



ISEC Healthcare Ltd.
and its subsidiaries
(Company Registration No.201400185H)

Condensed Interim Financial Statements
For the six months and full year ended 31 December 2024

Index

	Page
A Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income	3
<hr/>	
B Condensed Interim Statements of Financial Position	7
<hr/>	
C Condensed Interim Consolidated Statements of Cash Flows	9
<hr/>	
D Condensed Interim Statements of Changes in Equity	11
<hr/>	
E Notes to the Condensed Interim Financial Statements	20
<hr/>	
F Other information Required by Appendix 7C of the Catalist Rules	43
<hr/>	

A. Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

<i>Voluntary Disclosure</i>										
Note	Group 3 Months Ended			Group 6 Months Ended			Group 12 Months Ended			
	31 December 2024	31 December 2023	Change	31 December 2024	31 December 2023	Change	31 December 2024	31 December 2023	Change	
	(Unaudited) \$'000	(Unaudited) \$'000	%	(Unaudited) \$'000	(Unaudited) \$'000	%	(Unaudited) \$'000	(Audited) \$'000	%	
Revenue	4	19,808	17,498	13%	38,832	35,612	9%	74,197	69,994	6%
Cost of sales		(10,964)	(9,853)	11%	(21,847)	(19,865)	10%	(41,529)	(38,958)	7%
Gross profit		8,844	7,645	16%	16,985	15,747	8%	32,668	31,036	5%
Other item of income										
Other income		(19)	134	NM	987	227	>100%	1,209	471	>100%
Other items of expense										
Selling and distribution expenses		(58)	(47)	23%	(135)	(78)	73%	(246)	(129)	91%
Administrative expenses		(3,900)	(3,169)	23%	(7,383)	(6,069)	22%	(13,871)	(12,130)	14%
Other expenses ⁽¹⁾		(1,567)	(230)	>100%	(1,668)	(408)	>100%	(1,971)	(1,283)	54%
Finance costs		(177)	(156)	13%	(319)	(297)	7%	(602)	(651)	-8%
Profit before income tax		3,123	4,177	-25%	8,467	9,122	-7%	17,187	17,314	-1%
Income tax expense	6	(1,162)	(1,096)	6%	(2,223)	(2,192)	1%	(4,293)	(4,164)	3%
Profit for the financial period/year		1,961	3,081	-36%	6,244	6,930	-10%	12,894	13,150	-2%

(1) Other expenses include impairment loss for goodwill of \$1,520,000 as at 31 December 2024 (FY2023: nil).

A. Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (cont'd)

<i>Voluntary Disclosure</i>										
Note	Group 3 Months Ended			Group 6 Months Ended			Group 12 Months Ended			
	31 December 2024	31 December 2023	Change	31 December 2024	31 December 2023	Change	31 December 2024	31 December 2023	Change	
	(Unaudited) \$'000	(Unaudited) \$'000	%	(Unaudited) \$'000	(Unaudited) \$'000	%	(Unaudited) \$'000	(Audited) \$'000	%	
Other comprehensive income										
<i>Items that may be reclassified subsequently to profit or loss:</i>										
Foreign currency translation of subsidiaries	(1,168)	(629)	86%	3,040	(444)	NM	2,949	(2,556)	NM	
Other comprehensive income for the financial period/year, net of tax	(1,168)	(629)	86%	3,040	(444)	NM	2,949	(2,556)	NM	
Total comprehensive income for the financial period/year	793	2,452	-68%	9,284	6,486	43%	15,843	10,594	50%	
Profit attributable to:										
Owners of the parent	1,990	3,039	-35%	6,261	6,832	-8%	12,824	12,963	-1%	
Non-controlling interests	(29)	42	NM	(17)	98	NM	70	187	-63%	
Profit for the financial period/year	1,961	3,081	-36%	6,244	6,930	-10%	12,894	13,150	-2%	
Total comprehensive income attributable to:										
Owners of the parent	784	2,489	-69%	9,112	6,503	40%	15,694	10,633	48%	
Non-controlling interests	9	(37)	NM	172	(17)	NM	149	(39)	NM	
Total comprehensive income for the financial period/year	793	2,452	-68%	9,284	6,486	43%	15,843	10,594	50%	
Earnings per share										
- basic (in cents)	17	0.35	0.53	-34%	1.09	1.19	-8%	2.23	2.26	-1%
- diluted (in cents)	17	0.35	0.53	-34%	1.09	1.19	-8%	2.23	2.26	-1%

NM – Not meaningful

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

A. Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (cont'd)

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

	<i>Voluntary Disclosure</i>								
	Group			Group			Group		
	3 Months Ended		Change	6 Months Ended		Change	12 Months Ended		Change
	31 December	31 December		31 December	31 December		31 December	31 December	
2024	2023		2024	2023		2024	2023		
(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%	(Unaudited)	(Audited)	%	
	\$'000	\$'000		\$'000	\$'000		\$'000	\$'000	
Depreciation of property, plant and equipment – cost of sales	256	176	45%	470	352	34%	853	715	19%
Depreciation of right-of-use assets – cost of sales	284	171	66%	500	322	55%	826	623	33%
Depreciation of property, plant and equipment – administrative expenses	323	193	67%	558	379	47%	920	750	23%
Depreciation of right-of-use assets – administrative expenses	339	323	5%	672	649	4%	1,319	1,267	4%
Amortisation of intangible assets – other expenses	-	132	-100%	132	265	-50%	397	530	-25%
Amortisation of intangible assets – administrative expenses	2	1	100%	4	2	100%	7	4	75%
Interest income	(85)	(71)	20%	(173)	(138)	25%	(319)	(294)	9%
Interest income – net investment in sublease	(2)	(1)	100%	(3)	(1)	>100%	(7)	(2)	>100%
Other income – government grants	(20)	(57)	-65%	(81)	(66)	23%	(120)	(110)	9%
Other income – gain on lease modification	-	(10)	-100%	-	(10)	-100%	-	(10)	-100%
Interest expense – lease liabilities	133	120	11%	255	229	11%	478	455	5%

A. Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (cont'd)

Profit before income tax is arrived after charging/(crediting) the following (cont'd):

	<i>Voluntary Disclosure</i>								
	Group			Group			Group		
	3 Months Ended			6 Months Ended			12 Months Ended		
	31 December	31 December	Change	31 December	31 December	Change	31 December	31 December	Change
2024	2023		2024	2023		2024	2023		
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		(Unaudited)	(Audited)		
\$'000	\$'000	%	\$'000	\$'000	%	\$'000	\$'000	%	
Interest expense – loans	16	22	-27%	34	42	-19%	74	96	-23%
Interest expense – advances from non-controlling interest	22	-	NM	22	-	NM	22	-	NM
Loss/(gain) on exchange differences, net	99	83	19%	(724)	116	NM	(692)	724	NM
Property, plant and equipment written-off	1	-	NM	7	7	0%	8	7	14%
Allowance for expected credit losses, net	50	37	35%	50	40	25%	47	22	>100%
Impairment loss for goodwill	1,520	-	NM	1,520	-	NM	1,520	-	NM
Share-based compensation expense	16	16	0%	22	41	-46%	67	94	-29%
Reversal of share options	-	-	NM	-	-	NM	(5)	-	NM

NM – Not meaningful

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31 December 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000	31 December 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	29,793	16,998	53	70
Right-of-use assets	10	10,899	9,843	91	127
Intangible assets - goodwill	11	52,650	52,242	-	-
Intangible assets - others	11	524	628	234	-
Investment in subsidiaries		-	-	60,997	62,487
Net investment in sublease	10	50	107	-	-
Deferred tax assets		275	268	15	11
		<u>94,191</u>	<u>80,086</u>	<u>61,390</u>	<u>62,695</u>
Current assets					
Inventories		2,501	2,235	-	-
Trade receivables, net ⁽¹⁾		5,241	4,302	-	-
Other receivables and deposits		709	689	18,895	17,386
Prepayments		436	334	30	27
Net investment in sublease	10	57	54	-	-
Current income tax assets		-	3	-	-
Cash and cash equivalents ⁽¹⁾		15,911	19,404	1,200	1,958
		<u>24,855</u>	<u>27,021</u>	<u>20,125</u>	<u>19,371</u>
TOTAL ASSETS		<u>119,046</u>	<u>107,107</u>	<u>81,515</u>	<u>82,066</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	76,381	76,138	76,381	76,138
Treasury share reserve	15	-	-	-	-
Other reserves	16	(10,007)	(12,905)	156	128
Retained earnings		23,685	17,476	4,598	5,389
Equity attributable to owners of Company		<u>90,059</u>	<u>80,709</u>	<u>81,135</u>	<u>81,655</u>
Non-controlling interests	12	1,680	1,441	-	-
TOTAL EQUITY		<u>91,739</u>	<u>82,150</u>	<u>81,135</u>	<u>81,655</u>
LIABILITIES					
Non-current liabilities					
Borrowings	13	767	1,327	-	-
Lease liabilities	10	9,445	8,776	61	97
Deferred tax liabilities		5	150	-	-
Provisions		324	235	14	14
		<u>10,541</u>	<u>10,488</u>	<u>75</u>	<u>111</u>

B. Condensed Interim Statements of Financial Position (cont'd)

	Note	Group		Company	
		31 December 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000	31 December 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000
Current liabilities					
Trade payables		2,244	1,825	-	-
Other payables		2,353	1,855	35	20
Advances and contract liabilities		393	412	-	-
Advances from non-controlling interests		2,163	1,557	-	-
Accrued expenses		939	1,105	83	138
Payroll payable		4,333	3,838	147	98
Borrowings	13	672	843	-	-
Lease liabilities	10	2,208	1,614	36	34
Current income tax payable		1,461	1,420	4	10
		<u>16,766</u>	<u>14,469</u>	<u>305</u>	<u>300</u>
TOTAL LIABILITIES		<u>27,307</u>	<u>24,957</u>	<u>380</u>	<u>411</u>
TOTAL EQUITY AND LIABILITIES		<u>119,046</u>	<u>107,107</u>	<u>81,515</u>	<u>82,066</u>

(1) Breakdown of the following in the respective currencies:

	Group		Company	
	31 December 2024 \$'000	31 December 2023 \$'000	31 December 2024 \$'000	31 December 2023 \$'000
Trade receivables, net denominated in the following currencies:				
Singapore Dollar	1,906	1,683	-	-
Ringgit Malaysia	3,274	2,598	-	-
Myanmar Kyat	61	21	-	-
	<u>5,241</u>	<u>4,302</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents denominated in the following currencies:				
Singapore Dollar	4,031	4,958	1,200	1,958
Ringgit Malaysia	10,497	13,466	-	-
Myanmar Kyat	1,273	862	-	-
United States Dollar	110	118	-	-
	<u>15,911</u>	<u>19,404</u>	<u>1,200</u>	<u>1,958</u>

C. Condensed Interim Consolidated Statements of Cash Flows

	<i>Voluntary Disclosure</i>					
	Group		Group		Group	
	3 Months Ended		6 Months Ended		12 Months Ended	
Note	31 December 2024 (Unaudited) \$'000	31 December 2023 (Unaudited) \$'000	31 December 2024 (Unaudited) \$'000	31 December 2023 (Unaudited) \$'000	31 December 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000
Cash flows from operating activities						
Profit before income tax	3,123	4,177	8,467	9,122	17,187	17,314
Adjustments for:						
Allowance for expected credit losses, net	50	37	50	40	47	22
Amortisation of intangible assets	11 2	133	136	267	404	534
Depreciation of property, plant and equipment	9 579	369	1,028	731	1,773	1,465
Depreciation of right-of-use assets	10 623	494	1,172	971	2,145	1,890
Interest income	(87)	(72)	(176)	(139)	(326)	(296)
Interest expense	177	156	319	297	602	651
Impairment loss for goodwill	11 1,520	-	1,520	-	1,520	-
Gain on lease modification	-	(10)	-	(10)	-	(10)
Property, plant and equipment written-off	9 1	-	7	7	8	7
Write-back of provision for restoration costs	-	(9)	-	(9)	-	(9)
Share-based compensation expense	16	16	22	41	67	94
Reversal of share options	-	-	-	-	(5)	-
Operating cash flows before working capital changes	6,004	5,291	12,545	11,318	23,422	21,662
Working capital changes:						
- Inventories	424	(80)	2	(117)	(140)	(467)
- Trade and other receivables	669	561	246	914	(627)	103
- Prepayments	93	51	(119)	5	(85)	(44)
- Trade and other payables	(239)	951	(53)	38	(477)	648
Cash generated from operations	6,951	6,774	12,621	12,158	22,093	21,902
Income tax paid, net	(839)	(1,435)	(2,376)	(2,814)	(4,451)	(4,731)
Net cash generated from operating activities	6,112	5,339	10,245	9,344	17,642	17,171

C. Condensed Interim Consolidated Statements of Cash Flows (cont'd)

	Note	<i>Voluntary Disclosure</i>					
		Group		Group		Group	
		3 Months Ended		6 Months Ended		12 Months Ended	
		31 December 2024 (Unaudited) \$'000	31 December 2023 (Unaudited) \$'000	31 December 2024 (Unaudited) \$'000	31 December 2023 (Unaudited) \$'000	31 December 2024 (Unaudited) \$'000	31 December 2023 (Audited) \$'000
Cash flows from investing activities							
Purchase of property, plant and equipment	9	(6,061)	(1,115)	(7,694)	(1,851)	(11,781)	(3,418)
Purchase of intangible assets	11	(102)	(79)	(117)	(79)	(285)	(98)
Interest received		85	70	173	136	319	292
Payment to vendors ⁽¹⁾		-	-	-	-	(1,033)	(3,208)
Net cash used in investing activities		(6,078)	(1,124)	(7,638)	(1,794)	(12,780)	(6,432)
Cash flows from financing activities							
Advances from non-controlling interests		-	1,026	-	1,026	474	1,182
Dividends paid		-	-	(1,726)	(4,361)	(6,615)	(10,541)
Subscription of share in a subsidiary by non-controlling interest		-	10	-	10	90	10
Proceeds from exercise of share options		-	46	-	181	209	651
Principal element of lease liabilities, net	10	(564)	(449)	(1,061)	(839)	(1,916)	(1,768)
Interest paid – lease liabilities	10	(126)	(119)	(248)	(228)	(471)	(453)
Proceeds from bank loan		1	507	29	507	29	507
Repayment of loan		(232)	(206)	(446)	(403)	(855)	(797)
Interest paid – loan		(16)	(22)	(34)	(42)	(74)	(96)
Net cash (used in)/generated from financing activities		(937)	793	(3,486)	(4,149)	(9,129)	(11,305)
Net (decrease)/increase in cash and cash equivalents		(903)	5,008	(879)	3,401	(4,267)	(566)
Cash and cash equivalents at beginning of financial period/year		17,056	14,563	15,872	16,100	19,404	20,633
Effects of exchange rate changes on cash and cash equivalents		(242)	(167)	918	(97)	774	(663)
Cash and cash equivalents at end of financial period/year		15,911	19,404	15,911	19,404	15,911	19,404

(1) The Group acquired IE Centre Sdn. Bhd. ("IE Centre") and Kampar Eye Sdn. Bhd. ("Kampar Eye") on 26 May 2022. In the prior financial year, 30% of the total cash consideration, amounting to RM10,824,225 (equivalent to \$3,208,000), was paid to the vendors as partial settlement of the total cash consideration. The remaining balance of the total cash consideration of RM3,608,000 (equivalent to \$1,033,000) was paid to the vendors in the current financial year. As at the date of this announcement, the consideration has been fully settled.

D. Condensed Interim Statements of Changes in Equity

Group (Unaudited)	Attributable to owners of the Company									Total equity \$'000
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company	Non- controlling interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2024	76,138	-	(4,998)	(3,572)	(4,463)	128	17,476	80,709	1,441	82,150
Profit for the financial period	-	-	-	-	-	-	6,563	6,563	87	6,650
Other comprehensive income										
Foreign currency translation	-	-	19	-	-	-	-	19	(110)	(91)
Total comprehensive income for the financial period	-	-	19	-	-	-	6,563	6,582	(23)	6,559
Transactions with owners of the Company										
Issuance of ordinary shares ⁽¹⁾	209	-	-	-	-	-	-	209	-	209
Reclassification of fair value	34	-	-	-	-	(34)	-	-	-	-
Dividends	-	-	-	-	-	-	(4,889)	(4,889)	-	(4,889)
Share-based compensation expense ⁽²⁾	-	-	-	-	-	45	-	45	-	45
Reversal of share options ⁽³⁾	-	-	-	-	-	(5)	-	(5)	-	(5)
Total transactions with owners of the Company	243	-	-	-	-	6	(4,889)	(4,640)	-	(4,640)
Transaction with non-controlling interest										
Subscription of share in a subsidiary by non-controlling interest ⁽⁴⁾	-	-	-	-	-	-	-	-	90	90
Total transaction with non-controlling interest	-	-	-	-	-	-	-	-	90	90
At 30 June 2024	76,381	-	(4,979)	(3,572)	(4,463)	134	19,150	82,651	1,508	84,159

D. Condensed Interim Statements of Changes in Equity (cont'd)

- (1) On 2 April 2024, the Company issued and allotted 719,140 ordinary shares in the share capital of the Company (the "2Q2024 New Shares"), at an issue price of \$0.29 per 2Q2024 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 2Q2024 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 574,473,912 ordinary shares to 575,193,052 ordinary shares.
- (2) The Company has granted 3,809,150 options under ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.
- (3) The reversal of share options refers to the expired share options granted under the ISEC Healthcare Share Option Scheme on 22 April 2020.
- (4) During the 3 months' financial period ended 31 March 2024, ISEC (Klang) Sdn. Bhd. ("ISEC Klang"), a 65%-owned indirect subsidiary of the Company through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), increased its share capital from \$29,000 (equivalent to RM100,000) to \$285,000 (equivalent to RM1,000,000), through issuance of shares allotted to the existing shareholders of ISEC Klang in equal proportion to their existing shareholdings.

D. Condensed Interim Statements of Changes in Equity (cont'd)

Group (Unaudited)	Attributable to owners of the Company									Total equity
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2024	76,381	-	(4,979)	(3,572)	(4,463)	134	19,150	82,651	1,508	84,159
Profit for the financial period	-	-	-	-	-	-	4,271	4,271	12	4,283
Other comprehensive income										
Foreign currency translation	-	-	4,057	-	-	-	-	4,057	151	4,208
Total comprehensive income for the financial period	-	-	4,057	-	-	-	4,271	8,328	163	8,491
Transactions with owners of the Company										
Dividends	-	-	-	-	-	-	(1,726)	(1,726)	-	(1,726)
Share-based compensation expense ⁽¹⁾	-	-	-	-	-	6	-	6	-	6
Total transactions with owners of the Company	-	-	-	-	-	6	(1,726)	(1,720)	-	(1,720)
At 30 September 2024	76,381	-	(922)	(3,572)	(4,463)	140	21,695	89,259	1,671	90,930

(1) The Company has granted 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

D. Condensed Interim Statements of Changes in Equity (cont'd)

Group (Unaudited)	Attributable to owners of the Company								Non- controlling interests	Total equity
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 October 2024	76,381	-	(922)	(3,572)	(4,463)	140	21,695	89,259	1,671	90,930
Profit for the financial period	-	-	-	-	-	-	1,990	1,990	(29)	1,961
Other comprehensive income										
Foreign currency translation	-	-	(1,206)	-	-	-	-	(1,206)	38	(1,168)
Total comprehensive income for the financial period	-	-	(1,206)	-	-	-	1,990	784	9	793
Transaction with owners of the Company										
Share-based compensation expense ⁽¹⁾	-	-	-	-	-	16	-	16	-	16
Total transaction with owners of the Company	-	-	-	-	-	16	-	16	-	16
At 31 December 2024	76,381	-	(2,128)	(3,572)	(4,463)	156	23,685	90,059	1,680	91,739

(1) The Company has granted 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

D. Condensed Interim Statements of Changes in Equity (cont'd)

Group (Unaudited)	Attributable to owners of the Company									Total equity	
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests		
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
At 1 January 2023		75,484	(105)	(2,668)	(3,572)	(4,463)	142	15,054	79,872	1,470	81,342
Profit for the financial period		-	-	-	-	-	-	6,131	6,131	89	6,220
Other comprehensive income											
Foreign currency translation		-	-	(2,001)	-	-	-	-	(2,001)	(111)	(2,112)
Total comprehensive income for the financial period		-	-	(2,001)	-	-	-	6,131	4,130	(22)	4,108
Transactions with owners of the Company											
Issuance of ordinary shares ⁽¹⁾	14	358	-	-	-	-	-	-	358	-	358
Transfer and use of treasury shares ⁽²⁾	15	7	105	-	-	-	-	-	112	-	112
Reclassification of fair value	14	79	-	-	-	(79)	-	-	-	-	-
Dividends	18	-	-	-	-	-	(6,180)	(6,180)	-	-	(6,180)
Share-based compensation expense ⁽³⁾		-	-	-	-	-	53	-	53	-	53
Total transactions with owners of the Company		444	105	-	-	-	(26)	(6,180)	(5,657)	-	(5,657)
At 30 June 2023		75,928	-	(4,669)	(3,572)	(4,463)	116	15,005	78,345	1,448	79,793

(1) On 22 June 2023, the Company issued and allotted 1,235,072 ordinary shares in the share capital of the Company (the "2Q2023 New Shares"), at an issue price of \$0.29 per 2Q2023 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 2Q2023 New Shares and the transfer and use of 386,400 treasury shares, the number of issued and paid-up shares in the share capital of the Company has increased from 572,230,206 ordinary shares (excluding 386,400 treasury shares) to 573,851,678 ordinary shares.

(2) On 22 June 2023, the Company transferred and used 386,400 treasury shares for the allotment of shares pursuant to exercise of share options under the ISEC Healthcare Share Option Scheme.

(3) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

D. Condensed Interim Statements of Changes in Equity (cont'd)

Group (Unaudited)	Note	Attributable to owners of the Company								Non- controlling interests	Total equity
		Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 July 2023		75,928	-	(4,669)	(3,572)	(4,463)	116	15,005	78,345	1,448	79,793
Profit for the financial period		-	-	-	-	-	-	3,793	3,793	56	3,849
Other comprehensive income											
Foreign currency translation		-	-	221	-	-	-	-	221	(36)	185
Total comprehensive income for the financial period		-	-	221	-	-	-	3,793	4,014	20	4,034
Transactions with owners of the Company											
Issuance of ordinary shares ⁽¹⁾	14	135	-	-	-	-	-	-	135	-	135
Reclassification of fair value	14	22	-	-	-	-	(22)	-	-	-	-
Dividends	18	-	-	-	-	-	-	(4,361)	(4,361)	-	(4,361)
Share-based compensation expense ⁽²⁾		-	-	-	-	-	25	-	25	-	25
Total transactions with owners of the Company		157	-	-	-	-	3	(4,361)	(4,201)	-	(4,201)
At 30 September 2023		76,085	-	(4,448)	(3,572)	(4,463)	119	14,437	78,158	1,468	79,626

(1) On 4 September 2023, the Company issued and allotted 465,250 ordinary shares in the share capital of the Company (the "3Q2023 New Shares"), at an issue price of \$0.29 per 3Q2023 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 3Q2023 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 573,851,678 ordinary shares to 574,316,928 ordinary shares.

(2) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

D. Condensed Interim Statements of Changes in Equity (cont'd)

Group (Unaudited)	Note	Attributable to owners of the Company								Non- controlling interests	Total equity
		Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation reserve	Retained earnings	Equity attributable to owners of the Company		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
At 1 October 2023		76,085	-	(4,448)	(3,572)	(4,463)	119	14,437	78,158	1,468	79,626
Profit for the financial period		-	-	-	-	-	-	3,039	3,039	42	3,081
Other comprehensive income											
Foreign currency translation		-	-	(550)	-	-	-	-	(550)	(79)	(629)
Total comprehensive income for the financial period		-	-	(550)	-	-	-	3,039	2,489	(37)	2,452
Transactions with owners of the Company											
Issuance of ordinary shares ⁽¹⁾	14	46	-	-	-	-	-	-	46	-	46
Reclassification of fair value	14	7	-	-	-	-	(7)	-	-	-	-
Share-based compensation expense ⁽²⁾		-	-	-	-	-	16	-	16	-	16
Total transactions with owners of the Company		53	-	-	-	-	9	-	62	-	62
Transaction with non-controlling interests											
Subscription of share in a subsidiary by non-controlling interest ⁽³⁾		-	-	-	-	-	-	-	-	10	10
Total transaction with non-controlling interests		-	-	-	-	-	-	-	-	10	10
At 31 December 2023		76,138	-	(4,998)	(3,572)	(4,463)	128	17,476	80,709	1,441	82,150

- (1) On 1 December 2023, the Company issued and allotted 156,984 ordinary shares in the share capital of the Company (the "4Q2023 New Shares"), at an issue price of \$0.29 per 4Q2023 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 4Q2023 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 574,316,928 ordinary shares to 574,473,912 ordinary shares.
- (2) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.
- (3) During the 3 months' financial period ended 31 December 2023, ISEC (Klang) Sdn. Bhd. ("ISEC Klang"), a 65%-owned indirect subsidiary of the Company through its wholly-owned subsidiary, ISEC Sdn. Bhd., increased its share capital from \$29 (equivalent to RM100) to \$29,000 (equivalent to RM100,000), through issuance of shares allotted to the existing shareholders of the subsidiary in equal proportion to their existing shareholdings.

D. Condensed Interim Statements of Changes in Equity (cont'd)

	Note	Share capital \$'000	Treasury share reserve \$'000	Share compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Company (Unaudited)						
At 1 January 2024		76,138	-	128	5,389	81,655
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	1,697	1,697
Transactions with owners of the Company						
Issuance of ordinary shares ⁽¹⁾	14	209	-	-	-	209
Reclassification of fair value	14	34	-	(34)	-	-
Dividends	18	-	-	-	(4,889)	(4,889)
Share-based compensation expense ⁽²⁾		-	-	45	-	45
Reversal of share options ⁽³⁾		-	-	(5)	-	(5)
Total transactions with owners of the Company		243	-	6	(4,889)	(4,640)
At 30 June 2024		76,381	-	134	2,197	78,712
At 1 July 2024		76,381	-	134	2,197	78,712
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	4,127	4,127
Transactions with owners of the Company						
Dividends	18	-	-	-	(1,726)	(1,726)
Share-based compensation expense ⁽²⁾		-	-	22	-	22
Total transactions with owners of the Company		-	-	22	(1,726)	(1,704)
At 31 December 2024		76,381	-	156	4,598	81,135

(1) On 2 April 2024, the Company issued and allotted 719,140 ordinary shares in the share capital of the Company (the "2Q2024 New Shares"), at an issue price of \$0.29 per 2Q2024 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 2Q2024 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 574,473,912 ordinary shares to 575,193,052 ordinary shares.

(2) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

(3) The reversal of share options refers to the expired share options granted under the ISEC Healthcare Share Option Scheme on 22 April 2020.

D. Condensed Interim Statements of Changes in Equity (cont'd)

	Note	Share capital \$'000	Treasury share reserve \$'000	Share compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Company (Unaudited)						
At 1 January 2023		75,484	(105)	142	6,621	82,142
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	4,792	4,792
Transactions with owners of the Company						
Issuance of ordinary shares ⁽¹⁾	14	358	-	-	-	358
Transfer and use of treasury shares ⁽²⁾	15	7	105	-	-	112
Reclassification of fair value	14	79	-	(79)	-	-
Dividends	18	-	-	-	(6,180)	(6,180)
Share-based compensation expense ⁽³⁾		-	-	53	-	53
Total transactions with owners of the Company		444	105	(26)	(6,180)	(5,657)
At 30 June 2023		75,928	-	116	5,233	81,277
At 1 July 2023		75,928	-	116	5,233	81,277
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	4,517	4,517
Transactions with owners of the Company						
Issuance of ordinary shares ⁽⁴⁾	14	181	-	-	-	181
Reclassification of fair value	14	29	-	(29)	-	-
Dividends	18	-	-	-	(4,361)	(4,361)
Share-based compensation expense ⁽³⁾		-	-	41	-	41
Total transactions with owners of the Company		210	-	12	(4,361)	(4,139)
At 31 December 2023		76,138	-	128	5,389	81,655

- (1) On 22 June 2023, the Company issued and allotted 1,235,072 ordinary shares in the share capital of the Company (the "1H2023 New Shares"), at an issue price of \$0.29 per 1H2023 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 1H2023 New Shares and the transfer and use of 386,400 treasury shares, the number of issued and paid-up shares in the share capital of the Company has increased from 572,230,206 ordinary shares (excluding 386,400 treasury shares) to 573,851,678 ordinary shares.
- (2) On 22 June 2023, the Company transferred and used 386,400 treasury shares for the allotment of shares pursuant to exercise of share options under the ISEC Healthcare Share Option Scheme.
- (3) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.
- (4) On 4 September 2023 and 1 December 2023, the Company issued and allotted 465,250 and 156,984 ordinary shares, respectively in the share capital of the Company (collectively "2H2023 New Shares"), at an issue price of \$0.29 per 2H2023 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issuance and allotment of the 2H2023 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 573,851,678 ordinary shares to 574,473,912 ordinary shares.

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

ISEC Healthcare Ltd. (the “Company”, and together with its subsidiaries, the “Group”) is a public limited company, incorporated and domiciled in Singapore with its registered office address and principal place of business at 51 Goldhill Plaza #10-07/08 Singapore 308900. The Company’s registration number is 201400185H. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited.

The immediate holding company is Aier Eye International (Singapore) Pte. Ltd., a company incorporated in Singapore. The intermediate holding company is Aier Eye Hospital Group Co., Ltd, and the ultimate holding company is Aier Medical Investment Co., Ltd., both companies incorporated in the People’s Republic of China.

The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are medical eye care services, and general medical and procedural treatment services.

2. Basis of preparation

The condensed interim financial statements for the six-month period ended 31 December 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information and disclosures required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to SFRS(I)s have become applicable for the current reporting period/year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period/year. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

There were no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period/year in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Note 11 – Goodwill impairment assessment

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period/year.

4. Disaggregation of revenue

	For six-month period ended 31 December					
	General health services		Specialised health services		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Types of goods or services</u>						
Consultation, medication and procedures	1,797	1,999	37,035	33,613	38,832	35,612
<u>Timing of transfer of goods or services</u>						
At a point in time	1,760	1,979	37,035	33,613	38,795	35,592
Over time	37	20	-	-	37	20
	1,797	1,999	37,035	33,613	38,832	35,612

	For twelve-month period ended 31 December					
	General health services		Specialised health services		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Types of goods or services</u>						
Consultation, medication and procedures	3,596	3,979	70,601	66,015	74,197	69,994
<u>Timing of transfer of goods or services</u>						
At a point in time	3,527	3,940	70,601	66,015	74,128	69,955
Over time	69	39	-	-	69	39
	3,596	3,979	70,601	66,015	74,197	69,994

	Group		
	For financial year ended		
	31 December 2024	31 December 2023	Change
	\$'000	\$'000	%
Sales reported for the first half year	35,365	34,382	3%
Operating profit after tax before deducting non-controlling interests reported for first half year	6,650	6,220	7%
Sales reported for second half year	38,832	35,612	9%
Operating profit after tax before deducting non-controlling interests reported for second half year	6,244	6,930	-10%

4. Disaggregation of revenue (cont'd)

(a) Contract liabilities

Information about contract liabilities from contracts with customers is disclosed as follows:

	31 December 2024	31 December 2023
	\$'000	\$'000
Contract liabilities, included in advances and contract liabilities	53	59

Contract liabilities primarily relate to the Group's obligation to perform procedural treatment services to the customers for which the Group has received consideration in advance, and are recognised as revenue when the Group performs the services.

Changes in contract liabilities are highlighted as follows:

	For six-month period ended		For twelve-month period	
	31 December		ended 31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	5	7	19	19

(b) Transaction price allocated to remaining performance obligation

The Group has applied the practical expedient not to disclose information about its remaining performance obligation as the Group recognises revenue in the amount to which the Group has a right to invoice customers in amounts that correspond directly with the value to the customer of the Group's performance completed to date.

5. Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and assessing performance. The information reported to the chief operating decision maker does not include an analysis of assets and liabilities. Segment performance is evaluated based on operating profit or loss.

5. Segment information (cont'd)

The Group has two reportable segments as described below.

Business segments information

- Specialised health services: provision of medical care, consultancy, treatment and surgery in the field of ophthalmology
- General health services: provision of general medical and procedural treatment services

	Group		Group	
	For six-month period ended		For twelve-month period	
	31 December		ended 31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Segment revenue				
Specialised health services	37,035	33,613	70,601	66,015
General health services	1,797	1,999	3,596	3,979
	<hr/> 38,832	<hr/> 35,612	<hr/> 74,197	<hr/> 69,994
Segment profit/(loss) after tax				
Specialised health services	7,438	6,532	13,848	12,408
General health services	(1,194)	398	(954)	742
	<hr/> 6,244	<hr/> 6,930	<hr/> 12,894	<hr/> 13,150
Impairment loss for goodwill				
Specialised health services	-	-	-	-
General health services	1,520	-	1,520	-
	<hr/> 1,520	<hr/> -	<hr/> 1,520	<hr/> -
Depreciation of property, plant and equipment and right-of-use assets				
Specialised health services	2,064	1,559	3,643	3,079
General health services	136	143	275	276
	<hr/> 2,200	<hr/> 1,702	<hr/> 3,918	<hr/> 3,355
Additions to property, plant and equipment				
Specialised health services			13,266	3,043
General health services			28	46
			<hr/> 13,294	<hr/> 3,089

5. Segment information (cont'd)

Geographical information

Revenue and operating result are based on the country in which the services are provided and country where the customers are located.

	Group		Group	
	For six-month period ended		For twelve-month period	
	31 December		ended 31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Segment revenue				
Singapore	5,835	6,083	11,852	12,047
Malaysia	31,465	28,491	59,597	55,960
Myanmar	1,532	1,038	2,748	1,987
	38,832	35,612	74,197	69,994
Segment profit/(loss) after tax				
Singapore	(40)	792	773	1,428
Malaysia	5,982	5,905	11,619	11,335
Myanmar	302	233	502	387
	6,244	6,930	12,894	13,150
Impairment loss for goodwill				
Singapore	1,520	-	1,520	-
Malaysia	-	-	-	-
Myanmar	-	-	-	-
	1,520	-	1,520	-
Depreciation of property, plant and equipment and right-of-use assets				
Singapore	240	175	410	338
Malaysia	1,854	1,408	3,281	2,767
Myanmar	106	119	227	250
	2,200	1,702	3,918	3,355

5. Segment information (cont'd)

Geographical information (cont'd)

	Group	
	31 December 2024	31 December 2023
	\$'000	\$'000
Additions to property, plant and equipment		
Singapore	33	51
Malaysia	13,103	2,974
Myanmar	158	64
	13,294	3,089
	13,294	3,089

Major customers

Revenue is mainly derived from the walk-in patients who are the general public. Due to the diverse base of customers to which the Group renders services, the Group is generally not reliant on any customer for its sales and no one single customer accounted for 5% or more of the Group's total revenue except for 1 (FY2023: 1) corporate customer, which in total had contributed to 9% (FY2023: 9%) of the Group's total revenue for the financial year ended 31 December 2024.

6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	For six-month period ended 31 December		For twelve-month period ended 31 December	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	2,319	2,358	4,434	4,384
Deferred income tax (credit) relating to origination and reversal of temporary differences	(96)	(166)	(141)	(220)
	2,223	2,192	4,293	4,164
	2,223	2,192	4,293	4,164

7. Net Asset Value

	Group		Company	
	31	31	31	31
	December	December	December	December
	2024	2023	2024	2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value attributable to owners of the Company (\$'000)	90,059	80,709	81,135	81,655
Number of ordinary shares in issue (excluding treasury shares)	575,193,052	574,473,912	575,193,052	574,473,912
Net asset value per ordinary share (\$)	0.16	0.14	0.14	0.14

8. Fair value of assets and liabilities

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents, trade and other receivables, trade and other payables and borrowings, wherein, the carrying amounts of these financial instruments are based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

9. Property, plant and equipment

Group	Computer equipment \$'000	Electrical equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000	Office equipment, furniture and fittings \$'000	Renovation \$'000	Assets under construction \$'000	Land and buildings \$'000	Total \$'000
Cost									
At 1 January 2023	937	1,525	58	7,304	1,065	2,680	1,249	8,649	23,467
Additions	81	-	-	732	64	162	2,041	9	3,089 ⁽¹⁾
Written-off	(4)	-	-	(47)	(5)	(24)	-	-	(80)
Reclassification	-	-	-	10	5	39	(185)	131	-
Currency translation differences	(48)	(91)	(4)	(439)	(74)	(153)	(55)	(555)	(1,419)
At 31 December 2023 and 1 January 2024	966	1,434	54	7,560	1,055	2,704	3,050	8,234	25,057
Additions	115	22	49	2,202	141	229	10,536	-	13,294 ⁽¹⁾
Written-off	(22)	-	-	(82)	(20)	-	-	-	(124)
Reclassification	63	238	-	11	470	2,193	(3,498)	523	-
Transfer from lease	-	-	-	108	-	-	-	-	108
Currency translation differences	55	90	8	553	85	168	426	523	1,908
At 31 December 2024	1,177	1,784	111	10,352	1,731	5,294	10,514	9,280	40,243

(1) During the financial year ended 31 December 2024, \$1,486,000 (FY2023: \$40,000) of the property, plant and equipment purchased remained unpaid and was included in other payables of the financial statements. The remaining \$67,000 (FY2023: \$68,000) of the property, plant and equipment addition relates to the provision for the restoration costs which is a non-cash transaction.

9. Property, plant and equipment (cont'd)

Group	Computer equipment \$'000	Electrical equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000	Office equipment, furniture and fittings \$'000	Renovation \$'000	Assets under construction \$'000	Land and buildings \$'000	Total \$'000
Accumulated depreciation									
At 1 January 2023	527	82	53	4,702	478	1,309	-	-	7,151
Depreciation charge for the year	121	151	2	715	123	270	-	83	1,465
Written-off	(5)	-	-	(43)	(3)	(22)	-	-	(73)
Currency translation differences	(27)	(12)	(3)	(314)	(41)	(86)	-	(1)	(484)
<hr/>									
At 31 December 2023 and 1 January 2024	616	221	52	5,060	557	1,471	-	82	8,059
Depreciation charge for the year	131	156	9	853	136	422	-	66	1,773
Written-off	(22)	-	-	(82)	(12)	-	-	-	(116)
Transfer from lease	-	-	-	108	-	-	-	-	108
Currency translation differences	37	24	5	374	61	118	-	7	626
<hr/>									
At 31 December 2024	762	401	66	6,313	742	2,011	-	155	10,450
<hr/>									
Carrying amount									
At 31 December 2023	350	1,213	2	2,500	498	1,233	3,050	8,152	16,998
<hr/>									
At 31 December 2024	415	1,383	45	4,039	989	3,283	10,514	9,125	29,793
<hr/>									

Assets under construction

Included in the Group's property, plant and equipment of \$10,514,000 (FY2023: \$3,050,000) as at 31 December 2024 mainly relates to the acquisition of building and expenditures on renovation of centres in Malaysia.

10. Leases

As lessee

The Group has lease contracts for various items of medical equipment, clinic/office premises and motor vehicle. The Group's obligation under these leases is secured by the lessor's title to the leased assets.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases and continues to expense off such leases when incurred.

(a) Right-of-use assets

Set out below are the carrying amounts of right-of use assets recognised and the movements during the year:

	Clinic/office premises \$'000	Motor vehicle \$'000	Medical equipment \$'000	Total \$'000
Group				
At 1 January 2023	9,370	7	1,500	10,877
Additions	582	-	836	1,418
Lease modification	(24)	-	(1)	(25)
Depreciation charge for the year	(1,263)	(4)	(623)	(1,890)
Currency translation differences	(461)	*	(76)	(537)
<hr/>				
At 31 December 2023 and 1 January 2024	8,204	3	1,636	9,843
Additions	167	-	2,491	2,658
Depreciation charge for the year	(1,316)	(3)	(826)	(2,145)
Currency translation differences	395	*	148	543
<hr/>				
At 31 December 2024	7,450	-	3,449	10,899
<hr/> <hr/>				

* Less than \$1,000

Lease modification in the prior financial year related to the reduction of the lease period in the existing/past leases of an office premise and a medical equipment.

10. Leases (cont'd)**As lessee (cont'd)****(b) Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group	
	31 December 2024	31 December 2023
	\$'000	\$'000
Beginning of financial year	10,390	11,225
Additions	2,658	1,588
Lease modification	-	(35)
Interest expense	478	455
Payments, net	(2,448)	(2,282)
Currency translation differences	575	(561)
	<hr/>	<hr/>
End of financial year	11,653	10,390
	<hr/>	<hr/>
Current	2,208	1,614
Non-current	9,445	8,776
	<hr/>	<hr/>

Lease modification in the prior financial year related to the reduction of the lease period in the existing/past leases of an office premise and a medical equipment.

(c) Net investment in sublease

The Group has entered into a sublease arrangement with an external party for one of its clinic premises, classified as a finance lease. Set out below are the carrying amounts of net investment in sublease recognised and the movements during the year:

	Group	
	31 December 2024	31 December 2023
	\$'000	\$'000
Beginning of financial year	161	50
Accretion of interest income	7	2
Addition	-	170
Receipts, net	(61)	(61)
	<hr/>	<hr/>
End of financial year	107	161
	<hr/>	<hr/>
Current	57	54
Non-current	50	107
	<hr/>	<hr/>

10. Leases (cont'd)**As lessee (cont'd)****(d) Amounts recognised in profit or loss**

The following are the amounts recognised in profit or loss:

	Group	
	31 December 2024	31 December 2023
	\$'000	\$'000
Depreciation of right-of-use assets	2,145	1,890
Interest expense on lease liabilities	478	455
Interest income on sublease	(7)	(2)
Gain on lease modification	-	(10)
Lease expenses not capitalised in lease liabilities		
- Expenses relating to leases of short-term leases (included in administrative expenses)	-	50
- Expenses relating to leases of short-term leases (included in cost of sales)	-	3
- Expenses relating to leases of low-value leases (included in administrative expenses)	16	13
Total amount recognised in profit or loss	2,632	2,399

(e) Total cash outflow

The Group had total cash outflows for leases (including short-term and low-value leases) of \$2,403,000 as at 31 December 2024 (FY2023: \$2,287,000), net of receipts from sublease.

(f) Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

The Group included the extension option in the lease term for leases of clinic/office premises and medical equipment because of the additional costs that would arise to replace the assets. There is no extension option for lease of motor vehicle.

11. Intangible assets

Group	Computer software \$'000	Software under development \$'000	Goodwill \$'000	Contractual relationship \$'000	Customer relationships \$'000	Total \$'000
Cost						
As at 1 January 2023	509	140	54,215	5,300	155	60,319
Additions	9	89	-	-	-	98
Currency translation differences	(29)	(10)	(1,973)	-	-	(2,012)
At 31 December 2023 and 1 January 2024	489	219	52,242	5,300	155	58,405
Additions	30	255	-	-	-	285
Written-off	(7)	-	-	-	-	(7)
Impairment loss	-	-	(1,520)	-	-	(1,520)
Currency translation differences	29	15	1,928	-	-	1,972
At 31 December 2024	541	489	52,650	5,300	155	59,135

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

11. Intangible assets (cont'd)

Group	Computer software \$'000	Software under development \$'000	Goodwill \$'000	Contractual relationship \$'000	Customer relationships \$'000	Total \$'000
Accumulated amortisation						
At 1 January 2023	502	-	-	4,373	155	5,030
Amortisation for the year	4	-	-	530	-	534
Currency translation differences	(29)	-	-	-	-	(29)
At 31 December 2023 and 1 January 2024	477	-	-	4,903	155	5,535
Amortisation for the year	7	-	-	397	-	404
Written-off	(7)	-	-	-	-	(7)
Currency translation differences	29	-	-	-	-	29
At 31 December 2024	506	-	-	5,300	155	5,961
Carrying amount						
At 31 December 2023	12	219	52,242	397	-	52,870
At 31 December 2024	35	489	52,650	-	-	53,174

Amortisation of computer software and contractual relationship are included in “administrative expenses” and “other expenses” line items in profit or loss, respectively.

11. Intangible assets (cont'd)

Goodwill impairment assessment

Goodwill with indefinite useful lives are not subjected to amortisation and are subjected to impairment assessment annually, or more frequently if events or changes in circumstances suggest the presence of impairment indicators. For the purpose of goodwill impairment assessment, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination. A CGU to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversible in subsequent periods.

Goodwill on consolidation arises from the acquisition of subsidiaries. Goodwill arising from business combinations is allocated to the following cash-generating units ("CGUs") that are expected to benefit from the business combinations.

	31 December 2024 \$'000	31 December 2023 \$'000
Goodwill		
<i>ISEC Eye Pte. Ltd. ("ISEC Eye")</i>	7,970	7,970
<i>Southern Specialist Eye Centre Sdn. Bhd. ("SSEC")</i>	11,423	10,781
<i>JL Medical (Bukit Batok) Pte. Ltd. ("JLMBB")</i>	3,309	3,939
<i>JL Medical (Sembawang) Pte. Ltd. ("JLMS")</i>	2,980	2,980
<i>JL Medical (Woodlands) Pte. Ltd. ("JLMW")</i>	3,509	3,509
<i>JL Medical (Yew Tee) Pte. Ltd. ("JLMYT")</i>	584	1,474
<i>Indah Specialist Eye Centre Sdn. Bhd. ("Indah Specialist")</i>	9,252	8,732
<i>IE Centre Sdn.Bhd. ("IE Centre")</i>	11,639	10,984
<i>Kampar Eye Sdn. Bhd. ("Kampar Eye")</i>	1,939	1,830
<i>TE Centre Sdn. Bhd. ("TE Centre")</i>	17	16
<i>ME Centre Sdn. Bhd. ("ME Centre")</i>	12	12
<i>Taipung Eye Sdn. Bhd. ("Taiping Eye")</i>	16	15
	52,650	52,242

Other than impairment loss for goodwill recognised for JLMBB and JLMYT as described below, the Group has assessed that there is no further impairment to the carrying amount of goodwill as at 31 December 2024 based on the CGU's business performance. The recoverable amounts of the CGUs have been determined based on the cash flow forecasts of the respective CGUs from financial budgets approved by management that uses a number of significant operational and predictive assumptions, covering a five-year period and projection to terminal year. The key assumptions for the value-in-use calculations are those regarding the revenue, terminal growth rates, and the pre-tax discount rates as follows:

	Revenue growth rate		Terminal growth rate		Pre-tax discount rate	
	2025 to 2029 %	2024 to 2028 %	2024 %	2023 %	2024 %	2023 %
ISEC Eye	4 - 5	3 - 6	1.0	1.0	17	17
SSEC	6 - 7	3 - 6	3.0	3.0	14	15
JLMBB	6 - 8	4 - 6	2.0	2.0	10	10
JLMS	6	2 - 3	2.0	2.0	10	10
JLMW	5	4 - 5	2.0	2.0	10	10
JLMYT	5	4	2.0	2.0	10	10

11. Intangible assets (cont'd)

	Revenue growth rate		Terminal growth rate		Pre-tax discount rate	
	2025 to 2029	2024 to 2028	2024	2023	2024	2023
	%	%	%	%	%	%
Indah						
Specialist	6 – 7	6 – 9	3.0	3.0	14	15
IE Centre	5 – 7	5 – 7	3.0	3.0	14	15
Kampar						
Eye	5 – 7	5 – 8	3.0	3.0	14	15
TE Centre	5 – 283	-	3.0	-	14	-
ME						
Centre	30 – 264	-	3.0	-	14	-
Taiping						
Eye	30 – 253	-	3.0	-	14	-

Management estimates the discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risks specific to each CGU. The revenue and terminal growth rates are based on management's estimates and expectations from historical trends, market and economic conditions, industry indices and planned strategies on revenue growth and cost initiatives.

Key assumptions used in the value in use calculations

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Revenue growth rates – The forecasted revenue growth rates are based on management's expectations for each CGU from historical trends and planned business strategies, as well as long-term average growth rates of the healthcare industry in the respective countries.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its CGUs and derived from its weighted average cost of capital ("WACC").

Sensitivity analysis

Management has determined the most likely revenue growth rates scenario from the alternate sets of cash flow scenarios based on their best estimates on the expectations for each CGU. Management has taken into consideration the historical trend and long-term average growth rates of the healthcare industry in the respective countries.

The recoverable amount of JLMS and JLMW exceeded the carrying amount by approximately \$111,000 and \$142,000, respectively. Should the annual revenue growth rate for JLMS and JLMW decrease by 0.4% each year for the periods FY2025 to FY2029, further impairment loss would be recorded.

Impairment loss recognised

The performance of JLMBB and JLMYT in the general health services were adversely affected by the rising costs and competition in Singapore. The revenue of these subsidiaries decreased by 7% and 15% respectively during the financial year ended 31 December 2024.

The Group has assessed and quantified \$630,000 and \$890,000 impairment loss for goodwill arising from JLMBB and JLMYT respectively, as the recoverable amounts were assessed to be lower than the carrying amounts.

12. Non-controlling interests (“NCI”)

The Group has the following subsidiary that has NCI that is material to the Group:

	ISEC Myanmar	
	31 December 2024	31 December 2023
Proportion of ownership interest held by non-controlling interest (%)	49	49
Profit after taxation allocated to NCI during the reporting period (\$'000)	227	157
Accumulated NCI at the end of reporting period (\$'000)	1,013	753

(a) Summarised financial information about subsidiary with material NCI

The summarised financial information before intra-group elimination of the subsidiary that has material non-controlling interests as at the end of each reporting year are as follows:

Summarised statement of financial position

	ISEC Myanmar	
	31 December 2024	31 December 2023
	\$'000	\$'000
Non-current assets	463	501
Current assets	1,872	1,357
Non-current liabilities	(5)	(47)
Current liabilities	(262)	(272)
Net assets	2,068	1,539

Summarised statement of profit or loss and other comprehensive income

	ISEC Myanmar			
	6 Months Ended		12 Months Ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	\$'000	\$'000	\$'000	\$'000
Revenue	1,532	1,038	2,748	1,987
Profit for the financial period/year, representing total comprehensive income	279	182	463	321

12. Non-controlling interests (“NCI”) (cont’d)

(a) Summarised financial information about subsidiary with material NCI (cont’d)

Other summarised information

	ISEC Myanmar			
	6 Months Ended		12 Months Ended	
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Net cash generated from operating activities	380	318	568	490
Net cash (used in)/generated from investing activities	(108)	3	(115)	(29)
Net cash used in financing activities	(26)	(23)	(52)	(175)
Net change in cash and cash equivalents	246	298	401	286

13. Borrowings

	Group	
	31 December 2024 \$'000	31 December 2023 \$'000
Bank loan A	529	1,249
Bank loan B	-	424
Bank loan C	464	497
Bank loan D	446	-
	1,439	2,170
	1,439	2,170
Current	672	843
Non-current	767	1,327
	767	1,327
	767	1,327

Bank loan A

On 6 August 2020, ISEC (Penang) Sdn. Bhd., a wholly owned indirect subsidiary of the Company, entered into a 5-year term bank loan of RM13,000,000 (equivalent to \$4,254,000) to partially finance the acquisition of a freehold land and building. The loan is repayable monthly over 5-year term. The loan bears a floating interest rate of the bank's cost of funds + 0.5% margin per annum. The interest rate for the current financial year ended 31 December 2024 was 4.16% (FY2023: 4.05%). The loan is secured by the freehold land and building for which the loan was entered into, and the subsidiary is required to maintain certain deposits balance with the bank.

Bank loan B

On 26 May 2022, the Group completed its acquisition of ME Centre which includes an existing 15-year bank loan of RM1,709,160 (equivalent to \$539,000) entered into on 29 January 2021 to partially finance the acquisition of a building. The loan is repayable monthly over the 15-year term. The loan bears a floating interest rate of the bank's base lending rate -2.57% margin per annum for the first year and bank's base lending rate -2.30% margin per annum from the second year onwards. The interest rate as at the date of settlement was 4.42% (FY2023: 4.42%). The loan is secured by the building for which the loan was entered into. As at 31 December 2024, bank loan B has been fully settled by refinancing through bank loan D.

Bank loan C

On 21 May 2023, TE Centre, an indirect subsidiary of the Company, entered into a 7-year term bank loan of RM1,774,483 (equivalent to \$507,000) to partly finance the construction cost of a building. The loan bears a floating interest rate of the bank's base financing rate -2.50% margin per annum. The interest rate for the current financial year ended 31 December 2024 was 4.15% (FY2023: 4.15%). The loan is secured by the land and building for which the loan was entered into.

Bank loan D

In June 2024, ME Centre entered into a 7-year bank loan of RM1,646,000 (equivalent to \$472,000) with another bank to refinance the acquisition of the building. The loan has been drawn down to fully settle bank loan B. The loan bears a floating interest rate of the bank's base financing rate -2.5% margin per annum. The interest rate for the current financial year ended 31 December 2024 was 4.15%. The loan is secured by the buildings for which the loan was entered into.

14. Share capital

	Group and Company			
	2024	2023	2024	2023
			\$'000	\$'000
Issued and fully paid:				
At 1 January	574,473,912	572,616,606	76,138	75,484
Issuance of ordinary shares from the exercise of options granted under Share Option Scheme	719,140	1,857,306	209	539
Reclassification of fair value of exercised options from Share Compensation Reserve	-	-	34	108
Cash on exercise of share options in excess of cost of treasury shares	-	-	-	7
At 31 December	575,193,052	574,473,912	76,381	76,138
	As at 31 December 2024		As at 31 December 2023	
Total number of issued shares (excluding treasury shares)	575,193,052		574,473,912	

The shareholders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction. As at 31 December 2024, the number of ordinary shares in issue was 575,193,052. There were no treasury shares as at 31 December 2024 and 31 December 2023.

15. Treasury share reserve

Treasury share reserve comprises the cost of the Company's shares held by the Company.

	Group and Company			
	2024	2023	2024	2023
			\$'000	\$'000
Issued and fully paid:				
At 1 January	-	386,400	-	(105)
Treasury shares transferred for the exercise of options granted under Share Option Scheme	-	(386,400)	-	105
At 31 December	-	-	-	-

There were no treasury shares held by the Company as at 31 December 2024 and 31 December 2023.

16. Other reserves

	Group	
	31 December 2024	31 December 2023
	\$'000	\$'000
Foreign currency translation reserve	(2,128)	(4,998)
Merger reserve	(3,572)	(3,572)
Capital reserve	(4,463)	(4,463)
Share compensation reserve	156	128
	(10,007)	(12,905)
	(10,007)	(12,905)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and is non-distributable. Movement in the foreign currency translation reserve is set out in the condensed interim consolidated statements of changes in equity.

Merger reserve

Merger reserve represents the difference between the consideration paid and the share capital value of the subsidiaries acquired under common control.

Capital reserve

Capital reserve mainly consists of \$4,494,000 arising from the premium paid on acquisition of 49% of ISEC Penang in 2019.

Share compensation reserve

Share compensation reserve represents the equity-settled share-based compensation granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share-based compensation, and is reduced by the expiry, forfeiture or exercise of the share options or share awards.

Subsidiary Holdings

There were no subsidiary holdings as at 31 December 2024 and 31 December 2023.

17. Earnings per share

	Group 6 months ended		Group 12 months ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Earnings per share (“EPS”)				
Profit attributable to owners of the parent (\$’000)	6,261	6,832	12,824	12,963
Weighted average number of ordinary shares in issue (excluding treasury shares)	575,193,052	574,176,493	575,012,285	573,251,330
Basic (Singapore cents)	1.09	1.19	2.23	2.26
Adjusted weighted average number of ordinary shares in issue (excluding treasury shares) ⁽¹⁾	575,700,552	574,338,755	575,573,362	573,417,766
Fully diluted basis (Singapore cents)	1.09	1.19	2.23	2.26

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

18. Dividends

	Group and Company	
	31 December 2024	31 December 2023
	\$’000	\$’000
<i>Dividends on ordinary shares:</i>		
- Final tax-exempt dividend for 2023: 0.85 cents (2022: 1.08 cents) per share	4,889	6,180
- First interim tax-exempt dividend for 2024: 0.30 cents (2023: 0.76 cents) per share	1,726	4,361
	<u>6,615</u>	<u>10,541</u>
Proposed but not recognised as a liability as at 31 December:		
- Final tax-exempt dividends on ordinary shares for FY2024 of 0.70 cents (FY2023: 0.85 cents) per share, subject to shareholders’ approval at the Annual General Meeting	4,026	4,889
	<u>4,026</u>	<u>4,889</u>

19. Events occurring after the reporting period

Political situation in Myanmar

Myanmar’s military has, on 31 January 2025, further extended the country’s state of emergency by another six months. The political situation in Myanmar remains fairly uncertain. As at the date of this announcement, ISEC Myanmar’s clinic continues to be operational and profitable.

F. Other information Required by Appendix 7C of the Catalist Rules

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, subdivision, consolidation 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Please refer to “E. Notes to the Condensed Interim Financial Statements: 14. Share capital, 15. Treasury share reserve and 16. Other reserves” above for the detailed movement for changes in the Company’s share capital, treasury share reserve and other reserves.

Outstanding Convertibles

On 22 April 2020, the Company granted 3,809,150 options under the ISEC Healthcare Share Option Scheme, of which 427,590 options from the total 3,809,150 options were granted to 4 eligible Directors. The total number of share options outstanding was nil and 819,700 as at 31 December 2024 and 31 December 2023, respectively.

On 23 September 2023, the Company granted share awards to eligible employees of the Company pursuant to the ISEC Healthcare Performance Share Plan. The total number of share awards outstanding was 507,500 and 630,000 as at 31 December 2024 and 31 December 2023, respectively.

There were no options granted pursuant to the Company’s employee share options scheme as at 31 December 2024 and 31 December 2023, respectively.

Treasury Shares

There were no treasury shares held by the Company as at 31 December 2024 and 31 December 2023.

Subsidiary Holdings

There were no subsidiary holdings as at 31 December 2024 and 31 December 2023.

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

Please refer to “E. Notes to the Condensed Interim Financial Statements: 14. Share capital” above.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Please refer to “E. Notes to the Condensed Interim Financial Statements: 15. Treasury share reserve” above.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. There were no subsidiary holdings 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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Group’s latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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 2023.

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

Please refer to “E. Notes to the Condensed Interim Financial Statements: 2. Basis of preparation” above.

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

Please refer to “E. Notes to the Condensed Interim Financial Statements: 17. Earnings per share” above.

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

Please refer to “E. Notes to the Condensed Interim Financial Statements: 7. Net Asset Value” above.

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 12 months ended 31 December 2024 (“FY2024”) and 31 December 2023 (“FY2023”) where applicable.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

The Group recorded revenue of \$74.20 million in FY2024, an increase of 6%, or \$4.21 million from \$69.99 million in FY2023. The increase was mainly contributed by the Group’s specialised health services, with an increase in revenue by \$4.59 million to \$70.60 million in FY2024 due to increased business activities and opening of new/expanded centres.

Cost of sales

The increased cost of sales by 7%, or \$2.57 million, to \$41.53 million in FY2024 was in line with the increased revenue and business activities in the Group’s operations.

Gross profit and gross profit margin

As a result of the above, gross profit increased by 5% to \$32.67 million in FY2024, compared to \$31.04 million in FY2023. Gross profit margins for both FY2024 and FY2023 remain consistent, at 44.0% and 44.3% respectively.

Other income

The Group recorded other income of \$1.21 million in FY2024, an increase of \$0.74 million from FY2023. The increase was mainly due to foreign exchange gain of \$0.69 million following the strengthening of the Ringgit Malaysia currency against Singapore Dollar in FY2024.

Selling and distribution expenses

The increase of \$0.12 million in the Group’s selling and distribution expenses is mainly due to the increased marketing activities relating to the Group’s specialised health services segment in FY2024.

Administrative expenses

The Group recorded administrative expenses of \$13.87 million in FY2024, an increase of \$1.74 million from FY2023. The increase was mainly due to higher staff-related costs and depreciation expenses of \$0.61 million and \$0.22 million respectively as a result of the increased business activities of the Group, following the opening of the Group's new/expended eye centres in Malaysia. In addition, ISEC Myanmar's expenses increased significantly by \$0.54 million mainly due to increased operating costs resulting from inflation in Myanmar.

Other expenses

The Group's other expenses increased by \$0.69 million, from \$1.28 million in FY2023 to \$1.97 million in FY2024. An impairment loss for goodwill of \$1.52 million, arising from JLMBB and JLMYT, was recognised in FY2024. Despite the existing high demand for general health services in Singapore, the rising operating costs in Singapore had resulted in JLMBB's profit to be adversely affected. For JLMYT, the closure of evening clinic session resulted in reduced patient visits in FY2024.

The increase in other expenses was partially offset by the absence of the foreign exchange loss of \$0.72 million which was recorded in FY2023 and reduced amortisation expense on intangible assets by \$0.13 million, with contractual relationship being fully amortised in FY2024.

Income tax expense

The Group recorded income tax expenses of \$4.29 million in FY2024, compared to \$4.16 million in FY2023, an increase of \$0.13 million between the years. The statutory corporate income tax rates are 17% in Singapore, 24% in Malaysia and 22% in Myanmar. The effective tax rates of the Group in FY2024 and FY2023 were recorded at 25% and 24% respectively. The increase in the effective tax rate is mainly due to the inclusion of the impairment loss for goodwill in the profit of FY2024 which is not tax deductible by nature. Had impairment loss for goodwill been excluded, the effective tax rates of the Group would have been 23% in FY2024 and 24% in FY2023.

Profit after tax

The Group reported a net profit of \$12.89 million in FY2024, a decrease of \$0.26 million from FY2023, mainly due to the reasons explained above.

Review of comparative financial position of the Group for the financial year ended 31 December 2024 and 31 December 2023.Consolidated Statement of Financial Position*Non-current assets*

Non-current assets increased by \$14.11 million to \$94.19 million as at 31 December 2024. This was mainly attributable to the following:

- i) additions of \$8.98 million or approximately 35% of the purchase price on property, being milestone recognition for the acquisition of a new property in Kuala Lumpur for business expansion purposes;
- ii) additions of \$4.31 million on property, plant and equipment mainly arising from equipment and renovation expenditures for the respective new/expended centres in ISEC Melaka, TE Centre, ME Centre, Taiping Eye and ISEC Klang;
- iii) additions of \$2.66 million on right-of-use assets which are mainly due to the new and renewal of the leasing of premises and medical equipment;
- iv) additions of \$0.29 million on intangible assets mainly arising from the purchase of new software;

- v) currency translation gain of \$1.28 million and \$0.54 million on property, plant and equipment and right-of-use assets respectively; and
- vi) currency translation gain of \$1.93 million on goodwill that arose from the acquisition of foreign subsidiaries.

The increase in non-current assets was partially offset by:

- i) depreciation expenses of property, plant and equipment of \$1.77 million;
- ii) depreciation expenses of right-of-use assets of \$2.15 million;
- iii) impairment loss for goodwill of \$1.52 million; and
- iv) amortisation expenses of \$0.40 million on intangible assets.

Current assets

Current assets decreased by \$2.17 million mainly due to the decrease in cash and cash equivalents of \$3.49 million, of which the reasons are mentioned in the review of cash flows of the Group. The decrease in current assets was partially offset by an increase in trade receivables, net of \$0.94 million and an increase in inventories of \$0.27 million, in line with the Group's increased business activities.

Non-current liabilities

Non-current liabilities increased by \$0.05 million to \$10.54 million as at 31 December 2024. This was mainly attributable to the following:

- i) additions in lease liabilities of \$2.66 million, mainly arising from the new and renewal of the leasing of premises and medical equipment; and
- ii) currency translation loss of \$0.48 million on lease liabilities.

The increase in non-current liabilities was partially offset by:

- i) decrease in non-current component of borrowings by \$0.56 million following the partial repayment of bank loans (principal); and
- ii) repayment of lease liabilities of \$2.39 million in FY2024.

Current liabilities

Current liabilities increased by \$2.30 million to \$16.77 million as at 31 December 2024 mainly attributable to the advances received from non-controlling interests of \$0.47 million. Advances from non-controlling interests are non-trade in nature, unsecured, interest bearing (FY2023: non-interest bearing) and repayable on demand.

The increase is also attributable to the unpaid additions to property, plant and equipment of \$1.49 million and the increase in the current component of the lease liabilities by \$0.59 million. The trade payables and payroll payable have also increased by \$0.42 million and \$0.50 million respectively following the increase in business activities. The increase in current liabilities was partially offset by the balance payment of purchase consideration made for the acquisition of IE Centre and Kampar Eye of \$1.03 million.

Review of cash flows of the Group for FY2024

Consolidated Statement of Cash Flows

As at 31 December 2024, the Group had cash and cash equivalents of \$15.91 million, as compared to \$19.40 million of cash and cash equivalents as at 31 December 2023.

Cash flows from operating activities

In FY2024, net cash generated from operating activities was recorded at \$17.64 million. This comprised operating cash flows before working capital changes of \$23.42 million, less net changes in working capital outflow of \$1.33 million arising from inventories of \$0.14 million, trade and other receivables of \$0.63 million, prepayments of \$0.08 million and trade and other payables of \$0.48 million, and net of income tax paid amounting to \$4.45 million.

Cash flows used in investing activities

Net cash used in investing activities in FY2024 was \$12.78 million due to:

- i) payment for purchase of property, plant and equipment amounting to \$11.78 million;
- ii) payment for purchase of intangible assets amounting to \$0.29 million; and
- iii) payment to vendors of IE Centre and Kampar Eye, of \$1.03 million.

The cash outflow was partially offset by interest income received of \$0.32 million.

Cash flows used in financing activities

Net cash used in financing activities was \$9.13 million in FY2024, mainly due to the following factors:

- i) payment to shareholders in relation to FY2023 final dividend of \$4.89 million and FY2024 first interim dividend of \$1.73 million;
- ii) repayment of lease liabilities and corresponding finance costs of \$2.39 million; and
- iii) repayment of bank loans and corresponding finance costs of \$0.93 million.

The cash outflow was partially offset by:

- i) proceeds from exercise of share options of \$0.21 million; and
- ii) advances from the non-controlling interests for TE Centre, ME Centre and Taiping Eye of \$0.47 million collectively.

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 was 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.

Please refer to “E. Notes to the Condensed Interim Financial Statements: 19. Events occurring after the reporting period” above.

ISEC KL status of the purchase of certain strata-title units

ISEC KL had entered into a Sales and Purchase Agreement (“SPA”) to purchase certain strata-title units or parcels in a new building to be constructed by the vendor of the SPA (under the category of use of medical care) in Kuala Lumpur, Malaysia, as announced on 29 December 2023 (“Proposed Acquisition”). Subsequently, all conditions precedent of the SPA were fulfilled on 20 September 2024, and the SPA became unconditional on the same day. The Group will make the necessary announcements as and when there are further material developments on the Proposed Acquisition, including upon the completion of the Proposed Acquisition, and other key related matters that may be contemplated moving forward.

Extension service contracts entered with Dr Lee Hung Ming

The Group is currently in negotiations with Dr Lee Hung Ming on his terms of employment. Meanwhile, the Group and Dr Lee Hung Ming have mutually agreed to extend the term of his employment with the Group until 30 June 2025. The Group will make the necessary announcements as and when there are further material developments.

Other markets

The Group continues to seek suitable opportunities in the markets including Vietnam and Myanmar, while we strengthen our existing presence in our core markets of Singapore and Malaysia. The Group will also continue to pursue investment opportunities which are in line with the Group’s business strategies as and when they arise.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Yes.

(b) (i) Amount per share (cents)

Name of dividend	Final Dividend
Dividend type	Cash
Dividend rate	0.70 Singapore cents (\$0.0070) per ordinary share
Tax rate	Tax exempt (one-tier)

(ii) Previous corresponding period (cents)

Name of dividend	Final Dividend
Dividend type	Cash
Dividend rate	0.85 Singapore cents (\$0.0085) per ordinary share
Tax rate	Tax exempt (one-tier)

In addition, a first interim cash dividend (tax exempt one-tier) of 0.30 Singapore cents (\$0.0030) per ordinary share was declared for the 6 months ended 30 June 2024 and paid on

29 August 2024.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

The proposed final dividend is tax exempt (one-tier) dividend.

- (d) The date the dividend is payable.**

The proposed final dividend is subject to the approval of shareholders at the forthcoming annual general meeting of the Company (“**AGM**”), which will be paid on 9 May 2025 if approved by shareholders.

- (e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Subject to the approval of shareholders at the forthcoming AGM, the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 29 April 2025 for the purpose of determining shareholders’ entitlements to the proposed final tax exempt (one-tier) dividend in respect of the financial year ended 31 December 2024 (“**Proposed Dividend**”).

Duly completed registrable transfers received by the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on 29 April 2025 will be registered to determine shareholders’ entitlements to the Proposed Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the Company’s shares at 5.00 p.m. on 29 April 2025 will be entitled to the Proposed Dividend.

- 12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

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 \$100,000 and above for the financial year ended 31 December 2024.

- 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).

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

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

Please refer to “E. Notes to the Condensed Interim Financial Statements: 5. Segment information” above.

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

Performance by business segments

Specialised health services:

Revenue increased by \$4.59 million, or 7%, to \$70.60 million in FY2024. The business activities in FY2024 improved with increased patient visits and opening of new/expanded eye centres in Malaysia.

Profit after tax increased by \$1.44 million, or 12%, from \$12.41 million in FY2023 to \$13.85 million in FY2024 mainly from increased revenue.

General health services:

Revenue decreased by \$0.38 million, or 10%, from \$3.98 million in FY2023 to \$3.60 million in FY2024 mainly due to the reduced number of COVID-19 swab tests performed and decreased business activities at the general practitioner clinics.

The Group recorded loss after tax of \$0.95 million in FY2024 following the impairment loss for goodwill of \$1.52 million. There is still high demand for general health services in Singapore. However, due to the rising operating costs in Singapore, JLMBB’s profit has been adversely affected. The closure of JLMYT’s evening clinic session has also led to reduced patient visits in FY2024.

Performance by geographical segments

Singapore operations:

Revenue from Singapore operations decreased by \$0.20 million, or 2%, to \$11.85 million in FY2024. The decrease was mainly due to decreased revenue from the general health services business segment.

FY2024 recorded \$0.77 million in profit after tax, with a decrease of \$0.65 million compared to that in FY2023, arising from the impairment loss for goodwill.

Malaysia operations:

In Malaysia, revenue increased by \$3.64 million, or 6%, from \$55.96 million in FY2023 to \$59.60 million in FY2024. The business activities improved significantly in FY2024 with the increase in business activities and opening of new/expanded eye centres in Malaysia.

The profit after tax increased by \$0.28 million, or 2%, from \$11.34 million in FY2023 to \$11.62 million in FY2024, in line with increased revenue and business activities.

Myanmar operations:

Revenue from Myanmar operations has increased by \$0.76 million, or 38%, from \$1.99 million in FY2023 to \$2.75 million in FY2024. The increase in sales is mainly attributable to the upward fee adjustments on the services during the year to align with rising operating costs resulting from inflation.

The profit after tax increased by \$0.12 million, or 30%, from \$0.39 million in FY2023 to \$0.50 million in FY2024, in line with increased revenue.

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

Please refer to “E. Notes to the Condensed Interim Financial Statements: 4. Disaggregation of revenue” above.

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

	FY2024 (Unaudited) \$'000	FY2023 (Audited) \$'000
Ordinary-Interim	1,726	4,361
Ordinary-Final	4,026 ⁽¹⁾	4,889
Special	-	-
Preference	-	-
Total	5,752	9,250

⁽¹⁾ The proposed final cash dividend (tax exempt one-tier) of 0.70 Singapore cents (\$0.0070) per ordinary share of the Company will be subject to approval by shareholders at the forthcoming annual general meeting to be convened.

19. 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.

Save as disclosed below, 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.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dr Lee Yeng Fen	59	Spouse of Dr Lee Hung Ming, Executive Vice Chairman	Group Medical Director, JLM Companies (2016)	None

20. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Reference is made to the Company's announcements dated 15 August 2023 and 22 February 2024. ISEC Klang, the Company's 65% indirectly owned subsidiary in Malaysia, has increased its share capital from RM100,000 to RM1,000,000 in 1H2024 through issuance of shares allotted to the existing shareholders of ISEC Klang in equal proportion to their existing shareholdings. ISEC Klang has a net asset value (unaudited) of approximately RM459,000 as at 31 December 2024. The subscription of new shares in ISEC Klang by the Group does not have any material impact on the consolidated net tangible assets per share or earnings per share of the Group for the financial year ended 31 December 2024.

BY ORDER OF THE BOARD

Dr Lee Hung Ming

Executive Vice Chairman
26 February 2025

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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