-current liabilities			
Deferred tax liability	908	-	-
Provisions	247	-	18
	1,155	-	18
Current liabilities			
Trade and other payables	2,498	2,959	165
Bank borrowings	-	747	-
Current income tax payable	767	511	-
	3,265	4,217	165
TOTAL LIABILITIES	4,420	4,217	183
TOTAL EQUITY AND LIABILITIES	48,100	6,518	45,891

* The Company was incorporated on 2 January 2014. Therefore there is no comparative statement of financial position for the Company as at 31 December 2013.

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

Amount repayable in one year or less, or on demand

As at 31 December 2014 (N ¹) (Unaudited)		As at 31 December 2013 (N ¹) (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	747

Amount repayable after one year

As at 31 December 2014 (N ¹) (Unaudited)		As at 31 December 2013 (N ¹) (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of any collateral

None.

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 3 Months Ended		Group 12 Months Ended	
	31 December 2014 (N ²) (Unaudited) S\$'000	31 December 2013 (N ¹) (Unaudited) S\$'000	31 December 2014 (N ²) (Unaudited) S\$'000	31 December 2013 (N ¹) (Audited) S\$'000
Cash flows from operating activities				
(Loss)/Profit before income tax	(108)	498	3,141	3,299
Adjustments for:				
Depreciation of plant and equipment	220	182	625	795
Amortisation of intangible assets	139	6	159	28
Plant and equipment written-off	10	141	10	141
Intangible assets written-off	-	7	-	7
Gain on disposal of plant and equipment	-	-	(3)	-
Loss on disposal of subsidiary company	-	-	33	-
Interest income	(19)	(7)	(56)	(32)
Interest expense	11	11	44	29
Operating cash flows before working capital changes	253	838	3,953	4,267

	Group		Group	
	3 Months Ended		12 Months Ended	
	31 December 2014 (N ²)	31 December 2013 (N ¹)	31 December 2014 (N ²)	31 December 2013 (N ¹)
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Working capital changes:				
- Inventories	(45)	83	(182)	(33)
- Trade and other receivables	1,333	(300)	(577)	(539)
- Prepayments	(27)	(21)	(27)	(21)
- Trade and other payables	(688)	(247)	1,024	(480)
Cash generated from operations	826	353	4,191	3,194
Income tax paid	(568)	(129)	(1,704)	(556)
Net cash from operating activities	258	224	2,487	2,638
Investing activities				
Purchase of plant and equipment	(27)	(90)	(2,253)	(1,922)
Purchase of intangible assets	(12)	(8)	(12)	(8)
Proceeds from disposal of plant and equipment	-	41	11	384
Proceeds from disposal of intangible assets	-	6	-	6
Proceeds from disposal of subsidiary	-	-	141	-
Cash proceeds from business acquired	-	-	3,811	-
Interest received	19	7	56	32
Net cash (used in)/from investing activities	(20)	(44)	1,754	(1,508)
Financing activities				
Dividends paid	-	-	(1,829) ⁽²⁾	(1,190) ⁽¹⁾
Proceeds from issuance share capital	19,600	-	25,100	-
Share issue expenses	(1,560)	-	(1,560)	-
Redemption of preference shares	-	-	-	(174)
Interest paid	(4)	(11)	(37)	(29)
Net cash from/(used in) financing activities	18,036	(11)	21,674	(1,393)
Net change in in cash and cash equivalents	18,274	169	25,915	(263)
Cash and cash equivalents at beginning of financial period	9,085	1,169	1,421	1,744
Effects of exchange rate changes on cash and cash equivalents	(92)	83	(69)	(60)
Cash and cash equivalents at end of financial period (Note A)	27,267	1,421	27,267	1,421

- (1) First interim tax exempt dividend of approximately S\$1.18 (RM3.05) per ordinary share, totaling S\$1.2 million, in respect of the financial year ended 31 December 2013 was paid in Q3 2013 by ISEC Sdn. Bhd., a subsidiary wholly-owned by ISEC Healthcare Ltd.
- (2) As at 31 December 2014, total dividend amounted S\$1.8 million was paid out by ISEC Sdn. Bhd. in respect of the financial year ended 31 December 2013 via the following tranches:
- Second interim tax exempt dividend of approximately S\$1.16 (RM3.00) per ordinary share; and
 - Third interim tax exempt dividend of approximately S\$0.66 (RM1.70) per ordinary share.

Note A

	Group	
	(Unaudited)	
	31 December 2014 (N²)	31 December 2013 (N¹)
	S\$'000	S\$'000
Cash and cash equivalents comprised cash at bank and petty cash	27,267	2,168
Less: Bank overdrafts	-	(747)
Cash and cash equivalents	27,267	1,421

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 S\$'000
	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	
Group (Unaudited)							
At 1 January 2014	418	-	(182)	2,147	2,383	(82)	2,301
Profit for the financial period	-	-	-	2,394	2,394	(73)	2,321
Other comprehensive income							
Foreign currency translation differences – foreign operations	-	-	27	-	27	3	30
Reclassification adjustment arising from disposal of foreign subsidiary	-	-	23	-	23	10	33
Total comprehensive income for the financial period	-	-	50	2,394	2,444	(60)	2,384
Contributions by owners of the parent							
Issuance of ordinary shares	25,590	-	-	-	25,590	-	25,590
Adjustment pursuant to the restructuring exercise	(418)	(3,572)	-	-	(3,990)	-	(3,990)
Total transaction with owners of the parent	25,172	(3,572)	-	-	21,600	-	21,600
Transaction with non-controlling interests							
Disposal of a subsidiary	-	-	-	-	-	(62)	(62)
Total transaction with non-controlling interests	-	-	-	-	-	(62)	(62)
At 30 September 2014	25,590	(3,572)	(132)	4,541	26,427	(204)	26,223
At 1 October 2014	25,590	(3,572)	(132)	4,541	26,427	(204)	26,223
Loss for the financial period	-	-	-	(426)	(426)	4	(422)
Other comprehensive income							
Foreign currency translation differences – foreign operations	-	-	(164)	-	(164)	3	(161)
Total comprehensive income for the financial period	-	-	(164)	(426)	(590)	7	(583)

	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		
Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Contributions by owners of the parent							
Issuance of ordinary shares pursuant to the initial public offering exercise	19,600	-	-	-	19,600	-	19,600
Share issue expenses	(1,560)	-	-	-	(1,560)	-	(1,560)
Total transaction with owners of the parent	18,040	-	-	-	18,040	-	18,040
At 31 December 2014 (N²)	43,630	(3,572)	(296)	4,115	43,877	(197)	43,680

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		
At 1 January 2013	418	-	(87)	2,467	2,798	297	3,095	
Profit for the financial period	-	-	-	2,223	2,223	(222)	2,001	
Other comprehensive income								
Foreign currency translation differences – foreign operations	-	-	(131)	-	(131)	(6)	(137)	
Total comprehensive income for the financial period	-	-	(131)	2,223	2,092	(228)	1,864	
Distribution to owners of the parent								
Dividends	-	-	-	(1,186)	(1,186)	-	(1,186)	
Total transaction with owners of the parent	-	-	-	(1,186)	(1,186)	-	(1,186)	
At 30 September 2013	418	-	(218)	3,504	3,704	69	3,773	
At 1 October 2013	418	-	(218)	3,504	3,704	69	3,773	
Profit for the financial period	-	-	-	459	459	(148)	311	
Other comprehensive income								
Foreign currency translation differences – foreign operations	-	-	36	-	36	(3)	33	
Total comprehensive income for the financial period	-	-	36	459	495	(151)	344	
Distribution to owners of the parent								
Dividends	-	-	-	(1,816)	(1,816)	-	(1,816)	
Total transaction with owners of the parent	-	-	-	(1,816)	(1,816)	-	(1,816)	
At 31 December 2013 (N¹)	418	-	(182)	2,147	2,383	(82)	2,301	

Statement of Changes in Equity

	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Company* (Unaudited)			
At 1 January 2014	-	-	-
Loss for the financial period	-	(110)	(110)
Total comprehensive income for the financial period	-	(110)	(110)
Contributions by owners of the Company			
Issuance of ordinary shares	25,590	-	25,590
Total transaction with owners of the Company	25,590	-	25,590
At 30 September 2014	25,590	(110)	25,480
At 1 October 2014	25,590	(110)	25,480
Profit for the for the financial period	-	2,188	2,188
Total comprehensive income for the financial period	-	2,188	2,188
Contributions by owners of the Company			
Issuance of ordinary shares pursuant to the initial public offering exercise	19,600	-	19,600
Share issue expenses	(1,560)	-	(1,560)
Total transaction with owners of the Company	18,040	-	18,040
At 31 December 2014	43,630	2,078	45,708

* The Company was incorporated on 2 January 2014 with an issued and paid-up share capital of S\$100 comprising 100 shares. Therefore, there is no comparative statement of changes in equity for the Company from 1 January 2013 to 31 December 2013.

- 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 70,000,000 shares from 388,500,000 shares as at 1 October 2014 to 458,500,000 shares as at 31 December 2014 due to the following:

	Number of ordinary shares	Issued and paid-up share capital S\$
At 1 October 2014	388,500,000	25,590,000
Issuance of ordinary shares pursuant to the initial public offering exercise	70,000,000	19,600,000
	458,500,000	45,190,000
Less: Share issue expenses capitalised	-	(1,559,788)
At 31 December 2014	458,500,000	43,630,212

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2014 and 31 December 2013. 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>31 December 2014</u>	<u>31 December 2013</u>
Total number of issued shares	458,500,000	-*

The Company did not have any treasury shares as at 30 December 2014 and 31 December 2013.

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

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 combined financial statements for the financial year ended 31 December 2013 as set out in the Company's offer document dated 14 October 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 2014. 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

(Loss)/Earnings per share ("LPS" or "EPS")	3 months ended		12 months ended	
	31 December 2014 (N ²)	31 December 2013 (N ¹)	31 December 2014 (N ²)	31 December 2013 (N ¹)
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(Loss)/Profit attributable to owners of the parent (S\$)	(425,536)	459,462	1,967,216	2,683,591
Weighted average number of ordinary shares in issue	437,956,522 ⁽¹⁾	388,500,000 ⁽²⁾	363,298,012 ⁽¹⁾	350,832,258 ⁽²⁾
Basic and fully diluted basis (Singapore cents) ⁽⁴⁾	(0.10)	0.12	0.54	0.76
Number of ordinary shares in issue post-IPO ⁽³⁾	458,500,000	458,500,000	458,500,000	458,500,000
Basic and fully diluted basis (Singapore cents) ⁽⁴⁾	(0.09)	0.10	0.43	0.59

- (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 the share split of each share in the Company into 7 ordinary shares on 29 September 2014 (the "Share Split") has occurred since the beginning of the respective financial period.
- (2) 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 (i) the Company existed since the beginning of the respective financial periods, and (ii) the Share Split has occurred since the beginning of the respective financial period.
- (3) This is based on post-IPO share capital of 458,500,000 issued ordinary shares of the Company.
- (4) 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
	31 December 2014	31 December 2013	31 December 2014
	(Unaudited)	(Audited)	(Unaudited)
Net asset value (S\$)	43,679,776	2,301,467	45,708,310
Number of ordinary shares in issue	458,500,000	1,000,000 ⁽¹⁾	458,500,000
Net asset value per ordinary share (S\$)	0.10	2.30	0.10
Number of ordinary shares in issue post-IPO	458,500,000	458,500,000	458,500,000
Net asset value per ordinary share (S\$)	0.10	0.005	0.10

(1) Based on the number of ordinary shares issued by ISEC Sdn. Bhd. as at 31 December 2013.

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 2014 ("FY2014") and 31 December 2013 ("FY2013").

- I. The figures for FY2013 only consist of financial results of ISEC Sdn. Bhd. and its subsidiaries in Malaysia;*
- II. The figures for FY2014 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. (which was set up in August 2014) and ISEC Eye Pte. Ltd. (the acquisition of which was completed on 26 September 2014) in Singapore; and*
- III. For Pro Forma figures, please refer to the Presentation Slides as announced separately via the SGXNET today.*

Consolidated Statement of Comprehensive Income

Revenue

The Group recorded revenue of S\$22.0 million in FY2014, an increase of 26% as compared to S\$17.5 million in FY2013.

Malaysia operations contributed S\$20.3 million to the Group's total revenue in FY2014, compared to S\$17.5 million in FY2013. The increase in revenue was mainly due to an upward revision on fees charged to patients as well as an increase in number of patient visits for our Malaysia operations.

Cost of sales

Cost of sales increased by 16% from FY2013 to FY2014 (FY2013: S\$10.7 million; FY2014: S\$12.4 million). The increase was mainly due to the increase in business activities in both Malaysia and Singapore and additional doctors being recruited to support the new clinic in Singapore which commenced operations in August 2014.

Selling and distribution expenses

Selling and distribution expenses increased by 41%, from S\$123,000 in FY2013 to S\$174,000 in FY2014. The increase was mainly due to marketing and advertising costs incurred to promote the Group's services in Singapore.

Administrative expenses

Administrative expenses increased by 77%, from S\$3.5 million in FY2013 to S\$6.1 million in FY2014. In FY2014, the Company had expensed off S\$1.4 million of listing expenses. The remaining increase was mainly due to additional staff recruited to support the growing business activities of the Group, set-up costs and rental of premises for the new corporate office and International Specialist Eye Centre Pte. Ltd. ("ISEC Singapore").

Other expenses

Other expenses mainly consist of amortisation charge of S\$133,000, relating to the intangible assets arising from the acquisition of ISEC Eye.

Profit before tax

The profit before tax of the Group in FY2014 was S\$3.1 million, which was lower as compared to S\$3.3 million in FY2013, mainly due to higher administrative expenses arising from one-off listing expenses of S\$1.4 million. Due to the one-off listing expenses, the Group incurred a loss before tax of S\$0.1 million for the three months financial period ended 31 December 2014.

Income tax expense

The effective tax rates of the Group in FY2013 and FY2014 were 30% and 40% respectively, which were higher than the respective 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 by operations in Malaysia and no tax credit recognised for the losses incurred in the Company and ISEC Singapore during the financial period reported on.

Profit after tax

The net profit of the Group in FY2014 was S\$1.9 million, which was lower as compared to FY2013 (FY2013: S\$2.3 million), mainly due to higher administrative expenses arising from one-off listing expenses of S\$1.4 million.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets (comprising plant and equipment and intangible assets) were S\$17.5 million as at 31 December 2014, representing an increase of S\$14.9 million from S\$2.6 million as at 31 December 2013. The increase was mainly due to additions of fixed assets by the Company and ISEC Singapore for corporate office set-up and clinic set-up respectively, and intangible assets of S\$13.2 million (intangible assets of S\$5.2 million and goodwill of S\$8.0 million) arising from the acquisition of ISEC Eye.

Intangible asset of S\$5.2 million relates to the fair value assigned to the service agreement dated 26 August 2014 entered into between ISEC Eye and PHS, relating to services to be performed by Dr Lee Hung Ming. Residual goodwill of S\$8.0 million as at 31 December 2014 was arrived at based on the fair value purchase consideration of S\$16.1 million paid for the acquisition of ISEC Eye, less the share of net assets at book value of S\$3.7 million and the fair value of the PHS service agreement of S\$4.4 million (net of deferred tax liability of S\$0.9 million).

Current assets

Current assets comprised mainly trade and other receivables and cash and cash equivalents. Current assets as at 31 December 2014 increased by S\$26.7 million from 31 December 2013. The increase was mainly due to the increase in cash and cash equivalents arising from both the receipt of IPO proceeds and cash proceeds upon the acquisition of ISEC Eye by the Company. The increase in trade and other receivables of S\$1.4 million was mainly due to trade receivables of S\$1.0 million as a result of increase in revenue, and total net goods and services tax receivable of S\$0.4 million by the Company and ISEC Singapore.

Non-current liabilities

As at 31 December 2014, the Group recorded S\$0.9 million for the provisions of deferred tax liability from the acquisition of ISEC Eye, and S\$0.2 million for the provision for reinstatement costs.

Current liabilities

Current liabilities decreased by S\$1.0 million, mainly due to the decrease in bank borrowings as ISEC (Penang) Sdn. Bhd. had fully settled the overdraft facilities of S\$0.7 million.

Equity

The increase in equity was mainly attributable to the increase in share capital pursuant to the completion of the Company's restructuring exercise and IPO exercise.

Consolidated Statement of Cash Flows

As at 31 December 2014, the Group had cash and cash equivalents of S\$27.3 million, as compared to S\$1.4 million of cash and cash equivalents, net of bank overdraft facilities, as at 31 December 2013.

Cash flows from operating activities

Net cash from operating activities in FY2014 was S\$2.5 million, a decrease of S\$151,000 compared to FY2013 of S\$2.6 million. Profit before tax recorded for FY2014 was S\$158,000 lower compared to that for FY2013. In FY2014, income tax payment of S\$1.6 million was made by ISEC Sdn. Bhd, compared to S\$556,000 made in FY2013. These factors that attributed to the decrease were offset by a net working capital inflow of S\$0.2 million recorded in FY2014 (compared to net working capital outflow of S\$1.1 million in FY2013).

Cash flows from investing activities

Net cash from investing activities accounted for S\$1.8 million of the total increase in cash and cash equivalents in FY2014 as compared to FY2013. The acquisition of ISEC Eye contributed S\$3.8 million of cash proceeds to the Group. During FY2014, there were cash outflows of approximately S\$2.3 million for the purchase of plant and equipment mainly by ISEC Singapore.

Cash flows from financing activities

Net cash from financing activities amounted to S\$21.7 million in FY2014, mainly as result of the receipt of cash proceeds of S\$5.5 million from pre-IPO share issuance, S\$19.6 million from additional share issuance pursuant to the IPO exercise, less share issue expenses of S\$1.6 million, and dividends paid by ISEC Sdn. Bhd. in respect of FY2013 of S\$1.8 million.

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

Not applicable. 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 demand and outlook for ophthalmology services in the markets that we operate, mainly in Malaysia and Singapore, appear to be positively fueled by the ageing population, increased awareness of eye disorders, rising income level, increased uptake of private insurance and growth of medical tourism. The Group believes that it will benefit from the expected increase in demand with the comprehensive range of services which it offers.

Since the Company's listing on Catalist, the Ringgit Malaysia has softened against Singapore Dollar. As the Group derived a portion of its revenue from Malaysia, the foreign exchange rate plays a part. Hence, the Group will monitor closely on the impact of the foreign exchange on the Company's financial position.

11. Dividend

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

A first and final dividend of 0.11 Singapore cents (S\$0.0011) 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	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)

- (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 FY2013.

- (c) Date payable:**

Subject to shareholders' approval of the proposed first and 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 were no IPT of S\$100,000 and above for FY2014.

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 2014 and 31 December 2013, 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 are presented.

Geographical segments

The Group operates in Singapore and Malaysia.

	12 Months Ended	
	31 December 2014 (N²) S\$'000	31 December 2013 (N¹) S\$'000
Segment revenue		
Singapore	1,731	-
Malaysia	20,255	17,483
Total	<u>21,986</u>	<u>17,483</u>
Segment (loss)/profit after tax		
Singapore	(1,831)	-
Malaysia	3,729	2,313
Total	<u>1,898</u>	<u>2,313</u>

- 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

The Group’s operations in Singapore commenced in August 2014. Hence, no comparative information is available for the preceding year.

For Malaysia operations, the increase in revenue and profit after tax was mainly due to an upward revision on fees charged to patients as well as an increase in number of patient visits for our Malaysia operations.

In FY2014, higher administrative expenses were incurred relating to set-up costs, rental of premises, employees’ wages and salaries in the new corporate office and ISEC Singapore, as well as listing expenses of S\$1.4 million expensed off as at 31 December 2014.

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

	Group		
	12 Months Ended		Increase/ (Decrease)
	31 December 2014	31 December 2013	
	(Unaudited)	(Unaudited)	
S\$'000	S\$'000	%	
Sales reported for first half year	9,951	8,936	11%
Operating profit after tax before deducting non-controlling interests reported for first half year	2,141	1,431	50%
Sales reported for second half year	12,035	8,547	41%
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(243)	882	NM

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

The Company was incorporated on 2 January 2014. Therefore there was no dividend which was declared/recommended for FY2013.

	FY2014 (Unaudited) S\$'000
Ordinary-First and Final (proposed) ⁽¹⁾	504
Preference	-
Total	504

⁽¹⁾ The proposed first and final dividend of 0.11 Singapore cents (S\$0.0011) 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

The Company had incurred all the necessary expenses in relation to its IPO, totaling S\$3.0 million (out of which S\$1.4 million had been expensed off in FY2014 and the remaining S\$1.6 million capitalised and offset against share capital). Accordingly, the remaining balance of S\$300,000 (initial estimated listing expenses of approximately S\$3.3 million less actual listing expenses of S\$3.0 million) has been reallocated for the purpose of business expansion in the Asia Pacific region (including Malaysia and Singapore).

The Company refers to the net proceeds amounting to S\$16.6 million (excluding actual listing expenses of S\$3.0 million) raised from the IPO on the Catalist Board of the SGX-ST on 28 October 2014.

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

	<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	-	14,100
General and working capital	2,500	(2,392) ⁽¹⁾	108
Total	16,300	(2,392)	14,208

(1) Utilised for:

	<u>S\$'000</u>
Cost of sales	974
Administrative expenses	1,330
Selling and distribution expenses	88
	<u>2,392</u>

BY ORDER OF THE BOARD

Dr Wong Jun Shyan
Executive Director and Chief Executive Officer

25 February 2015