

**ISEC HEALTHCARE LTD.**

(Company Registration No.201400185H)

**Unaudited Financial Statement and Dividend Announcement  
For the Second Quarter Ended 30 June 2016**
**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 3 Months Ended			Group 6 Months Ended		
	30 June 2016 (Unaudited) S\$'000	30 June 2015 (Unaudited) S\$'000	Change %	30 June 2016 (Unaudited) S\$'000	30 June 2015 (Unaudited) S\$'000	Change %
Revenue	8,235	7,451	11%	15,065	13,824	9%
Cost of sales	(4,322)	(3,974)	9%	(7,723)	(7,455)	4%
<b>Gross profit</b>	<b>3,913</b>	<b>3,477</b>	<b>13%</b>	<b>7,342</b>	<b>6,369</b>	<b>15%</b>
<b>Other item of income</b>						
Other income	95	47	102%	203	85	139%
<b>Other items of expense</b>						
Selling and distribution expenses	(15)	(91)	-84%	(32)	(175)	-82%
Administrative expenses	(1,637)	(1,565)	5%	(3,101)	(3,097)	0%
Other expenses	(133)	(133)	0%	(266)	(266)	0%
Interest expense	(1)	(2)	-50%	(2)	(4)	-50%
<b>Profit before income tax</b>	<b>2,222</b>	<b>1,733</b>	<b>28%</b>	<b>4,144</b>	<b>2,912</b>	<b>42%</b>
Income tax expense	(483)	(560)	-14%	(814)	(971)	-16%
<b>Profit for the financial period</b>	<b>1,739</b>	<b>1,173</b>	<b>48%</b>	<b>3,330</b>	<b>1,941</b>	<b>72%</b>

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	Group			Group		
	3 Months Ended			6 Months Ended		
	30 June	30 June	Change	30 June	30 June	Change
	2016	2015		2016	2015	
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences - foreign operations	(580)	(299)	94%	343	(430)	NM
Income tax relating to items that may be reclassified	-	-	-	-	-	-
<b>Other comprehensive income for the financial period, net of tax</b>	<b>(580)</b>	<b>(299)</b>	<b>94%</b>	<b>343</b>	<b>(430)</b>	<b>NM</b>
<b>Total comprehensive income for the financial period</b>	<b>1,159</b>	<b>874</b>	<b>33%</b>	<b>3,673</b>	<b>1,511</b>	<b>143%</b>
<b>Profit attributable to:</b>						
Owners of the parent	1,720	1,173	47%	3,296	1,930	71%
Non-controlling interests	19	*	NM	34	11	209%
<b>Profit for the financial period</b>	<b>1,739</b>	<b>1,173</b>	<b>48%</b>	<b>3,330</b>	<b>1,941</b>	<b>72%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	1,139	872	31%	3,642	1,495	144%
Non-controlling interests	20	2	900%	31	16	94%
<b>Total comprehensive income for the financial period</b>	<b>1,159</b>	<b>874</b>	<b>33%</b>	<b>3,673</b>	<b>1,511</b>	<b>143%</b>

\* – Amount less than S\$1,000

NM – Not meaningful

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

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

	Group			Group		
	3 Months Ended			6 Months Ended		
	30 June	30 June	Change	30 June	30 June	Change
	2016	2015		2016	2015	
(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%	
	S\$'000	S\$'000		S\$'000	S\$'000	
Depreciation of plant and equipment - cost of sales	130	115	13%	255	223	14%
Depreciation of plant and equipment – administrative expenses	83	93	-11%	165	187	-12%
Amortisation of intangible assets – other expenses	133	133	0%	266	266	0%
Amortisation of intangible assets – administrative expenses	13	6	117%	23	12	92%
Interest income	(88)	(45)	96%	(167)	(66)	153%
(Gain)/Loss on exchange differences - net	*	(3)	NM	(5)	2	NM
Loss on disposal of plant and equipment	*	-	NM	*	-	NM

\* – Amount less than S\$1,000

NM – Not meaningful

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

	Group		Company	
	30 June 2016 (Unaudited) S\$'000	31 December 2015 (Audited) S\$'000	30 June 2016 (Unaudited) S\$'000	31 December 2015 (Audited) S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	3,518	3,639	135	153
Investment in subsidiaries	-	-	34,389	34,389
Intangible assets	25,120	25,162	7	8
Deferred tax assets	39	39	-	-
	<u>28,677</u>	<u>28,840</u>	<u>34,531</u>	<u>34,550</u>
<b>Current assets</b>				
Inventories	1,103	982	-	-
Trade and other receivables	1,911	1,905	2,166	2,598
Prepayments	83	107	2	9
Cash and cash equivalents	26,652	24,924	16,247	16,073
	<u>29,749</u>	<u>27,918</u>	<u>18,415</u>	<u>18,680</u>
<b>TOTAL ASSETS</b>	<b><u>58,426</u></b>	<b><u>56,758</u></b>	<b><u>52,946</u></b>	<b><u>53,230</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	51,462	51,462	51,462	51,462
Reserves	(4,479)	(4,825)	-	-
Retained earnings	7,582	5,362	1,250	1,406
<b>Equity attributable to owners of parent</b>	<b>54,565</b>	<b>51,999</b>	<b>52,712</b>	<b>52,868</b>
Non-controlling interests	(43)	(74)	-	-
<b>TOTAL EQUITY</b>	<b><u>54,522</u></b>	<b><u>51,925</u></b>	<b><u>52,712</u></b>	<b><u>52,868</u></b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	798	842	-	-
Provisions	118	114	19	19
	<u>916</u>	<u>956</u>	<u>19</u>	<u>19</u>
<b>Current liabilities</b>				
Trade and other payables	2,337	3,410	214	342
Current income tax payable	651	467	1	1
	<u>2,988</u>	<u>3,877</u>	<u>215</u>	<u>343</u>
<b>TOTAL LIABILITIES</b>	<b><u>3,904</u></b>	<b><u>4,833</u></b>	<b><u>234</u></b>	<b><u>362</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>58,426</u></b>	<b><u>56,758</u></b>	<b><u>52,946</u></b>	<b><u>53,230</u></b>

**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 3 Months Ended		Group 6 Months Ended	
	30 June 2016 (Unaudited) S\$'000	30 June 2015 (Unaudited) S\$'000	30 June 2016 (Unaudited) S\$'000	30 June 2015 (Unaudited) S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	2,222	1,733	4,144	2,912
Adjustments for:				
Depreciation of plant and equipment	213	208	420	410
Amortisation of intangible assets	146	139	289	278
Write-back of provisions/accruals	(2)	-	(2)	-
Loss on disposal of plant and equipment	*	-	*	-
Interest income	(88)	(45)	(167)	(66)
Interest expense	1	2	2	4
Operating cash flows before working capital changes	2,492	2,037	4,686	3,538
Working capital changes:				
- Inventories	36	548	(121)	(700)
- Trade and other receivables	(274)	268	(27)	216
- Prepayments	(28)	32	25	55
- Trade and other payables	(219)	(1,209)	(1,073)	(469)
Cash generated from operations	2,007	1,676	3,490	2,640
Income tax paid	(346)	(440)	(675)	(1,110)
<b>Net cash from operating activities</b>	1,661	1,236	2,815	1,530

\* – Amount less than S\$1,000

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(Company Registration No.201400185H)

	<b>Group</b>		<b>Group</b>	
	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30 June 2016</b>	<b>30 June 2015</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Investing activities</b>				
Purchase of plant and equipment	(204)	(161)	(239)	(632)
Purchase of intangible assets	(10)	(180)	(19)	(180)
Proceeds from disposal of plant and equipment	2	-	2	-
Interest received	100	34	189	55
<b>Net cash used in investing activities</b>	<b>(112)</b>	<b>(307)</b>	<b>(67)</b>	<b>(757)</b>
<b>Financing activities</b>				
Dividends paid	(1,076)	(504)	(1,076)	(504)
Subscription of shares in subsidiaries by non-controlling interests	-	-	-	129
<b>Net cash used in financing activities</b>	<b>(1,076)</b>	<b>(504)</b>	<b>(1,076)</b>	<b>(375)</b>
<b>Net change in cash and cash equivalents</b>	<b>473</b>	<b>425</b>	<b>1,672</b>	<b>398</b>
Cash and cash equivalents at beginning of financial period	26,340	27,149	24,924	27,267
Effects of exchange rate changes on cash and cash equivalents	(161)	(217)	56	(308)
<b>Cash and cash equivalents at end of financial period</b>	<b>26,652</b>	<b>27,357</b>	<b>26,652</b>	<b>27,357</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 2016</b>	51,462	(3,572)	(1,253)	5,362	51,999	(74)	51,925
<b>Profit for the financial period</b>	-	-	-	1,576	1,576	15	1,591
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	-	-	927	-	927	(4)	923
<b>Total comprehensive income for the financial period</b>	-	-	<b>927</b>	<b>1,576</b>	<b>2,503</b>	<b>11</b>	<b>2,514</b>
<b>At 31 March 2016</b>	<b>51,462</b>	<b>(3,572)</b>	<b>(326)</b>	<b>6,938</b>	<b>54,502</b>	<b>(63)</b>	<b>54,439</b>
<b>At 1 April 2016</b>	51,462	(3,572)	(326)	6,938	54,502	(63)	54,439
<b>Profit for the financial period</b>	-	-	-	1,720	1,720	19	1,739
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	-	-	(581)	-	(581)	1	(580)
<b>Total comprehensive income for the financial period</b>	-	-	<b>(581)</b>	<b>1,720</b>	<b>1,139</b>	<b>20</b>	<b>1,159</b>
<b>Transaction with owners of the parent</b>							
Dividends declared	-	-	-	(1,076)	(1,076)	-	(1,076)
<b>Total transaction with owners of the parent</b>	-	-	-	<b>(1,076)</b>	<b>(1,076)</b>	-	<b>(1,076)</b>
<b>At 30 June 2016</b>	<b>51,462</b>	<b>(3,572)</b>	<b>(907)</b>	<b>7,582</b>	<b>54,565</b>	<b>(43)</b>	<b>54,522</b>

**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	
<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>	-	-	-	757	757	11	768
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	-	-	(134)	-	(134)	3	(131)
<b>Total comprehensive income for the financial period</b>	-	-	(134)	757	623	14	637
<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 31 March 2015</b>	<b>43,630</b>	<b>(3,572)</b>	<b>(430)</b>	<b>4,872</b>	<b>44,500</b>	<b>(54)</b>	<b>44,446</b>
<b>At 1 April 2015</b>	<b>43,630</b>	<b>(3,572)</b>	<b>(430)</b>	<b>4,872</b>	<b>44,500</b>	<b>(54)</b>	<b>44,446</b>
<b>Profit for the financial period</b>	-	-	-	1,173	1,173	*	1,173
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	-	-	(301)	-	(301)	2	(299)
<b>Total comprehensive income for the financial period</b>	-	-	(301)	1,173	872	2	874
<b>Transaction with owners of the parent</b>							
Dividends declared	-	-	-	(504)	(504)	-	(504)
<b>Total transaction with owners of the parent</b>	-	-	-	(504)	(504)	-	(504)
<b>At 30 June 2015</b>	<b>43,630</b>	<b>(3,572)</b>	<b>(731)</b>	<b>5,541</b>	<b>44,868</b>	<b>(52)</b>	<b>44,816</b>

\* – Amount less than S\$1,000



**Statement of Changes in Equity**

	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
<b>Company (Unaudited)</b>			
At 1 January 2016	51,462	1,406	52,868
Loss for the financial period, representing total comprehensive income for the financial period	-	(145)	(145)
	-	<b>(145)</b>	<b>(145)</b>
At 31 March 2016	<b>51,462</b>	<b>1,261</b>	<b>52,723</b>
At 1 April 2016	51,462	1,261	52,723
Profit for the financial period, representing total comprehensive income for the financial period	-	1,065	1,065
	-	<b>1,065</b>	<b>1,065</b>
<b>Transaction with owners of the Company</b>			
Dividends declared	-	(1,076)	(1,076)
Total transaction with owners of the Company	-	<b>(1,076)</b>	<b>(1,076)</b>
At 30 June 2016	<b>51,462</b>	<b>1,250</b>	<b>52,712</b>

	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
<b>Company (Unaudited)</b>			
At 1 January 2015	43,630	2,078	45,708
Loss for the financial period, representing total comprehensive income for the financial period	-	(299)	(299)
	-	<b>(299)</b>	<b>(299)</b>
At 31 March 2015	<b>43,630</b>	<b>1,779</b>	<b>45,409</b>
At 1 April 2015	43,630	1,779	45,409
Profit for the financial period, representing total comprehensive income for the financial period	-	1,680	1,680
	-	<b>1,680</b>	<b>1,680</b>
<b>Transaction with owners of the Company</b>			
Dividends declared	-	(504)	(504)
Total transaction with owners of the Company	-	<b>(504)</b>	<b>(504)</b>
At 30 June 2015	<b>43,630</b>	<b>2,955</b>	<b>46,585</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**

	Number of ordinary shares	Issued and paid-up share capital S\$
<b>At 1 April 2016 and 30 June 2016</b>	489,211,919	51,461,751

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2016 and 30 June 2015. There have been no options and share awards granted pursuant to the Company's employee share options scheme and performance share plan.

- 1(d)(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>30 June 2016</u>	<u>31 December 2015</u>
Total number of issued shares	489,211,919	489,211,919

The Company did not have any treasury shares as at 30 June 2016 and 31 December 2015.

- 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 2015.

**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 2016. 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		6 months ended	
	30 June 2016 (Unaudited)	30 June 2015 (Unaudited)	30 June 2016 (Unaudited)	30 June 2015 (Unaudited)
Earnings per share ("EPS")				
Profit attributable to owners of the parent (S\$'000)	1,720	1,173	3,296	1,930
Weighted average 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>(1)</sup>	0.35	0.26	0.67	0.42

(1) There were no potentially dilutive ordinary shares in existence during 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	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value attributable to owners of the parent (S\$'000)	54,565	51,999	52,712	52,868
Number of ordinary shares in issue	489,211,919	489,211,919	489,211,919	489,211,919
Net asset value per ordinary share (S\$)	0.11	0.11	0.11	0.11

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Review of comparative performance of the Group for the 3 months ended 30 June 2016 ("2Q2016") and 30 June 2015 ("2Q2015").**

Consolidated Statement of Comprehensive Income

*Revenue*

The Group recorded revenue of S\$8,235,000 in 2Q2016, an increase of 11% from S\$7,451,000 in 2Q2015. The increase was attributable to higher revenue contribution from Malaysia operations, mainly due to the revenue contribution of S\$1,245,000 in 2Q2016 from Southern Specialist Eye Centre Sdn. Bhd. ("SSEC"), which was acquired on 8 December 2015, offset by lower revenue from Singapore operations. Revenue from Singapore operations had decreased by S\$411,000, mainly due to the cessation of clinic operations at Mount Elizabeth Novena Specialist Centre that was under International Specialist Eye Centre Pte. Ltd. ("ISEC Singapore") in October 2015.

*Cost of sales*

Cost of sales increased by 9%, or S\$348,000, from S\$3,974,000 in 2Q2015 to S\$4,322,000 in 2Q2016

mainly due to cost of sales incurred by SSEC in 2Q2016, offset by decreased cost of sales incurred by ISEC Singapore in 2Q2016 as compared to 2Q2015 due to the clinic closure as explained above.

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

Gross profit increased by 13% from S\$3,477,000 in 2Q2015 to S\$3,913,000 in 2Q2016, with an increase in gross profit margin of 0.8 percentage points from 46.7% in 2Q2015 to 47.5% in 2Q2016, mainly due to increased revenue contribution and business activities of Malaysia operations and reduced cost of sales incurred by Singapore operations with the clinic closure of ISEC Singapore.

#### *Other income*

There was an increase of S\$48,000 in other income from S\$47,000 in 2Q2015 to S\$95,000 in 2Q2016 mainly due to increased interest income from short-term deposit placements with banks by the Group of S\$43,000 (2Q2015: S\$45,000; 2Q2016: S\$88,000).

#### *Selling and distribution expenses*

Selling and distribution expenses decreased by 84% from S\$91,000 in 2Q2015 to S\$15,000 in 2Q2016. S\$37,000 of such expenses incurred in 2Q2015 were in relation to marketing and advertising activities to promote the Group's operations in Singapore, which were discontinued in 2Q2016 with the closure of ISEC Singapore. Expenses incurred for marketing and advertising activities in Malaysia had also reduced by S\$19,000 in 2Q2016 as compared to 2Q2015.

#### *Administrative expenses*

Administrative expenses increased marginally by 5%, or S\$72,000, in 2Q2016 as compared to 2Q2015, mainly due to the administrative expenses incurred by SSEC, offset by the closure of ISEC Singapore in October 2015.

#### *Other expenses*

Other expenses in both 2Q2015 and 2Q2016 relate to the amortisation charge on the intangible assets arising from the acquisition of ISEC Eye Pte. Ltd. ("ISEC Eye").

#### *Depreciation expenses*

Depreciation expenses increased by 2% from S\$208,000 in 2Q2015 to S\$213,000 in 2Q2016 mainly due to the depreciation charge incurred by SSEC in 2Q2016. This was offset by decreased depreciation expenses in 2Q2016 in relation to ISEC Singapore as the clinic had closed in October 2015.

#### *Income tax expense*

The effective tax rates of the Group in 2Q2015 and 2Q2016 were 32% and 22% respectively. The statutory corporate tax rates where the Group operates in are 17% in Singapore and 24% in Malaysia (2Q2015: 17% in Singapore and 25% in Malaysia). The higher effective tax rate in 2Q2015 was mainly because no deferred tax asset was recognised for the losses incurred in the Company and ISEC Singapore during the financial period reported on.

*Profit after tax*

Net profit of the Group in 2Q2016 was S\$1,739,000, an increase of S\$566,000 compared to S\$1,173,000 in 2Q2015, mainly due to the above-mentioned factors.

**Consolidated Statement of Financial Position***Non-current assets*

Non-current assets (comprising plant and equipment, intangible assets and deferred tax assets) were S\$28,677,000 as at 30 June 2016, a decrease of S\$163,000 from S\$28,840,000 as at 31 December 2015.

The decrease was mainly due to depreciation and amortisation charges of S\$420,000 and S\$289,000 respectively incurred in the six months ended 30 June 2016 ("6M2016"). The decrease was offset by the additions of plant and equipment of S\$258,000 in 6M2016, mainly as a result of renovation costs incurred for the clinic to be opened in Sibul, as well as the increase in the Singapore Dollar translated carrying values of the Group's goodwill arising from the acquisition of SSEC of S\$225,000 and non-current assets held by the Group's Malaysia operations of S\$65,000.

*Current assets*

Current assets comprised inventories, trade and other receivables, prepayments and cash and cash equivalents. Current assets increased by S\$1,831,000 from S\$27,918,000 as at 31 December 2015 to S\$29,749,000 as at 30 June 2016, mainly due to increased net cash flows from operations. Inventories had increased by S\$121,000 in anticipation of increasing business activities in Malaysia operations.

*Current liabilities*

Current liabilities decreased by S\$889,000 from S\$3,877,000 as at 31 December 2015 to S\$2,988,000 as at 30 June 2016, mainly due to payments made to suppliers and bonus payout to staff. Current income tax payable increased by S\$184,000 to S\$651,000 as at 30 June 2016 mainly due to provision for income tax of S\$135,000 made by Singapore operations.

**Consolidated Statement of Cash Flows**

As at 30 June 2016, the Group had cash and cash equivalents of S\$26,652,000, as compared to S\$27,357,000 of cash and cash equivalents as at 30 June 2015.

*Cash flows from operating activities*

The Group recorded an increase of S\$425,000 in net cash from operating activities in 2Q2016, from S\$1,236,000 in 2Q2015 to S\$1,661,000 in 2Q2016, mainly due to the increase in the Group's profit before tax recorded in 2Q2016 which was S\$489,000 higher compared to that in 2Q2015 and decreased net income tax payment of S\$94,000 in 2Q2016. Net working capital outflows of S\$485,000 in 2Q2016 were mainly due to increased trade and other receivables and prepayments, as well as decreased trade and other payables, offset by decreased inventories.

*Cash flows used in investing activities*

Net cash used in investing activities in 2Q2016 amounted to S\$112,000, a decrease of S\$195,000 as compared to S\$307,000 in 2Q2015, mainly due to the decreased additions of intangible assets (i.e. computer and system software) by S\$170,000 in 2Q2016 and increased interest income received by S\$66,000 compared to 2Q2015.

*Cash flows used in financing activities*

Net cash used in financing activities of S\$1,076,000 in 2Q2016 (net cash used in 2Q2015: S\$504,000) was a result of the final tax-exempt (one-tier) dividend of S\$0.0022 (2Q2015: S\$0.0011) per ordinary share paid to the shareholders of the Company.

**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 had on 27 May 2016 announced the proposed acquisition of all the issued and fully paid ordinary shares in the capital of JL Medical (Bukit Batok) Pte. Ltd., JL Medical (Sembawang) Pte. Ltd., JL Medical (Woodlands) Pte. Ltd. and JL Medical (Yew Tee) Pte. Ltd. (collectively, "JLM Companies"). Each JLM Company owns and operates a medical clinic in Singapore which provides general (western) medical services. One of the clinics also provides aesthetic treatment services. The proposed acquisition serves to diversify the Group's services into general (western) medical services and aesthetic treatment services, including oculoplastic and cosmetic eye lid services. The medical clinics may also serve as channels for the Group to expand our ophthalmology services into heartland areas, which may in turn expand our patient base. The proposed acquisition, being an interested person transaction of a value which is greater than 5.0% of the Group's latest audited net tangible asset value ("NTA"), is subject to shareholders' approval and a circular in relation thereto will be despatched to shareholders in due course.

Our business remains positive and mainly driven by the ageing population, increased awareness of eye disorders, increased uptake of private insurance and growth of medical tourism. The Group continues its focus on expanding into Asia Pacific Region and will consider the acquisition of assets, business and companies in similar specialty or are complementary to the Group's existing business.

During the 3 months ended 30 June 2016 under review, the Ringgit Malaysia had initially strengthened slightly against the Singapore Dollar, before weakening again in the later part of the 3 month period. As the Group derives a significant portion of its revenue from Malaysia, the foreign exchange rate continues to impact the Group's overall 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?

Yes.

Name of dividend	First Interim Dividend
Dividend type	Cash
Dividend rate	0.22 Singapore cents (S\$0.0022) 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?

Yes.

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

- (c) Date payable:**

The date payable for the proposed interim 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.

The Company had on 27 May 2016 announced the proposed acquisition of all the issued and fully paid ordinary shares in the capital of the JLM Companies for an aggregate consideration of S\$13.94



million, of which S\$12.95 million is payable to one of the vendors, Dr. Lee Yeng Fen. Dr. Lee Yeng Fen is the spouse of Dr. Lee Hung Ming, the Executive Vice-Chairman and a controlling shareholder of the Company. Accordingly, Dr. Lee Yeng Fen is an “associate” of Dr. Lee Hung Ming and an “interested person” under Rule 904(4)(b) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst. As the consideration payable to Dr. Lee Yeng Fen against the Group’s latest audited NTA as at 31 December 2015 is approximately 48.24%, the proposed acquisition is subject to approval by shareholders. Please refer to the announcement made on 27 May 2016 for more details on the proposed acquisition.

Other than the above, there was no IPT of S\$100,000 and above for 2Q2016.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

**15. 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	(5,387) <sup>(1)</sup>	8,713
General working capital	2,500	-	(2,500) <sup>(2)</sup>	-
<b>Total</b>	<b>16,300</b>	<b>300</b>	<b>(7,887)</b>	<b>8,713</b>

(1) Utilised for:

	<u>Acquisition of SSEC S\$'000</u>	<u>Proposed acquisition of JLM Companies S\$'000</u>	<u>Total S\$'000</u>
Cash consideration	5,204	-	5,204
Administrative expenses	122	61	183
	<u>5,326</u>	<u>61</u>	<u>5,387</u>

(2) Utilised for:

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

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

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 3-month and 6-month financial period ended 30 June 2016 to be false or misleading in any material aspect.

### **BY ORDER OF THE BOARD**

Dr Wong Jun Shyan  
Executive Director and Chief Executive Officer  
11 August 2016

*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 Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*