

CIRCULAR DATED 13 APRIL 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to the course of action you should take, you should consult your legal, financial, tax or other independent adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of ISEC Healthcare Ltd. (the “**Company**”), you should immediately forward this Circular together with the notice of Extraordinary General Meeting and the accompanying proxy form immediately to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- 1. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE;**
- 2. THE PROPOSED ADOPTION OF THE ISEC HEALTHCARE PERFORMANCE SHARE PLAN; AND**
- 3. THE PROPOSED PARTICIPATION OF DR LEE HUNG MING, THE EXECUTIVE VICE CHAIRMAN AND A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE ISEC HEALTHCARE PERFORMANCE SHARE PLAN.**

IMPORTANT DATES AND TIMES:

Latest Date and Time for Lodgement of Proxy Form	:	26 April 2016 at 10.30 a.m.
Date and Time of Extraordinary General Meeting	:	28 April 2016 at 10.30 a.m. (or immediately after the conclusion of the AGM (as defined herein) convened at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850

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DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout, unless the context otherwise requires:

AGM	The annual general meeting of the Company
ACRA	The Accounting and Corporate Regulatory Authority of Singapore
Act	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
Annual Report 2015	The annual report of the Company for the financial year ended 31 December 2015
Award	A contingent award of Shares granted under the Performance Share Plan
Board	The board of directors of the Company as at the date of this Circular
Catalist	The sponsor-supervised listing platform of the SGX-ST
Catalist Rules	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
CDP	The Central Depository (Pte) Limited
Circular	This circular dated 13 April 2016 issued by the Company to the Shareholders
Committee	The remuneration committee of the Company, or such other committee comprising Directors duly authorised, appointed and nominated by the Board to administer the Performance Share Plan, from time to time
Company	ISEC Healthcare Ltd.
Constitution	The constitution of the Company, as may be amended or modified from time to time
Control	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
Date of Grant	The date on which an Award is granted pursuant to the Performance Share Plan
Directors	The director(s) of the Company as at the date of this Circular

EGM	The extraordinary general meeting of the Company to be convened and held at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850 on 28 April 2016 at 10.30 a.m. (or immediately after the conclusion of the AGM convened at 10.00 a.m. on the same day and at the same place), notice of which is set out on pages 56 to 58 of this Circular
EPS	Earnings per Share
Group	The Company, its subsidiaries and associated companies (as they may exist from time to time)
Group Employee	Any confirmed employee of the Company, its subsidiaries and associated companies (as they may exist from time to time), as the case may be, selected by the Committee to participate in the Performance Share Plan in accordance with the rules thereof
Group Executive Director	A director of the Company, its subsidiaries and/or associated companies, as the case may be, who performs an executive function
Independent Director	An independent director of the Company who has no relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to in the best interests of the Company
Latest Practicable Date	30 March 2016 being the latest practicable date prior to the printing of this Circular
Market Day	A day on which the SGX-ST is open for trading in securities
Non-Executive Director	A director of the Company (including an Independent Director) and/or its subsidiaries, as the case may be, other than one who performs an executive function
NTA	Net tangible assets
Notice of EGM	The notice of EGM as set out on pages 56 to 58 of this Circular
Ordinary Resolutions	The ordinary resolutions to be passed at the EGM
Participant	Any eligible person who is selected by the Committee to participate in the Performance Share Plan in accordance with the rules thereof
Performance Period	The performance period prescribed by the Committee during which the Performance Targets shall be satisfied

Performance Share Plan	The proposed ISEC Healthcare Performance Share Plan, as may be modified or altered from time to time
Performance Target	The performance target prescribed by the Committee to be fulfilled by a Participant for any particular period under the Performance Share Plan
Relevant Period	The period as set out in Section 2.2.2 of this Circular
SFA	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
SGX-ST	Singapore Exchange Securities Trading Limited
Share Buyback Mandate	General and unconditional mandate given by the Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Act and the Catalist Rules
Shares	Ordinary shares in the share capital of the Company
Shareholders	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and whose securities accounts are credited with those Shares
SIC	The Securities Industry Council of Singapore
Sponsor	PrimePartners Corporate Finance Pte. Ltd.
Take-over Code	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
Vesting	In relation to Shares which are the subject of a released Award, the absolute entitlement to all or some of the Shares which are the subject of a released Award and “ Vest ” and “ Vested ” shall be construed accordingly
Vesting Period	In relation to an Award, a period or periods of time before Vesting occurs, the duration of which is to be determined by the Committee on the Date of Grant of the Award
% or per cent	Per centum or percentage
S\$ and cents	Singapore dollars and cents respectively

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The expressions “**associate**”, “**associated company**”, “**related corporation**”, “**subsidiary**”, “**Controlling Shareholder**” and “**Substantial Shareholder**” shall have the meaning ascribed to them respectively in the Act and the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference to a date and/or time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act, SFA or Catalist Rules or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Act, SFA or Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to “**we**”, “**us**” and “**our**” in this Circular is a reference to the Group or any member of the Group as the context requires.

ISEC HEALTHCARE LTD.
(Company Registration Number 201400185H)
(Incorporated in the Republic of Singapore)

Directors

Mr Sitoh Yih Pin (Non-Executive Chairman and Independent Director)
Dr Lee Hung Ming (Executive Vice Chairman)
Dr Wong Jun Shyan (Executive Director and Chief Executive Officer)
Professor Low Teck Seng (Independent Director)
Mr Lim Wee Hann (Independent Director)

Registered Office

101 Thomson Road,
#09-04 United Square
Singapore 307591

Date: 13 April 2016

To: The Shareholders of ISEC Healthcare Ltd.

Dear Sir/Madam

1. INTRODUCTION

The Directors are convening an EGM to be held on 28 April 2016 to seek Shareholders' approval in relation to:

- (i) the Proposed Adoption of the Share Buyback Mandate (Ordinary Resolution 1);
- (ii) the Proposed Adoption of the Performance Share Plan (Ordinary Resolution 2); and
- (iii) the proposed participation of Dr Lee Hung Ming, the Executive Vice Chairman and a Controlling Shareholder of the Company, in the Performance Share Plan (Ordinary Resolution 3).

(collectively, the "**Proposed Resolutions**").

The Directors wish to highlight that Ordinary Resolution 3 is conditional upon the passing of Ordinary Resolution 2. For the avoidance of doubt, this means that if Ordinary Resolution 2 is not approved, Ordinary Resolution 3 would not be carried.

The purpose of this Circular is to provide Shareholders with information pertaining to, and to seek their approval for, the Proposed Resolutions to be tabled at the EGM. The Notice of EGM is set out on pages 56 to 58 of this Circular.

The SGX-ST and the Sponsor take no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

It is a requirement under the Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. It is also a requirement under the Catalist Rules that an issuer which wishes to purchase its own shares should obtain prior approval of its shareholders at a general meeting. In this regard, approval is being sought from Shareholders at the EGM for the adoption of the Share Buyback Mandate.

If approved by Shareholders at the EGM, the authority conferred by the Share Buyback Mandate will continue to be in force until the conclusion of the next AGM of the Company or the date by which such an AGM is required by law to be held (whereupon it will lapse, unless renewed at such meeting) or the date on which Share purchases or acquisitions have been carried out to the full extent mandated or the date the said mandate is varied or revoked by the Company in a general meeting, whichever is the earliest.

2.1 RATIONALE FOR THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

The approval of the adoption of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions up to the 10% limit described in Section 2.2.1 below at any time during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, Share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced;
- (b) The Company has at present a share-based incentive scheme, namely the ISEC Healthcare Share Option Scheme. The Company is also seeking Shareholders' approval for the proposed adoption of the Performance Share Plan, further details of which are set out in Section 3 of this Circular. Share buybacks by the Company will enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to satisfy the Company's obligation to furnish Shares to participants under these schemes, thus giving the Company greater flexibility to manage and minimise the dilution impact (of any) associated with any share-based incentive scheme as may be implemented by the Company from time to time by delivering existing Shares instead of issuing new Shares;
- (c) The Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire the Shares if and when circumstances permit, during the period when the Share Buyback Mandate is in force. It is an expedient, effective and cost-efficient way for the Company to return surplus cash/funds over and above its ordinary capital requirements, if any, which are in excess of its financial requirements, taking into account its growth and expansion plans, to its Shareholders. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy; and
- (d) The purchase or acquisition of Shares under the Share Buyback Mandate will help mitigate short-term share price volatility (by way of stabilising the supply and demand of issued Shares) and offset the effects of short-term share price speculation, supporting the fundamental value of the issued Shares, thereby bolstering Shareholders' confidence and employees' morale.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in Section 2.2.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and

when the Directors consider it to be in the best interests of the Company and/or Shareholders, after taking into account factors such as the amount of surplus cash available and working capital requirements of the Company, the prevailing market conditions, liquidity and orderly trading of the Shares. The Directors will use their best efforts to ensure that any share buyback by the Company will not have any material adverse impact on the float, liquidity, orderly trading of the Shares and/or the financial position of the Group.

2.2 AUTHORITY AND LIMITS OF THE SHARE BUYBACK MANDATE

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

2.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the EGM at which the proposed adoption of the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 489,211,919 Shares in issue as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the EGM, not more than 48,921,191 Shares (representing 10% of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out up to the full 10% limit as authorised, or at all. In particular, no purchase or acquisition of the Shares would be made in circumstances which would have or may have a material adverse effect on the float, liquidity, orderly trading of the Shares and/or financial position of the Group.

2.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM at which the adoption of the Share Buyback Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest ("**Relevant Period**").

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.2.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares can be effected by the Company by way of:

- (a) market purchases transacted on Catalist through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose of the share buyback ("**Market Purchases**"); and/or
- (b) off-market purchases effected pursuant to an equal access scheme as defined in Section 76C of the Act ("**Off-Market Purchase**").

The Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Catalist Rules, the Act and the Constitution, as they consider fit in the interests of the Company and/or Shareholders in connection with or in relation to an equal access scheme or schemes.

Under the Act, an equal access scheme has to satisfy all the following conditions:

- (a) offers for the purchase or acquisition of issued Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
 - (i) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must, as required by the Catalist Rules, issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;

- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on Catalist;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.2.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buyback Mandate.

However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the above purposes of determining the Maximum Price:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days period; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3 SOURCES OF FUNDS

The Company may only apply funds legally available for the purchase or acquisition of its Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Any payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company's distributable profits or capital so long as the Company is solvent (as defined in Section 76F(4) of the Act).

The Company intends to use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group and the costs of such financing.

The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.4 STATUS OF PURCHASED OR ACQUIRED SHARES

Under Section 76B of the Act, any Shares purchased or acquired by the Company through a Share buyback shall be deemed to be cancelled immediately on purchase or acquisition unless such Shares are held by the Company as treasury shares to the extent permitted under the Act. Upon such cancellation, all rights and privileges attached to that Share will expire. At the time of each purchase or acquisition of the Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury Shares, or partly cancelled and partly kept as treasury Shares, depending on the needs of the Company at that time and as the Directors deem fit in the interests of the Company at that time. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Act) will be automatically de-listed by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.5 TREASURY SHARES

Under the Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares.

Some of the provisions on treasury shares under the Act are summarised below:

- (a) The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Act.

- (b) The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.
- (c) In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury shares into treasury shares of a larger or smaller amount (as the case may be), is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.
- (d) Where Shares are held as treasury shares, the Company may at any time:
 - (i) sell the treasury shares for cash;
 - (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
 - (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
 - (iv) cancel the treasury shares; or
 - (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance of Singapore.

The Directors will also consider and decide whether to purchase or acquire Shares to satisfy the Company's obligation to furnish Shares to participants under the ISEC Healthcare Share Option Scheme and/or the Performance Share Plan (if approved by Shareholders at the EGM).

The Shares purchased or acquired under the Share Buyback Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

2.6 REPORTING REQUIREMENTS

The Company shall notify ACRA in the prescribed form within 30 days of a purchase or acquisition of Shares on Catalist or otherwise. Such notification shall include, *inter alia*, details of the purchases or acquisitions and the total number of Shares purchased or acquired by the Company, the Company's issued ordinary share capital before and after the purchase or acquisition of Shares, and the amount of consideration paid by the Company for the purchases or acquisitions.

Within 30 days of the passing of a Shareholders' resolution to approve or renew the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

Pursuant to the Catalist Rules, the Company shall announce all purchases or acquisitions of its Shares via SGXNET not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer has to make an immediate announcement thereof, stating the following:

- (a) the date of the sale, transfer, cancellation and/or use;
- (b) the purpose of such sale, transfer, cancellation and/or use;
- (c) the number of treasury shares sold, transferred, cancelled and/or used;
- (d) the number of Shares before and after such sale, transfer, cancellation and/or use;
- (e) the percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.7 FINANCIAL EFFECTS

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the EPS and/or the NTA per Share of the Company and the Group as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund such purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The repurchased Shares may be cancelled or held as treasury shares. Any Share buyback will:

- (a) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Where the purchased Shares are held as treasury shares, the total number of issued Shares of the Company will remain unchanged.

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent (as defined in Section 76F(4) of the Act). Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Buyback Mandate will be exercised with a view to enhancing the EPS and/or the NTA per Share of the Group.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 ("FY2015") and based on the assumptions set out below:

- (a) based on 489,211,919 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, not more than 48,921,191 Shares (representing 10% of the total number of issued Shares (excluding treasury shares) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 48,921,191 Shares at the Maximum Price of S\$0.279 (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 48,921,191 Shares is approximately S\$13.66 million; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 48,921,191 Shares at the Maximum Price of S\$0.319 (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 48,921,191 Shares is approximately S\$15.62 million.

For illustrative purposes only, and based on the assumptions set out in subparagraphs (a), (b) and (c) above and assuming that:

- (i) such purchase or acquisition of Shares is financed by the Group's internal sources of funds available as at 31 December 2015;
- (ii) the Share Buyback Mandate had been effective on 1 January 2015;

- (iii) the Company had purchased or acquired 48,921,191 Shares (representing 10% of its total number of issued Shares at the Latest Practicable Date) on 1 January 2015; and
- (iv) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects,

the financial effects of the purchase or acquisition of 48,921,191 Shares by the Company pursuant to the Share Buyback Mandate:

- (1) by way of purchases made entirely out of profits and/or capital and held as treasury shares; and
- (2) by way of purchases made entirely out of profits and/or capital and cancelled,

on the audited financial statements of the Group and the Company for FY2015 pursuant to the Share Buyback Mandate are set out on pages 16 to 19 of this Circular.

(1) Purchases made entirely out of profits and held as treasury shares

	Group			Company		
	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase
As at 31 December 2015	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Share capital	51,462	51,462	51,462	51,462	51,462	51,462
Other reserves	(4,825)	(4,825)	(4,825)	–	–	–
Retained earnings	5,362	5,362	5,362	1,406	1,406	1,406
Treasury share reserve	–	(13,664)	(15,616)	–	(13,664)	(15,616)
Equity attributable to owners of the parent	51,999	38,335	36,383	52,868	39,204	37,252
NTA ⁽¹⁾	26,837	13,173	11,221	52,860	39,196	37,244
Cash and cash equivalents	24,924	11,260	9,308	16,073	2,409	457
Current assets	27,918	14,254	12,302	18,681	5,017	3,065
Current liabilities	3,877	3,877	3,877	344	344	344
Working capital	24,041	10,377	8,425	18,337	4,673	2,721
Total borrowings	–	–	–	–	–	–
Profit for the financial year attributable to owners of the parent	2,760	2,760	2,760	841	841	841
Number of issued Shares ('000)	489,212	489,212	489,212	489,212	489,212	489,212
Number of issued Shares, net of treasury shares ('000)	489,212	440,291	440,291	489,212	440,291	440,291
Financial Ratios						
NTA per Share (Singapore cents) ⁽²⁾	5.49	2.99	2.55	10.81	8.90	8.46
EPS (Singapore cents) ⁽³⁾	0.56	0.63	0.63	0.17	0.19	0.19
Current ratio (times) ⁽⁴⁾	7.20	3.68	3.17	54.31	14.59	8.91
Gearing ratio (times)	–	–	–	–	–	–
Return on equity (%) ⁽⁵⁾	5.31	7.20	7.59	1.59	2.15	2.26

Notes:

- (1) NTA refers to total nets assets less intangible assets.
- (2) NTA per Share is calculated based on NTA and 489,211,919 Shares in issue as at the Latest Practicable Date net of treasury shares.
- (3) EPS is calculated based on 489,211,919 Shares in issue as at the Latest Practicable Date net of treasury shares.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Return on equity equals profit for the financial year attributable to owners of the parent divided by equity attributable to the owners of the parent.

(2) Purchases made entirely out of capital and held as treasury shares

	Group			Company		
	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase
As at 31 December 2015	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Share capital	51,462	51,462	51,462	51,462	51,462	51,462
Treasury share reserve	–	(13,664)	(15,616)	–	(13,664)	(15,616)
Net share capital	51,462	37,798	35,846	51,462	37,798	35,846
Other reserves	(4,825)	(4,825)	(4,825)	–	–	–
Retained earnings	5,362	5,362	5,362	1,406	1,406	1,406
Equity attributable to owners of the parent	51,999	38,335	36,383	52,868	39,204	37,252
NTA ⁽¹⁾	26,837	13,173	11,221	52,860	39,196	37,244
Cash and cash equivalents	24,924	11,260	9,308	16,073	2,409	457
Current assets	27,918	14,254	12,302	18,681	5,017	3,065
Current liabilities	3,877	3,877	3,877	344	344	344
Working capital	24,041	10,377	8,425	18,337	4,673	2,721
Total borrowings	–	–	–	–	–	–
Profit for the financial year attributable to owners of the parent	2,760	2,760	2,760	841	841	841
Number of issued Shares ('000)	489,212	489,212	489,212	489,212	489,212	489,212
Number of issued Shares, net of treasury shares ('000)	489,212	440,291	440,291	489,212	440,291	440,291
Financial Ratios						
NTA per Share (Singapore cents) ⁽²⁾	5.49	2.99	2.55	10.81	8.90	8.46
EPS (Singapore cents) ⁽³⁾	0.56	0.63	0.63	0.17	0.19	0.19
Current ratio (times) ⁽⁴⁾	7.20	3.68	3.17	54.31	14.59	8.91
Gearing ratio (times)	–	–	–	–	–	–
Return on equity (%) ⁽⁵⁾	5.31	7.20	7.59	1.59	2.15	2.26

Notes:

- (1) NTA refers to total nets assets less intangible assets.
- (2) NTA per Share is calculated based on NTA and 489,211,919 Shares in issue as at the Latest Practicable Date net of treasury shares.
- (3) EPS is calculated based on 489,211,919 Shares in issue as at the Latest Practicable Date net of treasury shares.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Return on equity equals profit for the financial year attributable to owners of the parent divided by equity attributable to the owners of the parent.

(3) Purchases made entirely out of profits and cancelled

	Group			Company		
	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase
As at 31 December 2015	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Share capital	51,462	51,462	51,462	51,462	51,462	51,462
Other reserves	(4,825)	(4,825)	(4,825)	–	–	–
Retained earnings	5,362	(8,302)	(10,254)	1,406	(12,258)	(14,210)
Equity attributable to owners of the parent	51,999	38,335	36,383	52,868	39,204	37,252
NTA ⁽¹⁾	26,837	13,173	11,221	52,860	39,196	37,244
Cash and cash equivalents	24,924	11,260	9,308	16,073	2,409	457
Current assets	27,918	14,254	12,302	18,681	5,017	3,065
Current liabilities	3,877	3,877	3,877	344	344	344
Working capital	24,041	10,377	8,425	18,337	4,673	2,721
Total borrowings	–	–	–	–	–	–
Profit for the financial year attributable to owners of the parent	2,760	2,760	2,760	841	841	841
Number of issued Shares ('000)	489,212	440,291	440,291	489,212	440,291	440,291
Financial Ratios						
NTA per Share (Singapore cents) ⁽²⁾	5.49	2.99	2.55	10.81	8.90	8.46
EPS (Singapore cents) ⁽³⁾	0.56	0.63	0.63	0.17	0.19	0.19
Current ratio (times) ⁽⁴⁾	7.20	3.68	3.17	54.31	14.59	8.91
Gearing ratio (times)	–	–	–	–	–	–
Return on equity (%) ⁽⁵⁾	5.31	7.20	7.59	1.59	2.15	2.26

Notes:

- (1) NTA refers to total nets assets less intangible assets.
- (2) NTA per Share is calculated based on NTA and 489,211,919 Shares in issue as at the Latest Practicable Date and adjusted for the effect of the Share buyback.
- (3) EPS is calculated based on 489,211,919 Shares in issue as at the Latest Practicable Date and adjusted for the effect of the Share buyback.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Return on equity equals profit for the financial year attributable to owners of the parent divided by equity attributable to the owners of the parent.

(4) Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase
As at 31 December 2015	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Share capital	51,462	37,798	35,846	51,462	37,798	35,846
Other reserves	(4,825)	(4,825)	(4,825)	–	–	–
Retained earnings	5,362	5,362	5,362	1,406	1,406	1,406
Equity attributable to owners of the parent	51,999	38,335	36,383	52,868	39,204	37,252
NTA ⁽¹⁾	26,837	13,173	11,221	52,860	39,196	37,244
Cash and cash equivalents	24,924	11,260	9,308	16,073	2,409	457
Current assets	27,918	14,254	12,302	18,681	5,017	3,065
Current liabilities	3,877	3,877	3,877	344	344	344
Working capital	24,041	10,377	8,425	18,337	4,673	2,721
Total borrowings	–	–	–	–	–	–
Profit for the financial year attributable to owners of the parent	2,760	2,760	2,760	841	841	841
Number of issued Shares ('000)	489,212	440,291	440,291	489,212	440,291	440,291
Financial Ratios						
NTA per Share (Singapore cents) ⁽²⁾	5.49	2.99	2.55	10.81	8.90	8.46
EPS (Singapore cents) ⁽³⁾	0.56	0.63	0.63	0.17	0.19	0.19
Current ratio (times) ⁽⁴⁾	7.20	3.68	3.17	54.31	14.59	8.91
Gearing ratio (times)	–	–	–	–	–	–
Return on equity (%) ⁽⁵⁾	5.31	7.20	7.59	1.59	2.15	2.26

Notes:

- (1) NTA refers to total nets assets less intangible assets.
- (2) NTA per Share is calculated based on NTA and 489,211,919 Shares in issue as at the Latest Practicable Date and adjusted for the effect of the Share buyback.
- (3) EPS is calculated based on 489,211,919 Shares in issue as at the Latest Practicable Date and adjusted for the effect of the Share buyback.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Return on equity equals profit for the financial year attributable to owners of the parent divided by equity attributable to the owners of the parent.

Shareholders should note that the financial effects illustrated above are based on certain assumptions and for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2015, and is not necessarily representative of the future financial performance of the Company or the Group.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase or acquisition before execution. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares), the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares. In addition, the Company may cancel, or hold in treasury, all or part of the Shares repurchased.

Shareholders who are in doubt as to their tax positions or any tax implications arising from the Share Buyback Mandate in their respective jurisdictions should consult their own professional advisers.

2.8 TAKE-OVER IMPLICATIONS ARISING FROM SHARE BUYBACK

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.8.1 Obligations to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation on their part, if any, to make a mandatory take-over offer under the Take-over Code would arise by reason of any Share buyback by the Company.

2.8.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert (“**concert parties**”) comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.8.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

2.8.4 Application of the Take-over Code

The details of the shareholdings of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in Section 5 below.

As at the Latest Practicable Date, Dr Lee Hung Ming, the Executive Vice Chairman of the Company, holds 162,000,000 Shares in the Company, representing 33.11% of the total number of issued Shares (excluding treasury shares) of the Company.

In the event that the Share Buyback Mandate is exercised to its maximum 10%, the shareholding interest of Dr Lee Hung Ming in the Company could increase by more than 1% in any period of six (6) months (as illustrated in Section 5 below). Accordingly, Dr Lee Hung Ming and parties acting in concert with him will be required to make a general offer under Rule 14 of the Take-over Code.

As at the Latest Practicable Date, there are no parties acting in concert with Dr Lee Hung Ming.

Conditions for Exemption from having to make a General Offer under Rule 14 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, Dr Lee Hung Ming and parties acting in concert with him (if any) will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code if their respective shareholding in the Company increases by more than 1% in any six (6) months as a result of any share buyback carried out pursuant to the Share Buyback Mandate, subject to the following conditions:

- (a) the circular to Shareholders seeking their approval for the Share Buyback Mandate will contain:
 - (i) advice to the effect that by voting in favour of the resolution to approve the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the required price from Dr Lee Hung Ming and parties acting in concert with him (if any);
 - (ii) the names and voting rights of Dr Lee Hung Ming and parties acting in concert with him (if any) as at the date of the resolution and after the Company exercises the power under the Share Buyback Mandate in full and purchases 10% of the issued Shares;
 - (iii) the resolution to authorise the Share Buyback Mandate is approved by a majority of Shareholders who are present and voting at the EGM on a poll who could not become obliged to make an offer as a result of the share buyback by the Company pursuant to the Share Buyback Mandate;
 - (iv) Dr Lee Hung Ming and/or parties acting in concert with him (if any) will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Buyback Mandate;
 - (v) Within seven (7) days after the passing of the resolution to approve the Share Buyback Mandate, Dr Lee Hung Ming submits to the SIC a duly signed form as prescribed by the SIC;

(vi) Dr Lee Hung Ming and/or parties acting in concert with him (if any) have not acquired and will not acquire any Shares between the date on which they know that the announcement of the Share Buyback Mandate is imminent and the earlier of:

- (a) the date on which the authority of the Share Buyback Mandate expires; and
- (b) the date on which the Company announces that it has brought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be,

if any such acquisitions, taken together with the share buyback, would cause their aggregate voting rights to increase by more than 1% in the preceding six (6) months.

As such, if the aggregate voting rights held by Dr Lee Hung Ming and parties acting in concert with him (if any) increase by more than 1% solely as a result of the Company's buyback of Shares under the Share Buyback Mandate, and none of them has acquired any Shares during the relevant six (6) month period, then Dr Lee Hung Ming and parties acting in concert with him (if any) would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buyback Shares pursuant to the Share Buyback Mandate and the increase in the aggregate voting rights held by Dr Lee Hung Ming and/or parties acting in concert with him (if any) as a result of the relevant buyback of Shares at such time is less than one (1)% in any six (6) month period, Dr Lee Hung Ming and parties acting in concert with him (if any) may acquire further voting rights in the Company. However, any increase in their percentage voting rights as a result of the buyback of Shares pursuant to the Share Buyback Mandate will be taken into account together with any voting rights acquired by Dr Lee Hung Ming and parties acting in concert with him (if any) by whatever means in determining whether they have increased their aggregate voting rights by more than one (1)% in any six (6) month period.

2.8.5 Form 2 Submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buyback of shares by a listed company under its share buyback mandate.

As at the Latest Practicable Date, Dr Lee Hung Ming has informed the Company that he will be submitting the Form 2 to the SIC within seven (7) days after the passing of the resolution relating to the adoption of the Share Buyback Mandate.

2.8.6 Advice to Shareholders

Shareholders should note that by voting for the Share Buyback Mandate, they are waiving their rights to a take-over offer at the required price from Dr Lee Hung Ming and parties acting in concert with him (if any) in the circumstances set out above.

Such a take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.

Save as disclosed, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of shares by the Company pursuant to the Share Buyback Mandate.

Appendix 2 of the Take-over Code requires that the resolution to authorise the Share Buyback Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-over Code as a result of the share buyback. Accordingly, the said resolution shall be taken on a poll and Dr Lee Hung Ming shall abstain from voting on such resolution.

2.9 LISTING STATUS OF SHARES ON THE SGX-ST

As at the Latest Practicable Date, approximately 41.01% of the issued share capital of the Company are held in the hands of the public. Assuming that the Company repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 34.46%.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect the orderly trading of Shares.

The Directors will use their best efforts to ensure that the Company does not effect buyback of Shares if the buyback of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company or adversely affect the orderly trading of the Shares.

While the Catalist Rules does not expressly prohibit any purchase of Shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two (2) weeks before the announcement of the Company’s financial statements for each of the first three (3) quarters of its financial year, or one (1) month immediately preceding the announcement of the Company’s full year financial statements.

2.10 SHARE BUYBACKS IN THE PREVIOUS 12 MONTHS

The Company has not entered into transactions to purchase or acquire any Shares during the twelve (12) months immediately preceding the Latest Practicable Date.

2.11 TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, or who may be subject to tax in a jurisdiction other than Singapore, should consult their own professional advisors.

2.12 INTERESTED PERSONS

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, chief executive officer or Controlling Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

3. THE PROPOSED ADOPTION OF THE PERFORMANCE SHARE PLAN

The Company currently has in place an existing employee share option scheme known as the ISEC Healthcare Share Option Scheme (the “**Share Option Scheme**”) which was adopted on 26 September 2014. The Share Option Scheme will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Share Option Scheme, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain Directors (including Independent Directors) and employees of the Company and its subsidiaries whose services are vital to the Company’s well-being and success.

As at the Latest Practicable Date, no options have been granted under the Share Option Scheme.

The Company has undertaken a comprehensive review of employee remuneration and benefits and wishes to introduce the Performance Share Plan to complement the Share Option Scheme.

3.1 RATIONALE FOR THE PROPOSED ADOPTION OF THE PERFORMANCE SHARE PLAN

The proposed adoption of the Performance Share Plan is in line with the Company’s continuing efforts to increase the Company’s flexibility and effectiveness in rewarding, retaining and motivating Group Employees (including Group Executive Directors) as well as Non-Executive Directors whose contributions are essential to the Company’s long-term growth and prosperity. The Performance Share Plan will further strengthen the Company’s competitiveness in attracting and retaining talented key directors and executives.

The Directors believe that the Performance Share Plan will help to achieve the following positive objectives:

- (a) to incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company by introducing a variable component in their remuneration package;

- (b) to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term prosperity;
- (c) to attract potential employees with relevant skills to contribute to the Group; and
- (d) to foster an ownership culture within the Group and to inculcate in all Participants a stronger and more lasting sense of identification with the Group.

Unlike the Share Option Scheme, the Performance Share Plan allows the Company to target specific performance objectives and to provide an incentive for Participants to achieve these targets, with a view to ultimately, create and enhance economic value for Shareholders.

The Performance Share Plan uses methods fairly common among major local and multinational companies to incentivise and motivate key directors and executives to achieve pre-determined targets. The Company believes that the Performance Share Plan will be an effective tool in motivating key directors and executives to strive to deliver long-term shareholder value and in attracting potential employees with relevant skills to contribute to the Group.

Additionally, the Performance Share Plan gives the Company greater flexibility to align the interests of its key directors and executives with those of Shareholders. The Performance Share Plan contemplates the award of fully-paid Shares free of charge to Participants after the Performance Targets have been met. As such, the Performance Share Plan is mainly targeted at key directors and executives who are in the best position to drive the growth of the Company through superior performance. The Company believes that with the Performance Share Plan in place, it will be more effective than merely having pure cash bonuses or directors fees to motivate Participants to work towards determined goals.

Accordingly, the Company believes that the implementation of the Performance Share Plan in addition to the Share Option Scheme will serve to strengthen the overall effectiveness of the Group's performance-based compensation schemes.

As seen from the above, the overriding objective of both the Share Option Scheme and the Performance Share Plan is to motivate, reward and retain the key directors and executives of the Group. The Share Option Scheme is intended to apply to a broader base of executives whereas the Performance Share Plan is intended to apply to a select group of key directors and executives as the Company deems suitable. The implementation of the two different share-based schemes will provide the Company with the flexibility in granting suitable share-based incentives according to the suitability of the candidates as well as to design compensation packages which are relevant and attractive taking into account the circumstances of the candidates and the Group. This will further strengthen the Company's competitiveness in attracting and retaining key talents and employees.

3.2 SUMMARY OF THE PERFORMANCE SHARE PLAN

The following is a summary of the principal rules of the Performance Share Plan. The detailed rules of the Performance Share Plan are set out in Appendix A to this Circular.

3.2.1 Eligibility of Participants

Group Employees (including Group Executive Directors) and Non-Executive Directors shall be eligible to participate in the Performance Share Plan subject to the absolute discretion of the Committee, provided always that such persons:

- (a) have attained the age of twenty-one (21) years on or before the Date of Grant; and
- (b) are not undischarged bankrupts or have not entered into any composition with their creditors.

Controlling Shareholders and their Associates within the above category are eligible to participate in the Performance Share Plan provided that (i) such persons' participation in the Performance Share Plan is specifically approved by independent Shareholders in a separate resolution for each of such persons; and (ii) the actual or maximum number of Shares and the terms of Awards to be granted to such persons are specifically approved by independent Shareholders in a separate resolution for each of such persons.

In addition, Non-Executive Directors of the Company and/or its subsidiaries shall be eligible to participate in the Performance Share Plan subject to the absolute discretion of the Committee.

As at the Latest Practicable Date, the Group does not have any associated company. Notwithstanding this, it is desired that the Performance Share Plan shall not be restricted to persons who are employed within the Company and/or its subsidiaries but shall also cater to the executive directors and employees of the associated companies, if any, of the Company and/or its subsidiaries and over which the Company has Control, subject to the absolute discretion of the Committee.

The Company does not have any parent company and accordingly, the Participants of the Performance Share Plan shall not include any directors and/or employees of the Company's parent company and its subsidiaries.

There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company or another company within the Group.

Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable) and the rules of the Performance Share Plan, the terms of eligibility for participation in the Performance Share Plan may be amended from time to time at the absolute discretion of the Committee.

3.2.2 Entitlement of Participants

The Awards under the Performance Share Plan allow a Participant to receive fully-paid Shares free of consideration upon the Participant achieving the Performance Target(s) as prescribed by the Committee at its absolute discretion.

Subject to limitations under the rules of the Performance Share Plan, the number of Shares which are the subject of an Award to be granted to each Participant shall be determined by the Committee at its absolute discretion, taking into consideration, where applicable, factors such as his rank, past performance, length of service, contribution to the success and development of the Group, potential for future development and prevailing market and economic conditions, as well as the extent of effort required to achieve the Performance Target(s) within the Performance Period.

3.2.3 Details of Awards

The Committee shall decide, amongst others, the following in relation to each Award:

- (a) the Participant;
- (b) the date on which the Award is to be granted;
- (c) the number of Shares which are the subject of the Award;
- (d) the Vesting Period(s);
- (e) the Performance Target(s);
- (f) the Performance Period; and
- (f) the extent to which Shares which are the subject of that Award shall be released on the Performance Target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period.

As soon as reasonably practicable after making an Award, the Committee shall send an Award letter to the Participant confirming the said Award and specifying, *inter alia*, the following:

- (a) the date on which the Award will be granted;
- (b) the number of Shares which are the subject of the Award;
- (c) the Vesting Period, if any;
- (d) the Performance Target(s);
- (e) the Performance Period; and
- (f) the extent to which Shares which are the subject of that Award shall be released on the Performance Target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period.

The Committee has the discretion to determine whether the Performance Target(s) have been satisfied (whether fully or partially) or exceeded, and in making such determination, the Committee shall have the right to make reference to the audited results of the Group or the Company, or to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Target(s) if the Committee decides that a changed Performance Target would be a fairer measure of performance.

The basis used by the Committee in setting particular Performance Target(s) may include factors such as (i) the Company's and the Group's business goals and directions for each financial year; (ii) the Participant's job scope and responsibilities; and (iii) the prevailing market and economic conditions.

Awards are personal to the Participant to whom it is given and shall not be transferred (other than to a Participant's personal representative on the death of the former), charged, assigned, pledged or otherwise disposed of, unless with the prior approval of the Committee.

While the Committee has the discretion to grant Awards at any time in the year, it is anticipated that Awards would in general be made once a year.

3.2.4 Vesting of Awards

Awards may only be vested, and consequently any Shares comprised in such Award shall only be delivered, upon the Committee being satisfied, at its absolute discretion, that the Participant has achieved the Performance Target(s), service conditions and/or such other conditions such as vesting period(s) or vesting schedules applicable for the release of the Award and/or all or any of the Shares or cash equivalent or both to which that Award relates, and/or upon the Committee being satisfied that due recognition should be given for good work performance and/or significant contribution to the Company.

Notwithstanding that a Participant may have met his Performance Target(s), no Award shall be vested in the event of:

- (a) the decision of the Committee, in its absolute discretion, to revoke or annul such Award;
- (b) the cessation of employment of a Participant;
- (c) the bankruptcy of a Participant which results in him being deprived of the legal or beneficial ownership of an Award;
- (d) in the event of misconduct on the part of a Participant as determined by the Committee in its discretion; or
- (e) a take-over, winding-up, amalgamation or reconstruction of the Company.

In general, upon the cessation of employment of a Participant specified in section 3.2.4(b), an Award then held by such Participant shall immediately lapse without any claim whatsoever against the Company and/or the Group.

If the cessation is due to certain specified reasons (for example, ill health, injury or disability or redundancy or retirement or death), the Committee may, in its absolute discretion, preserve all or any part of any Award and decide either to vest some or all of the Award or to preserve all or part of any Award until the end of the relevant vesting period. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the applicable Performance Target(s) have been satisfied.

Upon the occurrence of any of the events specified in sections 3.2.4(a), (c) and (d), an Award then held by a Participant shall immediately lapse without any claim whatsoever against the Company and/or the Group.

Upon the occurrence of any of the events specified in section 3.2.4(e), the Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant.

No minimum vesting periods are prescribed under the Performance Share Plan for Awards, and the length of the vesting period in respect of each Award will be determined on a case-by-case basis by the Committee.

3.2.5 Size and Duration of the Performance Share Plan

The aggregate number of Shares which may be issued pursuant to Awards granted under the Performance Share Plan, when added to the number of new Shares issued and/or issuable in respect of all Awards granted under the Performance Share Plan, the Share Option Scheme and any other share scheme which the Company may implement from time to time, will not exceed fifteen per cent. (15%) of the total issued Shares (excluding treasury shares) in the capital of the Company on the day preceding the Date of Grant.

The Directors believe that such a limit gives the Company sufficient flexibility to decide on the number of Shares to be awarded under the Performance Share Plan. The number of eligible participants is expected to grow over the years. The Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees and/or directors. The Group's employee base and/or directors, and thus the number of eligible Participants, will increase as a result. The number of Shares to be awarded under the Performance Share Plan must also be significant enough to serve as a meaningful reward for contribution to the Group. The Committee shall exercise its discretion in deciding the number of Shares which are the subject of Awards to be granted to each Participant which will depend on and be commensurate with the performance and value of the Participant to the Group.

The aggregate number of Shares which may be issued pursuant to Awards granted under the Performance Share Plan to Participants who are Controlling Shareholders and their Associates shall not exceed twenty five per cent. (25%) of the aggregate number of new Shares issued and/or issuable under the Performance Share Plan, the Share Option Scheme and any other share scheme which the Company may implement from time to time. The aggregate number of Shares which may be issued pursuant to Awards granted under the Performance Share Plan to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the aggregate number of new Shares issued and/or issuable under the Performance Share Plan, the Share Option Scheme and any other share scheme which the Company may implement from time to time.

By way of illustration, as at the Latest Practicable Date, the Company's total issued share capital comprised 489,211,919 Shares and there were no options granted under the Share Option Scheme. Based on this, the maximum number of Shares that the Company may make available under the Performance Share Plan is 73,381,787 Shares, i.e. 15% of 489,211,919 Shares.

The Performance Share Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Performance Share Plan is adopted by Shareholders in a general meeting, provided that the Performance Share Plan may continue beyond the aforesaid period of time with the approval of Shareholders in a general meeting and of any relevant authority which may then be required. The termination of the Performance Share Plan shall not affect Awards which have been granted but not yet vested.

3.2.6 Operation of the Performance Share Plan

Subject to prevailing legislation and the Catalist Rules, the Company will, in its sole and absolute discretion, deliver Shares to Participants upon vesting of their Awards by way of an issue and allotment of new Shares and/or the delivery of existing Shares (including, to the extent permitted by law, treasury shares).

The financial effects of the above methods are discussed in Section 3.4 below. New Shares allotted and issued on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of issue and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Subject to limitations under the rules of the Performance Share Plan, the number of Shares which are the subject of each Award to be granted to a Participant under the Performance Share Plan shall be determined at the absolute discretion of the Committee, which may take into consideration, where applicable, factors such as the Participant's rank, past performance, length of service, contribution to the success and development of the Group, potential for future development of the Participant and the prevailing market and economic conditions as well as the extent of effort required to achieve the Performance Target(s) within the Performance Period.

3.2.7 Variation of Capital

If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan,

may at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not normally be regarded as a circumstance requiring adjustment:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the issue of securities by the Company as a consequence of the exercise of options or other convertibles issued from time to time by the Company's entitling holders thereof to subscribe for new Shares in the capital of the Company;
- (c) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase effected on the SGX-ST pursuant to a share purchase mandate granted (or any renewal thereof) given by Shareholders in general meeting and for the time being in force; or
- (d) any increase in the issued share capital of the Company as a consequence of the delivery of Shares pursuant to the vesting of Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company.

Upon any adjustment required to be made, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

Notwithstanding the above:

- (a) no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the auditors of the Company (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

3.2.8 Modifications or Alterations to the Performance Share Plan

Any or all the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (a) any modification or alteration which would be to the advantage of the Participants shall be subject to the prior approval of Shareholders in a general meeting; and
- (b) no modification or alteration shall be made without due compliance with the Catalist Rules and/or prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

The Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) modify or alter the rules or provisions of the Performance Share Plan in any way to the extent necessary to cause the Performance Share Plan to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

Written notice of any modification or alteration made shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

3.2.9 Disclosures in Annual Report

Disclosures shall be made by the Company in its annual report as long as the Performance Share Plan continues in operation as required by the Catalist Rules and including the following:

- (a) the names of the members of the Committee administering the Performance Share Plan;
- (b) the information in respect of Awards granted to the following Participants in the table set out below:
 - (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and

- (iii) Participants other than those in sub-paragraphs (i) and (ii) above, who receive five per cent. (5%) or more of the total number of Shares available under the Performance Share Plan.

Name of Participant	Aggregate number of Shares allotted and issued pursuant to Awards which have been released under the Performance Share Plan during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since the commencement of the Performance Share Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have vested since the commencement of the Performance Share Plan to the end of the financial year under review (and in respect thereof, the proportion of (a) new Shares issued; and (b) existing Shares transferred and where existing Shares were purchased for delivery, the range of prices at which such Shares were purchased)	Aggregate number of Shares comprised in Awards which have not been released at end of financial year under review

- (c) such other information as may be required by the Catalist Rules and/or the Act.

3.3 ROLE AND COMPOSITION OF THE COMMITTEE

The Performance Share Plan shall be administered by the Committee, which has the absolute discretion to determine persons who will be eligible to participate in the Performance Share Plan. However, a Participant who is a member of the Committee shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by that Participant.

Subject to the Catalist Rules, the Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Performance Share Plan) for the implementation and administration of the Performance Share Plan as they think fit including, but not limited to:

- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
- (b) amending Performance Target(s) and/or the Vesting Period (if any) if by so doing, it would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole.

Any decision of the Committee (including any decisions pertaining to the number of Shares to be vested) made pursuant to any provision of the Performance Share Plan (other than a matter to be certified by the auditors) shall be final and binding in all cases including any disputes as to the interpretation of the Performance Share Plan or any rule, regulation, procedure thereunder or as to any rights under the Performance Share Plan.

3.4 FINANCIAL EFFECTS OF THE PERFORMANCE SHARE PLAN

3.4.1 Cost of Awards

As Participants are not required to pay for the grant of the Awards, such grant of Awards will have a financial effect on the Company.

The grant of Awards under the Performance Share Plan will result in an increase in the Company's issued share capital to the extent that new Shares are issued to the Participants pursuant to the grant of the Awards. This will in turn depend on, *inter alia*, the number of Shares comprised in the Awards to be issued. As such, there would be no impact on the Company's number of issued Shares if the relevant Awards are not Vested.

Based on the Singapore Financial Reporting Standards ("**FRS**"), no cash outlays would be expended by the Company at the time Awards are issued by it (as compared with cash bonuses). However, the Company would recognise an expense in the financial statements based on the fair value of the Award at the Date of Grant.

Participants will receive Shares in settlement of the Awards, and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the vesting period of an Award and a corresponding credit to reserve account. For Awards, the total amount of charge over the vesting period is based on the market price at the Date of Grant adjusted to take into the account the terms and conditions upon which the Awards were granted. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made. This accounting treatment has been referred to as the "modified grant date method", because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the Date of Grant.

The amount charged to the income statement would be the same whether the Company settles the Awards using new Shares or existing Shares. The amount of the charge to the income statement also depends on whether or not the performance target attached to an Award is a "market condition", that is, a condition which is related to the market price of the Shares. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Shares granted at the grant date, and no adjustments to amounts charged to the income statement is made if the market condition is not met. On the other hand, if the performance target is not a market condition, the probability of the target being met is not taken into account in estimating the fair value of the Shares granted at the grant date. Instead, it is

subsequently considered at each accounting date in assessing whether the Awards would vest. Thus, where the vesting conditions do not include a market condition, there would be no charge to the income statement if the Awards do not ultimately vest.

3.4.2 Share Capital

The Performance Share Plan will result in an increase in the Company's issued share capital only if new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the Performance Share Plan. However, if Awards are satisfied by treasury shares held or existing Shares are purchased for delivery to Participants in lieu of issuing new Shares to Participants, the Performance Share Plan will have no impact on the Company's issued share capital.

In any case, the aggregate number of Shares which may be issued pursuant to Awards granted under the Performance Share Plan, when added to the number of new Shares issued and/or issuable in respect of all Awards granted under the Performance Share Plan, the Share Option Scheme and any other share scheme which the Company may implement from time to time, will not exceed fifteen per cent. (15%) of the total issued Shares (excluding treasury shares) in the capital of the Company on the day preceding the Date of Grant.

3.4.3 NTA

As described in Section 3.4.4 below on EPS, the Performance Share Plan will result in a charge to the Company's profit and loss account over the period from the Date of Grant to the vesting date of the Awards. The amount charged will be computed in accordance with the modified grant date method under FRS 102 as described under Section 3.4.1 above. If new Shares are issued under the Performance Share Plan, there will be no effect on the NTA of the Company. However, instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants or the Company pays the equivalent cash value, the NTA would decrease by the cost of the Shares purchased or the cash payment, respectively.

Although the Performance Share Plan will result in a charge to the profit and loss account of the Company, it should be noted that the grant of Awards and delivery of Shares to the Participants are contingent upon the Participants meeting prescribed Performance Target(s) and conditions.

3.4.4 EPS

The Performance Share Plan will result in a charge to earnings equivalent to the market value on the date at which new Shares are issued under the Awards. Although the Performance Share Plan will have a dilutive impact (to the extent that new Shares are issued pursuant to the Performance Share Plan) on the EPS of the Company, the delivery of Shares to the Participants in respect of Awards granted under the Performance Share Plan is contingent upon the Participants meeting prescribed Performance Target(s) and conditions.

3.4.5 Dilutive Impact

The Performance Share Plan provides that the aggregated number of Shares which may be issued pursuant to Awards granted under the Performance Share Plan, when added to the number of new Shares issued and/or issuable in respect of all Awards granted under the Performance Share Plan, the Share Option Scheme and any other share scheme which the Company may implement from time to time, will not exceed fifteen per cent.

(15%) of the total issued Shares (excluding treasury shares) in the capital of the Company on the day preceding the Date of Grant. Shareholders' shareholding percentages will be diluted accordingly as a result of the issue and allotment of new Shares under the Performance Share Plan.

It is not possible to realistically calculate or quantify the dilutive effect to the NTA and EPS as the resultant effect would be depend on, *inter alia*, the number of new Shares issued and/or issuable in respect of all Awards granted under the Performance Share Plan, the Share Option Scheme and any other share scheme which the Company may implement from time to time, which will not exceed fifteen per cent. (15%) of the total issued Shares (excluding treasury shares) in the capital of the Company on the day preceding the Date of Grant.

3.5 THE PROPOSED PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES

The purpose for the participation is to provide an opportunity to employees who are Controlling Shareholders or Associates of Controlling Shareholders who have contributed significantly to the growth and performance of the Group to participate in the equity of the Company.

The Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of Controlling Shareholders are important to the development and success of the Group. The extension of the Performance Share Plan to employees who are Controlling Shareholders and/or their Associates allows the Company to have a fair and equitable system to reward the employees who have made and continue to make important contributions to the long-term growth of the Group notwithstanding that they are Controlling Shareholders or their Associates.

Although the Controlling Shareholders and/or their Associates may already have shareholding interests in the Company, the extension of the Performance Share Plan to encompass them ensures that they are equally entitled, with the other employees of the Group who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. The Company is of the view that a person who would otherwise be eligible should not be excluded from participating in the Performance Share Plan solely for the reason that he is a Controlling Shareholder or an Associate of a Controlling Shareholder.

The Directors, save for Dr Lee Hung Ming (who have abstained from making a recommendation on this matter) are of the view that the extension of the Performance Share Plan to Controlling Shareholders and/or their Associates will enhance their long-term commitment to the Group as it will ensure that they will continue to have a stake in the Company.

Currently, it is proposed that the Performance Share Plan be extended to Dr Lee Hung Ming, the Executive Vice Chairman and a Controlling Shareholder of the Company. Detailed reasons for the proposed participation of Dr Lee in the Performance Share Plan are set out in Section 4 below.

As a safeguard against abuse, only members of the Committee who are not the Controlling Shareholders or Associates of such Controlling Shareholders will be involved in deliberations and decisions in respect of the Awards to be granted to or held by Controlling Shareholders and/or their Associates and the terms and conditions attached to such Awards.

Further, specific approval of the independent Shareholders is required for the actual number of Shares which are the subject of the Awards and the terms of Awards granted to Controlling Shareholders and/or Associates of such Controlling Shareholders for whom participation has been approved by Shareholders at this EGM.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation of Controlling Shareholders and/or their Associates in the Performance Share Plan.

3.6 THE PROPOSED PARTICIPATION BY NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS)

The Non-Executive Directors come from different professions and backgrounds and bring to the Group a wealth of experience in corporate governance and business management. They also provide invaluable guidance in relation to the strategic issues and development of the Group. The Non-Executive Directors therefore provide the Group with a multi-disciplinary approach in evaluating and considering business issues and opportunities.

Although they are not specifically involved in the day-to-day management of the Group, the Non-Executive Directors are frequently consulted on various matters in relation to the business of the Group. The Company therefore regards these persons as an additional resource pool and values their contributions greatly. The extension of the Performance Share Plan to the Non-Executive Directors is thus in recognition of their services and contributions to the growth and development of the Group.

Before granting any Award to a Non-Executive Director, the Committee will take into consideration, *inter alia*, his performance and contributions to the success and development of the Group. In assessing the performance of the Non-Executive Directors, the Committee will take into account their attendance at meetings, their membership in various committees in the Group as well as their contributions, which includes contributing their experience to the Group in the areas of overall business strategies, risk management and investment decisions. The Non-Executive Directors may be appointed as members of the Committee. However, the rules of the Performance Share Plan provide that no member of the Committee shall be involved in any deliberation or decision in respect of Awards to be granted to him.

In order to minimise any potential conflicts of interests, the Company does not intend to grant Awards of significant sizes to Non-Executive Directors. In particular, in the event that any Awards are granted to the Independent Directors, the quantum of such Awards will not be of such significance which will affect or compromise the independence of such Directors. In addition, as a safeguard against abuse, the rules of the Performance Share Plan provide that no member of the Committee shall be involved in any deliberation and decision in respect of Awards to be granted to him.

3.7 THE PROPOSED PARTICIPATION OF EXECUTIVE DIRECTORS AND EMPLOYEES OF ASSOCIATED COMPANIES (AS THEY MAY EXIST FROM TIME TO TIME)

It is desired that the Performance Share Plan shall also cater to persons who are not employed within the Group but work closely with the Group and who, by reason of their relationship with the Group, are in a position to input and contribute their experience, knowledge and expertise to the growth and development of the Group. Such other persons include the executive directors and employees of the associated companies, as they may exist from time to time, of the Company and/or its subsidiaries and over which the Company has Control.

By implementing the Performance Share Plan, the Group will have a means of providing for those who, while not being directors or employees of the Group, are nonetheless closely associated with the Group as well as the performance of the Group through participation in the equity of the Company. It is hoped that by doing so, the Group will strengthen its working relationships with the executive directors and employees of the associated companies by inculcating in them a stronger and more lasting sense of identification within the Group.

As at the Latest Practicable Date, the Group does not have any associated companies. The Performance Target(s) for executive directors and employees of the associated companies are envisaged to be similar to those set for the Group Employees (including Group Executive Directors) which shall be determined at the sole discretion of the Committee.

4. THE PROPOSED PARTICIPATION OF DR LEE HUNG MING, THE EXECUTIVE VICE CHAIRMAN AND A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE PERFORMANCE SHARE PLAN

Dr Lee Hung Ming was appointed as the Executive Vice Chairman of the Company on 2 January 2014 and is also a Controlling Shareholder of the Company. He is also an *ex-officio* member of the Group's Medical Board and Centre Director of Lee Hung Ming Eye Centre since 2007.

Dr Lee has over 25 years of strong clinical and management experience and is a Senior Consultant Ophthalmologist, currently spearheading Lee Hung Ming Eye Centre at Gleneagles Hospital. He is a renowned LASIK and cataract specialist and is considered a key opinion leader in his fields of subspecialty, namely cornea, refractive surgery, cataract and implant surgery.

Dr Lee has sat on the Board of various professional associations and he has also received various awards, including the A.C.E. Award in 2003 for excellence in training and education of eye surgeons in the Asia Pacific region by the Asia Pacific Society of Cataract and Refractive Surgery and the International Gold Medal in 2011 by the Indian Intraocular Implant and Refractive Society for outstanding contribution in the field of ophthalmology.

Dr Lee graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in 1989. He has also obtained his Master of Medicine in Ophthalmology from the Graduate School of Medical Studies, National University of Singapore, FRCS Fellowship from the Royal College of Edinburgh Scotland and FAMS (Ophth) Fellowship from the Academy of Medicine, Singapore.

In his capacity as the Executive Vice Chairman, Dr Lee has been playing a pivotal role in the Group's expansion strategy in overseas markets and Singapore, particularly in broadening the Group's earnings base through spearheading Lee Hung Ming Eye Centre at Gleneagles Hospital.

The Company recognises that Dr Lee, as a pioneer member of the Group, has contributed significantly to the growth and development of the Group. The Directors believe that the contributions of Dr Lee will be essential to the Group's continual expansion and growth. For these reasons, the Directors consider Dr Lee to be an invaluable asset to the Group.

As at the Latest Practicable Date, Dr Lee has a total direct and deemed interest in 162,000,000 Shares, representing approximately 33.11% of the total number of issued Shares. For FY2015, Dr Lee's remuneration was between S\$1,000,001 to S\$1,250,000, which comprised salary and allowance and fixed and variable bonus. Pursuant to Rule 852 of the Catalist Rules, Dr Lee's participation in the Performance Share Plan has to be approved by independent Shareholders in a general meeting. Subject to Shareholders' approval for Ordinary Resolution 2, the Company proposes for Dr Lee to participate in the Performance Share Plan as set out in Ordinary Resolution 3 in the Notice of EGM.

The Directors are of the view that the remuneration package of Dr Lee is fair given his contributions to the Group. The extension of the Performance Share Plan to Dr Lee is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success and profitability of the Company. The extension of the Performance Share Plan to Dr Lee will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby motivating his long term commitment to the Company. For the above reasons, the Directors believe that Dr Lee deserves, and should be allowed to participate in the Performance Share Plan.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders' shareholdings maintained by the Company and assuming that (i) the Company purchases the maximum of 48,921,191 Shares (being 10% of its issued Shares as at the Latest Practicable Date) pursuant to the Share Buyback Mandate and (ii) there is no change in the number of Shares held by the Directors and Substantial Shareholders, the shareholdings interests of the Directors and Substantial Shareholders before and after the Share buyback are set out below:

Name	Before Share buyback (as at the Latest Practicable Date)			Before Share buyback (%)	After Share buyback (%)
	Direct Interest	Deemed Interest	Total Interest		
Directors					
Dr Lee Hung Ming	83,609,200	78,390,800 ⁽¹⁾	162,000,000	33.11	36.79
Dr Wong Jun Shyan	27,585,705	15,000,000 ⁽²⁾	42,585,705	8.70	9.67
Mr Sitoh Yih Pin	400,000	–	400,000	0.08	0.09
Professor Low Teck Seng	400,000	–	400,000	0.08	0.09
Mr Lim Wee Hann	–	–	–	–	–
Substantial Shareholders (other than Directors)					
Oh Chin Beng	–	26,615,680 ⁽³⁾	26,615,680	5.44	6.05

Notes:

- (1) Dr Lee Hung Ming is deemed to have an interest in the 18,390,800 ordinary shares and 60,000,000 ordinary shares held through his nominees, Raffles Nominee (Pte) Limited and HSBC (Singapore) Nominees Pte Ltd, respectively.
- (2) Dr Wong Jun Shyan is deemed to have an interest in the 15,000,000 ordinary shares held through his nominee, CIMSEC Nominees (Tempatan) Sdn Bhd.
- (3) Mr Oh Chin Beng is interested in 26,615,680 ordinary shares held through Citibank Nominees Singapore Pte Ltd.

6. DIRECTORS' RECOMMENDATION

6.1 The Proposed Adoption of the Share Buyback Mandate

The Directors (save for Dr Lee Hung Ming) having considered, *inter alia*, the rationale for the proposed adoption of the Share Buyback Mandate, are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company and its Shareholders.

Accordingly, the Directors (save for Dr Lee Hung Ming) recommend that the Shareholders vote in favour of Ordinary Resolution 1 in relation to the proposed adoption of the Share Buyback Mandate.

In accordance with the exemption referred to in Section 2.8.4 above, Dr Lee Hung Ming has abstained from making any recommendation to Shareholders on the ordinary resolution relating to the proposed adoption of the Share Buyback Mandate.

6.2 The Proposed Adoption of the Performance Share Plan

As all the Directors would be eligible to participate in the Performance Share Plan, they have refrained from making any recommendation to Shareholders in respect of the proposed adoption of the Performance Share Plan.

6.3 The Proposed Participation of Dr Lee Hung Ming, the Executive Vice Chairman and a Controlling Shareholder of the Company, in the Performance Share Plan

The Directors (save for Dr Lee Hung Ming) having considered, *inter alia*, the rationale for the proposed participation of Dr Lee Hung Ming, the Executive Vice Chairman and a Controlling Shareholder of the Company, in the Performance Share Plan, are of the opinion that the proposed participation of Dr Lee Hung Ming in the Performance Share Plan is in the best interests of the Company and its Shareholders.

Accordingly, the Directors (save for Dr Lee Hung Ming) recommend that the Shareholders vote in favour of Ordinary Resolution 3 in relation to the proposed participation of Dr Lee Hung Ming in the Performance Share Plan.

7. ABSTENTION FROM VOTING

7.1 The Proposed Adoption of the Share Buyback Mandate

Dr Lee Hung Ming and/or parties acting in concert with him (if any) will abstain from voting at the EGM in respect of Ordinary Resolution 1 relating to the proposed adoption of the Share Buyback Mandate pursuant to the conditions under Appendix 2 of the Take-over Code as set out in Section 2.8.4 above. Furthermore, such persons shall not act as proxies in relation to such resolution unless specific voting instructions have been given.

7.2 The Proposed Adoption of the Performance Share Plan

Any Shareholder eligible to participate or who is interested in the Performance Share Plan must abstain from voting at the EGM in respect of Ordinary Resolution 2 relating to the proposed adoption of the Performance Share Plan. Such Shareholders shall also not accept nominations as proxies or otherwise for voting in respect of the said Ordinary Resolution at the EGM unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast in respect of the Ordinary Resolution 2.

All the Directors are entitled to participate in the Performance Share Plan, and therefore, all of the Directors shall abstain from voting in respect of their holdings of Shares (if any) at the EGM on Ordinary Resolution 2 and shall also decline to accept nominations as proxies or otherwise for any Shareholder to vote in respect of the said Ordinary Resolution unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of Ordinary Resolution 2.

7.3 The Proposed Participation of Dr Lee Hung Ming, the Executive Vice Chairman and a Controlling Shareholder of the Company, in the Performance Share Plan

Dr Lee Hung Ming will, and will procure his Associates to, abstain from voting at the EGM in respect of Ordinary Resolution 3 relating to his proposed participation in the Performance Share Plan. Furthermore, such persons shall not act as proxies in relation to such resolution unless specific voting instructions have been given.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 56 to 58 of this Circular, will be held at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850 on 28 April 2016 at 10.30 a.m. (or immediately after the conclusion of the AGM convened at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without any modification) the ordinary resolutions set out in the Notice of EGM.

9. ACTIONS TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's registered address at 101 Thomson Road, #09-04 United Square, Singapore 307591 by not later than 48 hours before the time fixed for the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 101 Thomson Road, #09-04 United Square, Singapore 307591 during normal business hours from the date of this Circular up to and including the date of the EGM:

1. the Constitution of the Company;
2. the Annual Report 2015; and
3. the Rules of the Performance Share Plan.

Yours faithfully
For and on behalf of the Board of Directors of
ISEC HEALTHCARE LTD.

Dr Wong Jun Shyan
Executive Director and Chief Executive Officer
13 April 2016

APPENDIX A – RULES OF THE ISEC HEALTHCARE PERFORMANCE SHARE PLAN

1. NAME OF THE PERFORMANCE SHARE PLAN

The Performance Share Plan shall be called the “**ISEC Healthcare Performance Share Plan**”.

2. DEFINITIONS

2.1 In the ISEC Healthcare Performance Share Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“ Act ”	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“ Adoption Date ”	The date on which the Performance Share Plan is adopted by the Company in general meeting
“ Auditors ”	The auditors of the Company for the time being
“ Award ”	A contingent award of Shares granted under Rule 6
“ Board ”	The board of directors of the Company
“ Catalist Rules ”	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“ CDP ”	The Central Depository (Pte) Limited
“ Committee ”	The remuneration committee of the Company, or such other committee comprising Directors duly authorised, appointed and nominated by the Board to administer the Performance Share Plan, from time to time
“ Company ”	ISEC Healthcare Ltd.
“ Constitution ”	The constitution of the Company, as may be amended or modified from time to time
“ Control ”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“ Date of Grant ”	In relation to an Award, the date on which the Award is granted pursuant to Rule 6
“ Directors ”	A person holding office as a director for the time being of the Company and/or its subsidiaries, as the case may be
“ Group ”	The Company, its subsidiaries and associated companies (as they may exist from time to time)

“Group Employee”	Any confirmed employee of the Company, its subsidiaries and/or associated companies, as the case may be, selected by the Committee to participate in the Performance Share Plan in accordance with Rule 4
“Group Executive Director”	A director of the Company, its subsidiaries and/or associated companies, as the case may be, who performs an executive function
“Independent Director”	An independent director of the Company who has no relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgment with a view to in the best interests of the Company
“Non-Executive Director”	A director of the Company (including an Independent Director) and/or its subsidiaries, as the case may be, other than one who performs an executive function
“Participant”	Any eligible person who is selected by the Committee to participate in the Performance Share Plan in accordance with the rules thereof
“Performance Period”	The performance period prescribed by the Committee during which the Performance Target(s) shall be satisfied
“Performance Share Plan”	The ISEC Healthcare Performance Share Plan, as may be modified or altered from time to time
“Performance Target”	The performance target prescribed by the Committee to be fulfilled by a Participant for any particular period under the Performance Share Plan
“SFA”	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shares”	Ordinary shares in the share capital of the Company
“Shareholders”	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and whose securities accounts are credited with those Shares
“Vesting”	In relation to Shares which are the subject of a released Award, the absolute entitlement to all or some of the Shares which are the subject of a released Award and “Vest” and “Vested” shall be construed accordingly

“Vesting Period”	In relation to an Award, a period or periods of time before Vesting occurs, the duration of which is to be determined by the Committee on the Date of Grant of the Award
“% or per cent”	Per centum or percentage
“S\$ and cents”	Singapore dollars and cents respectively

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The expressions **“associate”**, **“associated company”**, **“subsidiary”**, **“Controlling Shareholder”** and **“Substantial Shareholder”** shall have the meaning ascribed to them respectively in the Act and the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons, where applicable, shall include corporations.

Any reference in the Performance Share Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act or Catalist Rules or any statutory or regulatory modification thereof and used in the Performance Share Plan shall, where applicable, have the meaning assigned to it under the Act, SFA or Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

3. OBJECTIVES OF THE PERFORMANCE SHARE PLAN

The Performance Share Plan has been proposed in order to:

- (a) to incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company by introducing a variable component in their remuneration package;
- (b) to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group’s long-term prosperity;
- (c) to attract potential employees with relevant skills to contribute to the Group; and
- (d) to foster an ownership culture within the Group and to inculcate in all Participants a stronger and more lasting sense of identification with the Group.

4. ELIGIBILITY

4.1 Group Employees (including Group Executive Directors) and Non-Executive Directors shall be eligible to participate in the Performance Share Plan subject to the absolute discretion of the Committee, provided always that such persons:

- (a) have attained the age of twenty-one (21) years on or before the Date of Grant; and

- (b) are not undischarged bankrupts or have not entered into any composition with their creditors.
- 4.2 Controlling Shareholders and their associates shall, if each such person meets the eligibility criteria in Rule 4.1 above, be eligible to participate in the Performance Share Plan, provided that:
- (i) such persons' participation in the Performance Share Plan is specifically approved by independent Shareholders in a separate resolution for each of such persons; and
 - (ii) the actual or maximum number of Shares and the terms of Awards to be granted to such persons are specifically approved by independent Shareholders in a separate resolution for each of such persons.
- 4.3 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company or another company within the Group.
- 4.4 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable) and the rules of the Performance Share Plan, the terms of eligibility for participation in the Performance Share Plan may be amended from time to time at the absolute discretion of the Committee.

5. LIMITATIONS UNDER THE PERFORMANCE SHARE PLAN

- 5.1 The aggregate number of Shares which may be issued pursuant to Awards granted under the Performance Share Plan, when added to the number of new Shares issued and/or issuable in respect of all Awards granted under the Performance Share Plan and any other share scheme which the Company may implement from time to time, will not exceed fifteen per cent. (15%) of the total issued Shares (excluding treasury shares) in the capital of the Company on the day preceding the Date of Grant.
- 5.2 The aggregate number of Shares which may be issued pursuant to Awards granted under the Performance Share Plan to Participants who are Controlling Shareholders and their associates shall not exceed twenty five per cent. (25%) of the aggregate number of new Shares issued and/or issuable under the Performance Share Plan and any other share scheme which the Company may implement from time to time.
- 5.3 The aggregate number of Shares which may be issued pursuant to Awards granted under the Performance Share Plan to each Participant who is a Controlling Shareholder or his associate shall not exceed ten per cent. (10%) of the aggregate number of new Shares issued and/or issuable under the Performance Share Plan and any other share scheme which the Company may implement from time to time.

6. GRANT OF AWARDS

- 6.1 Subject as provided in Rule 5, the Committee may grant Awards to Participants, as the Committee may select in its absolute discretion, at any time during the period when the Performance Share Plan is in force.
- 6.2 The Committee shall decide, in its absolute discretion, the following in relation to each Award:
- (a) the Participant;

- (b) the date on which the Award is to be granted;
- (c) the number of Shares which are the subject of the Award;
- (d) the Vesting Period(s);
- (e) the Performance Target(s);
- (f) the Performance Period;
- (g) the extent to which Shares which are the subject of that Award shall be released on the Performance Target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period; and
- (h) any other condition which the Committee may determine in relation to that Award.

6.3 The Committee has the discretion to determine whether the Performance Target(s) has been satisfied (whether fully or partially) or exceeded, and in making such determination, the Committee shall have the right to make reference to the audited results of the Group or the Company, or to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Target(s) if the Committee decides that a changed Performance Target would be a fairer measure of performance.

6.4 The basis used by the Committee in setting particular Performance Target(s) may include factors such as (i) the Company's and the Group's business goals and directions for each financial year; (ii) the Participant's job scope and responsibilities; and (iii) the prevailing market and economic conditions.

6.5 The Committee may amend or waive the Performance Period, the Performance Target(s) and/or the Vesting Period(s) in respect of any Award:

- (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Target(s) and/or Vesting Period (if any) would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole; or
 - (ii) the Performance Target(s) and/or Vesting Period (if any) should be waived as the Participant has achieved a level of performance that the Committee considers satisfactory notwithstanding that the Performance Target(s) may not have been fulfilled,

and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such change or waiver).

6.6 As soon as reasonably practicable after making an Award, the Committee shall send an Award letter to the Participant confirming the said Award and specifying the following:

- (a) the date on which the Award will be granted;

- (b) the number of Shares which are the subject of the Award;
- (c) the Vesting Period, if any;
- (d) the Performance Target(s);
- (e) the Performance Period;
- (f) the extent to which Shares which are the subject of that Award shall be released on the Performance Target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period; and
- (g) any other condition which the Committee may determine in relation to that Award.

6.7 Participants are not required to pay for the grant of Awards.

6.8 Awards are personal to the Participant to whom it is given and shall not be transferred (other than to a Participant's personal representative on the death of the former), charged, assigned, pledged or otherwise disposed of, unless with the prior approval of the Committee.

7. ENTITLEMENT OF PARTICIPANTS

7.1 The Awards under the Performance Share Plan allow a Participant to receive fully-paid Shares free of consideration upon the Participant achieving the Performance Target(s) as prescribed by the Committee at its absolute discretion.

7.2 Subject as provided in Rule 5, the number of Shares which are the subject of an Award to be granted to each Participant shall be determined by the Committee at its absolute discretion, taking into consideration, where applicable, factors such as his rank, past performance, length of service, contribution to the success and development of the Group, potential for future development and prevailing market and economic conditions, as well as the extent of effort required to achieve the Performance Target(s) within the Performance Period.

8. EVENTS PRIOR TO THE VESTING OF THE AWARDS

8.1 Notwithstanding that a Participant may have met his Performance Target(s), no Award shall be vested in the event of:

- (a) the decision of the Committee, in its absolute discretion, to revoke or annul such Award;
- (b) the cessation of employment of a Participant;
- (c) the bankruptcy of a Participant which results in him being deprived of the legal or beneficial ownership of an Award;
- (d) in the event of misconduct on the part of a Participant as determined by the Committee in its discretion; or
- (e) a take-over, winding-up, amalgamation or reconstruction of the Company.

8.2 For the purposes of Rule 8.1(b) above, a Participant shall be deemed to have ceased to be in the employment of the Company, its subsidiary and/or associated company (as the case

may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Participant has (with the consent of the Company, its subsidiary and/or associated company (as the case may be)) withdrawn such notice. Upon the cessation of employment of a Participant specified in Rule 8.1(b) above, an Award then held by such Participant shall immediately lapse without any claim whatsoever against the Company and/or the Group.

If the cessation is due to certain specified reasons (for example, ill health, injury or disability or redundancy or retirement or death), the Committee may, in its absolute discretion, preserve all or any part of any Award and decide either to vest some or all of the Award or to preserve all or part of any Award until the end of the relevant vesting period. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the applicable Performance Target(s) have been satisfied.

- 8.3 Upon the occurrence of any of the events specified in Rules 8.1(a), (c) and (d) above, an Award then held by a Participant shall immediately lapse without any claim whatsoever against the Company and/or the Group.
- 8.4 Upon the occurrence of any of the events specified in Rule 8.1(e) above, the Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant.
- 8.5 Without prejudice to the provisions of Rule 6.5, if before the Vesting date, any of the following occurs:
- (a) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;
 - (b) a scheme of an arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Act;
 - (c) an order for the compulsory winding-up of the Company is made; or
 - (d) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its discretion, whether or not to release such Award. If the Committee decides to release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the Performance Target(s) (if any) has been satisfied. Where such Award is released, the Committee will, as soon as practicable after such release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 9.

9. RELEASE OF AWARDS

- 9.1 As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Target(s) specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have been satisfied (whether fully or partially) and the number of Shares to be released.

- 9.2 If the Committee determines in its sole discretion that the Performance Target(s) has not been satisfied or if the relevant Participant has not continued to be a Group Employee (including Group Executive Directors) from the Date of Award up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 9.3 to 9.10 shall be of no effect.
- 9.3 The Committee shall have the discretion to determine whether the Performance Target(s) has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Group or the Company, as the case may be, or to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Target(s) if the Committee decides that a changed Performance Target would be a fairer measure of performance.
- 9.4 Subject to the prevailing legislation and the provisions of the Catalist Rules, the Company will deliver Shares to Participants upon vesting of their Awards by way of an issue of new Shares, the transfer of Shares to the Participant and/or the delivery of existing Shares (including, to the extent permitted by law, treasury shares).
- 9.5 The Committee, in its absolute discretion, may determine to make a release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive on the Vesting date, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on release of his Award, the aggregate market value of such Shares on the Vesting date.
- 9.6 In determining whether to issue new Shares, transfer Shares and/or deliver existing Shares (including, to the extent permitted by law, treasury Shares) to satisfy the Award, the Company will have the right to take into account factors such as but not limited to the number of Shares to be delivered, the prevailing market price of the Shares, the cost to the Company of either issuing new Shares, transferring Shares and/or delivering existing Shares (including, to the extent permitted by law, treasury Shares).
- 9.7 Where new Shares are to be allotted or any Shares are to be transferred and/or any existing Shares are to be delivered to a Participant pursuant to the release of any Award, the Vesting date will be a trading day falling as soon as practicable after the review by the Committee referred to in Rule 9.1. On the Vesting date, the Committee will procure the allotment, transfer and/or delivery to each Participant of the number of Shares so determined.
- 9.8 Where new Shares are to be allotted upon the vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.
- 9.9 Shares which are allotted, transferred and/or delivered on the release of an Award to a Participant shall be issued in the name of, or transferred and/or delivered to, CDP to the credit of either:
- (a) the Securities Account of that Participant maintained with CDP; or
 - (b) the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant. Until such issue, transfer and/or delivery of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.

- 9.10 New Shares allotted and issued, and existing Shares procured by the Company for transfer and/or delivery, on the release of an Award shall:
- (a) be subject to all the provisions of the Constitution; and
 - (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue. “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

10. ADJUSTMENT EVENTS

- 10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan,

may at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

- 10.2 Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not normally be regarded as a circumstance requiring adjustment:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the issue of securities by the Company as a consequence of the exercise of options or other convertibles issued from time to time by the Company’s entitling holders thereof to subscribe for new Shares in the capital of the Company;
- (c) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase effected on the SGX-ST pursuant to a share purchase mandate granted (or any renewal thereof) given by Shareholders in general meeting and for the time being in force; or
- (d) any increase in the issued share capital of the Company as a consequence of the delivery of Shares pursuant to the vesting of Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company.

- 10.3 Upon any adjustment required to be made, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

10.4 Notwithstanding the provisions of Rule 10.1:

- (a) no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

11. ADMINISTRATION OF THE PERFORMANCE SHARE PLAN

11.1 The Performance Share Plan shall be administered by the Committee, which has the absolute discretion to determine persons who will be eligible to participate in the Performance Share Plan. However, a Participant who is a member of the Committee shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by that Participant.

11.2 Subject to the Catalist Rules, the Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Performance Share Plan) for the implementation and administration of the Performance Share Plan as they think fit including, but not limited to:

- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
- (b) amending Performance Target(s) and/or the Vesting Period (if any) if by so doing, it would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole.

11.3 Neither the Performance Share Plan nor the grant of Awards under the Performance Share Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Performance Share Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Performance Share Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Performance Share Plan.

11.4 Any decision of the Committee (including any decisions pertaining to the number of Shares to be vested) made pursuant to any provision of the Performance Share Plan (other than a matter to be certified by the Auditors) shall be final and binding in all cases including any disputes as to the interpretation of the Performance Share Plan or any rule, regulation, procedure thereunder or as to any rights under the Performance Share Plan.

11.5 The Company shall bear the costs of establishing and administering the Performance Share Plan.

12. NOTICES AND COMMUNICATIONS

12.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

12.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the

Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

12.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 12.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

13. **ANNUAL REPORT DISCLOSURE**

Disclosures shall be made by the Company in its annual report as long as the Performance Share Plan continues in operation as required by the Catalist Rules and including the following:

- (a) the names of the members of the Committee administering the Performance Share Plan;
- (b) the information in respect of Awards granted to the following Participants in the table set out below:
 - (i) Participants who are Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants other than those in sub-paragraphs (i) and (ii) above, who receive five per cent. (5%) or more of the total number of Shares available under the Performance Share Plan.

Name of Participant	Aggregate number of Shares allotted and issued pursuant to Awards which have been released under the Performance Share Plan during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since the commencement of the Performance Share Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards which have vested since the commencement of the Performance Share Plan to the end of the financial year under review (and in respect thereof, the proportion of (a) new Shares issued; and (b) existing Shares transferred and where existing Shares were purchased for delivery, the range of prices at which such Shares were purchased)	Aggregate number of Shares comprised in Awards which have not been released at end of financial year under review

- (c) such other information as may be required by the Catalist Rules and/or the Act.

14. MODIFICATIONS TO THE PERFORMANCE SHARE PLAN

- 14.1 Any or all the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) any modification or alteration which would be to the advantage of the Participants shall be subject to the prior approval of Shareholders in a general meeting; and
 - (b) no modification or alteration shall be made without due compliance with the Catalist Rules and/or prior approval of the SGX-ST and such other regulatory authorities as may be necessary.
- 14.2 The Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) modify or alter the rules or provisions of the Performance Share Plan in any way to the extent necessary to cause the Performance Share Plan to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 14.3 Written notice of any modification or alteration made shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

15. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Performance Share Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages (if any) on the termination of his employment for any reason.

16. DURATION OF THE PERFORMANCE SHARE PLAN

- 16.1 The Performance Share Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Performance Share Plan may continue beyond the aforesaid stipulated period of time with the approval of the Shareholders by an ordinary resolution in a general meeting and of any relevant authorities which may then be required.
- 16.2 The Performance Share Plan may be terminated at any time by the Committee or by an ordinary resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Performance Share Plan is so terminated, no further Awards shall be granted by the Company thereunder.
- 16.3 The termination of the Performance Share Plan shall not affect Awards which have been granted but not yet vested, whether (i) such Shares have been allotted and issued and/or delivered (as the case may be) or not; or (ii) the treasury shares (if any) have been transferred or not.

17. TAXES

All taxes (including income tax) arising from the grant and/or disposal of Shares pursuant to the Awards granted to any Participant under the Performance Share Plan shall be borne by that Participant.

18. COSTS AND EXPENSES

- 18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the allotment and issue, transfer and/or delivery of any Shares in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account or the Participant's securities sub-account with a CDP Depository Agent.
- 18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Performance Share Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Performance Share Plan including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of Shares or transfer of treasury shares pursuant to the Awards shall be borne by the Company.

19. ABSTENTION FROM VOTING

Participants who are shareholders are to abstain from voting on any shareholders' resolution relating to the Performance Share Plan. Participants may act as proxies of shareholders of the Company in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and any company within the Group, as the case may be, shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in allotting and issuing Shares, transferring treasury shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 9.8 (and any other stock exchange on which the Shares are quoted or listed).

21. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

22. GOVERNING LAW

The Performance Share Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by being granted Awards in accordance with the Performance Share Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B

No person other than the Company or a Participant shall have any right to enforce any provision of the Performance Share Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

ISEC HEALTHCARE LTD.

(Company Registration Number 201400185H)
(Incorporated in the Republic of Singapore)

All capitalised terms used in this notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular dated 13 April 2016 to the shareholders of the Company (the “Circular”).

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of **ISEC Healthcare Ltd.** (the “**Company**”) will be held at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850 on 28 April 2016 at 10.30 a.m. (or immediately after the conclusion of the AGM convened at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolutions:

Shareholders should note that Ordinary Resolution 3 is conditional upon the passing of Ordinary Resolution 2. For the avoidance of doubt, this means that if Ordinary Resolution 2 is not approved, Ordinary Resolution 3 would not be carried.

ORDINARY RESOLUTION 1

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

That:

- (a) for the purposes of the Companies Act, Cap. 50 of Singapore, and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to the Maximum Limit at the price of up to but not exceeding the Maximum Price and in accordance with the terms of the Share Buyback Mandate set out in the Circular and that this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until (i) the date on which the next annual general meeting of the Company is held or required by law to be held, or (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in general meeting, whichever is earlier; and
- (b) the Directors and each of them be and are hereby authorised and empowered to complete and do all such acts and things as they may consider necessary, desirable or expedient to give effect to this resolution as the Director(s) shall deem fit in the interests of the Company.

ORDINARY RESOLUTION 2

THE PROPOSED ADOPTION OF THE PERFORMANCE SHARE PLAN

That:

- (a) a new performance share plan to be known as “ISEC Healthcare Performance Share Plan” (“**Performance Share Plan**”), the rules and details of which have been set out in the Circular, under which awards (“**Awards**”) of fully paid-up ordinary shares in the capital of the Company (“**Shares**”) will be granted, free of payment, to selected Participants, details of which are set out in the Circular, be and is hereby approved;

- (b) the Directors be and are hereby authorised:
- (i) to establish and administer the Performance Share Plan;
 - (ii) to modify and/or alter the Performance Share Plan from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the Performance Share Plan and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Performance Share Plan; and
 - (iii) subject to the same being allowed by law, to apply any share(s) purchased under any share buyback mandate towards the satisfaction of Awards granted under the Performance Share Plan; and
- (c) the Directors be and are hereby authorised to grant Awards in accordance with the provisions of the Performance Share Plan and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the Performance Share Plan, provided that the aggregate number of Shares to be allotted and issued pursuant to the Performance Share Plan, when added to the number of Shares issued and/or issuable in respect of all options granted or awards granted under any other share-based incentive schemes adopted by the Company and for the time being in force, shall not exceed fifteen per cent. (15%) of the total issued and paid-up Shares (excluding treasury shares) on the day preceding the date on which the Award shall be granted; and
- (d) the Directors and each of them be and are hereby authorized and empowered to complete and do all such acts and things as they may consider necessary, desirable or expedient to give effect to this resolution as the Director(s) shall deem fit in the interests of the Company.

ORDINARY RESOLUTION 3

THE PROPOSED PARTICIPATION OF DR LEE HUNG MING, THE EXECUTIVE VICE CHAIRMAN AND A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE PERFORMANCE SHARE PLAN

That:

- (a) subject to and contingent upon the passing of Ordinary Resolution 2, the participation of Dr Lee Hung Ming, the Executive Vice Chairman and a Controlling Shareholder of the Company, in the Performance Share Plan be and is hereby approved; and
- (b) any Director be and is hereby authorised to complete and to do all such acts and things, and to approve, modify, ratify and execute such documents, acts and things as they may consider necessary, desirable or expedient to give effect to this resolution.

BY ORDER OF THE BOARD

Leong Chee Meng, Kenneth
Company Secretary
Singapore
Date: 13 April 2016

Notes:

1. A member who is not a relevant intermediary (as defined in Section 181 of the Act) entitled to attend and vote at the extraordinary general meeting (the "**Meeting**") is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
2. A member who is a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint more than two proxies to attend and vote at the Meeting.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 101 Thomson Road, #09-04 United Square, Singapore 307591 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ISEC HEALTHCARE LTD.

Company Registration Number 201400185H
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please Read Notes Overleaf Before Completing
This Proxy Form)

IMPORTANT

1. A relevant intermediary (as defined in Section 181 of the Act) may appoint more than two proxies to attend the Extraordinary General Meeting and vote.
2. For investors who have used their CPF monies to buy the Company's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name)

of _____ (Address)

being a *member/members of **ISEC Healthcare Ltd.** (the "**Company**") hereby appoint:

Name	Address	*NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	(%)

*and/or

Name	Address	*NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	(%)

or failing *him/her/they, the Chairman of the Extraordinary General Meeting (the "**EGM**") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf, at the EGM of the Company to be held at Alumni Association, The Alumni Medical Centre, 2 College Road, Singapore 169850 on 28 April 2016 at 10.30 a.m. (or immediately after the conclusion of the annual general meeting of the Company convened at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolution(s) to be proposed at the EGM as indicated in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

Please indicate your vote "For" or "Against" with an "X" within the box provided if you wish to exercise all your votes. Alternatively, please indicate the number of votes as appropriate.

No.	As Ordinary Resolutions	For	Against
1	The Proposed Adoption of the Share Buyback Mandate		
2	The Proposed Adoption of the ISEC Healthcare Performance Share Plan		
3	The Proposed Participation of Dr Lee Hung Ming, the Executive Vice Chairman and a Controlling Shareholder of the Company, in the ISEC Healthcare Performance Share Plan		

* Please delete as appropriate.

Dated this _____ day of _____ 2016.

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

Signature of Shareholder(s) or, Common Seal
of Corporate Shareholder

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Company's Circular to Shareholders dated 13 April 2016

Notes:

1. A member of the Company who is not a relevant intermediary (as defined in Section 181 of the Act) entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. Such proxy needs not be a member of the Company.
2. Where a member of the Company appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. A member who is a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint more than two proxies to attend and vote at the EGM.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with its Constitution and Section 179 of the Act.
6. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 101 Thomson Road, #09-04 United Square, Singapore 307591 not less than 48 hours before the time set for the EGM.
7. A member should insert the total number of shares held by him/her. If the member has shares entered against his/her name in the Depository Register (as defined in Section 81SF of the SFA), he/she should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he/she should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he/she should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
9. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his/her name appears on the Depository Register 72 hours before the time set for the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 13 April 2016.

