

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

**Unaudited Financial Statement and Dividend Announcement
For the Second Quarter Ended 30 June 2018**

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	3 Months Ended			6 Months Ended		
	30 June 2018	30 June 2017	Change	30 June 2018	30 June 2017	Change
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
Revenue	10,419	9,249	13%	20,044	17,710	13%
Cost of sales	(5,319)	(4,877)	9%	(10,308)	(9,395)	10%
Gross profit	5,100	4,372	17%	9,736	8,315	17%
<i>Other item of income</i>						
Other income	109	105	4%	266	203	31%
<i>Other items of expense</i>						
Selling and distribution expenses	(5)	(7)	-29%	(12)	(27)	-56%
Administrative expenses	(2,152)	(1,918)	12%	(4,072)	(3,582)	14%
Other expenses	(140)	(99)	41%	(280)	(315)	-11%
Interest expense	*	(1)	-100%	(2)	(2)	0%
Profit before income tax	2,912	2,452	19%	5,636	4,592	23%
Income tax expense	(643)	(502)	28%	(1,222)	(978)	25%
Profit for the financial period	2,269	1,950	16%	4,414	3,614	22%

* – Amount less than S\$1,000

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	Group			Group		
	3 Months Ended			6 Months Ended		
	30 June	30 June	Change	30 June	30 June	Change
	2018	2017		2018	2017	
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences - foreign operations	(86)	334	NM	669	(98)	NM
Other comprehensive income for the financial period, net of tax	(86)	334	NM	669	(98)	NM
Total comprehensive income for the financial period	2,183	2,284	-4%	5,083	3,516	45%
Profit attributable to:						
Owners of the parent	2,212	1,961	13%	4,311	3,621	19%
Non-controlling interests	57	(11)	NM	103	(7)	NM
Profit for the financial period	2,269	1,950	16%	4,414	3,614	22%
Total comprehensive income attributable to:						
Owners of the parent	2,127	2,291	-7%	4,970	3,520	41%
Non-controlling interests	56	(7)	NM	113	(4)	NM
Total comprehensive income for the financial period	2,183	2,284	-4%	5,083	3,516	45%

NM – Not meaningful

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

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

	Group			Group		
	3 Months Ended			6 Months Ended		
	30 June 2018	30 June 2017	Change	30 June 2018	30 June 2017	Change
	(Unaudited) S\$'000	(Unaudited) S\$'000	%	(Unaudited) S\$'000	(Unaudited) S\$'000	%
Depreciation of plant and equipment - cost of sales	157	151	4%	309	287	8%
Depreciation of plant and equipment – administrative expenses	91	93	-2%	184	177	4%
Amortisation of intangible assets – other expenses	140	141	-1%	280	281	0%
Amortisation of intangible assets – administrative expenses	16	17	-6%	33	34	-3%
Interest income	(106)	(87)	22%	(202)	(172)	17%
(Gain)/ Loss on exchange differences - net	1	(45)	NM	(16)	31	NM
Gain on disposal of plant and equipment	-	(2)	NM	(24)	(2)	NM
(Write back of)/allowance for doubtful debts, net	(9)	-	NM	21	-	NM

NM – Not meaningful

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

	Group			Company	
	30 June 2018 (Unaudited) S\$'000	31 December 2017 (Restated) S\$'000	1 January 2017 (Restated) S\$'000	30 June 2018 (Unaudited) S\$'000	31 December 2017 (Audited) S\$'000
ASSETS					
Non-current assets					
Plant and equipment	3,856	3,894	3,967	71	86
Intangible assets	38,800	38,766	39,111	2	3
Investment in subsidiaries	-	-	-	48,386	48,386
Deferred tax assets	11	11	30	-	-
	<u>42,667</u>	<u>42,671</u>	<u>43,108</u>	<u>48,459</u>	<u>48,475</u>
Current assets					
Inventories	1,268	1,177	1,218	-	-
Trade and other receivables	3,096	2,505	2,171	6,117	4,171
Prepayments	197	202	176	6	16
Current tax assets	177	223	103	-	-
Cash and cash equivalents	26,020	24,824	20,376	9,573	11,048
	<u>30,758</u>	<u>28,931</u>	<u>24,044</u>	<u>15,696</u>	<u>15,235</u>
TOTAL ASSETS	<u>73,425</u>	<u>71,602</u>	<u>67,152</u>	<u>64,155</u>	<u>63,710</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	59,673	59,673	59,673	59,673	59,673
Other reserves	(2,380)	(3,039)	(3,572)	-	-
Retained earnings	10,133	9,442	4,689	4,180	3,763
Equity attributable to owners of Company	<u>67,426</u>	<u>66,076</u>	<u>60,790</u>	<u>63,853</u>	<u>63,436</u>
Non-controlling interests	573	309	(31)	-	-
TOTAL EQUITY	<u>67,999</u>	<u>66,385</u>	<u>60,759</u>	<u>63,853</u>	<u>63,436</u>
LIABILITIES					
Non-current liabilities					
Provisions	216	208	198	20	20
Deferred tax liabilities	638	684	761	-	-
	<u>854</u>	<u>892</u>	<u>959</u>	<u>20</u>	<u>20</u>
Current liabilities					
Trade and other payables	3,508	3,475	4,919	280	234
Current income tax payable	1,064	850	515	2	20
	<u>4,572</u>	<u>4,325</u>	<u>5,434</u>	<u>282</u>	<u>254</u>
TOTAL LIABILITIES	<u>5,426</u>	<u>5,217</u>	<u>6,393</u>	<u>302</u>	<u>274</u>
TOTAL EQUITY AND LIABILITIES	<u>73,425</u>	<u>71,602</u>	<u>67,152</u>	<u>64,155</u>	<u>63,710</u>

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

Amount repayable in one year or less, or on demand

None.

Amount repayable after one year

None.

Details of any collateral

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group 3 Months Ended		Group 6 Months Ended	
	30 June 2018 (Unaudited) S\$'000	30 June 2017 (Unaudited) S\$'000	30 June 2018 (Unaudited) S\$'000	30 June 2017 (Unaudited) S\$'000
Cash flows from operating activities				
Profit before income tax	2,912	2,452	5,636	4,592
Adjustments for:				
(Write back of)/allowance for doubtful debts, net	(9)	-	21	-
Depreciation of plant and equipment	248	244	493	464
Amortisation of intangible assets	156	158	313	315
Plant and equipment written-off	-	-	-	*
Gain on disposal of plant and equipment	-	(2)	(24)	(2)
Interest income	(106)	(87)	(202)	(172)
Interest expense	*	1	2	2
Operating cash flows before working capital changes	3,201	2,766	6,239	5,199
Working capital changes:				
- Inventories	(55)	(53)	(91)	(72)
- Trade and other receivables	(63)	(267)	(607)	(276)
- Prepayments	(10)	56	5	48
- Trade and other payables	405	99	166	(976)
Cash generated from operations	3,478	2,601	5,712	3,923
Income tax paid	(662)	(485)	(997)	(850)
Net cash from operating activities	2,816	2,116	4,715	3,073

* – Amount less than S\$1,000

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(Company Registration No.201400185H)

	Group 3 Months Ended		Group 6 Months Ended	
	30 June 2018 (Unaudited) S\$'000	30 June 2017 (Unaudited) S\$'000	30 June 2018 (Unaudited) S\$'000	30 June 2017 (Unaudited) S\$'000
Investing activities				
Purchase of plant and equipment	(260)	(240)	(484)	(295)
Purchase of intangible assets	(4)	(2)	(4)	(10)
Proceeds from disposal of plant and equipment	-	14	24	14
Interest received	109	82	197	189
Net cash used in investing activities	(155)	(146)	(267)	(102)
Financing activities				
Dividends paid to shareholders	(3,620)	(569)	(3,620)	(569)
Dividends paid to vendors ⁽¹⁾	-	(659)	-	(932)
Subscription of shares in subsidiaries by non-controlling interests	-	-	151	285
Net cash used in financing activities	(3,620)	(1,228)	(3,469)	(1,216)
Net (decrease)/increase in cash and cash equivalents	(959)	742	979	1,755
Cash and cash equivalents at beginning of financial period	27,025	21,281	24,824	20,376
Effects of exchange rate changes on cash and cash equivalents	(46)	94	217	(14)
Cash and cash equivalents at end of financial period	26,020	22,117	26,020	22,117

(1) Vendors refer to the previous shareholders of JC Medical (Bukit Batok) Pte. Ltd., JL Medical (Sembawang) Pte. Ltd., JL Medical (Woodlands) Pte. Ltd. and JL Medical (Yew Tee) Pte. Ltd. (collectively, "JLM Companies") prior to 1 December 2016.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statements of Changes in Equity

	Attributable to owners of the company							Total equity
	Share capital	Foreign currency translation reserve	Merger reserve	Capital reserve	Retained earnings	Equity attributable to owners of the company	Non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Group (Unaudited) (Restated)								
At 1 January 2018								
As previously reported	59,673	(1,233)	(3,572)	31	11,177	66,076	309	66,385
Effect of adoption SFRS(I)	-	1,735	-	-	(1,735)	-	-	-
As restated	59,673	502	(3,572)	31	9,442	66,076	309	66,385
Profit for the financial period	-	-	-	-	2,099	2,099	46	2,145
Other comprehensive income								
Foreign currency translation	-	744	-	-	-	744	11	755
Total comprehensive income for the financial period	-	744	-	-	2,099	2,843	57	2,900
Transaction with non-controlling interests								
Subscription of shares in subsidiaries by non-controlling interests ⁽¹⁾	-	-	-	-	-	-	151	151
Total transaction with non-controlling interests	-	-	-	-	-	-	151	151
At 31 March 2018	59,673	1,246	(3,572)	31	11,541	68,919	517	69,436
At 1 April 2018	59,673	1,246	(3,572)	31	11,541	68,919	517	69,436
Profit for the financial period	-	-	-	-	2,212	2,212	57	2,269
Other comprehensive income								
Foreign currency translation	-	(85)	-	-	-	(85)	(1)	(86)
Total comprehensive income for the financial period	-	(85)	-	-	2,212	2,127	56	2,183
Transaction with owners of the Company								
Dividends	-	-	-	-	(3,620)	(3,620)	-	(3,620)
Total transaction with owners of the Company	-	-	-	-	(3,620)	(3,620)	-	(3,620)
At 30 June 2018	59,673	1,161	(3,572)	31	10,133	67,426	573	67,999

(1) In March 2018, ISEC (Sibu) Sdn. Bhd., a 55% owned indirect subsidiary of the Company, had increased its share capital from S\$637,000 (equivalent to RM2,000,000) to S\$973,000 (equivalent to RM3,000,000) through issuance of shares allotted to the existing shareholders of the subsidiary in equal proportion to their existing shareholdings.

Statements of Changes in Equity

	Attributable to owners of the company						Total Equity
	Share capital	Foreign currency translation reserve	Merger reserve	Retained earnings	Equity attributable to owners of the company	Non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Group (Unaudited) (Restated)							
At 1 January 2017							
As previously reported	59,673	(1,735)	(3,572)	6,424	60,790	(31)	60,759
Effect of adoption SFRS(I)	-	1,735	-	(1,735)	-	-	-
As restated	59,673	-	(3,572)	4,689	60,790	(31)	60,759
Profit for the financial period	-	-	-	1,660	1,660	4	1,664
Other comprehensive income							
Foreign currency translation	-	(431)	-	-	(431)	(1)	(432)
Total comprehensive income for the financial period	-	(431)	-	1,660	1,229	3	1,232
Transaction with non-controlling interests							
Subscription of shares in subsidiaries by non-controlling interests ⁽¹⁾	-	-	-	-	-	285	285
Total transaction with non-controlling interests	-	-	-	-	-	285	285
At 31 March 2017	59,673	(431)	(3,572)	6,349	62,019	257	62,276
At 1 April 2017	59,673	(431)	(3,572)	6,349	62,019	257	62,276
Profit for the financial period	-	-	-	1,961	1,961	(11)	1,950
Other comprehensive income							
Foreign currency translation	-	330	-	-	330	4	334
Total comprehensive income for the financial period	-	330	-	1,961	2,291	(7)	2,284
Transaction with owners of the Company							
Dividends	-	-	-	(569)	(569)	-	(569)
Total transaction with owners of the Company	-	-	-	(569)	(569)	-	(569)
At 30 June 2017	59,673	(101)	(3,572)	7,741	63,741	250	63,991

(1) In January 2017, ISEC (Sibu) Sdn. Bhd., a 55% owned indirect subsidiary of the Company, had increased its share capital from S\$4,000 (equivalent to RM10,000) to S\$637,000 (equivalent to RM2,000,000) through issuance of shares allotted to the existing shareholders of the subsidiary in equal proportion to their existing shareholdings.

Statements of Changes in Equity

Company (Unaudited)	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
At 1 January 2018	59,673	3,763	63,436
Loss for the financial period, representing total comprehensive income for the financial period	-	(97)	(97)
At 31 March 2018	59,673	3,666	63,339
At 1 April 2018	59,673	3,666	63,339
Profit for the financial period, representing total comprehensive income for the financial period	-	4,134	4,134
Transaction with owners of the Company			
Dividends	-	(3,620)	(3,620)
Total transaction with owners of the Company	-	(3,620)	(3,620)
At 30 June 2018	59,673	4,180	63,853
At 1 January 2017	59,673	1,501	61,174
Loss for the financial period, representing total comprehensive income for the financial period	-	(112)	(112)
At 31 March 2017	59,673	1,389	61,062
At 1 April 2017	59,673	1,389	61,062
Profit for the financial period, representing total comprehensive income for the financial period	-	2,420	2,420
Transaction with owners of the Company			
Dividends	-	(569)	(569)
Total transaction with owners of the Company	-	(569)	(569)
At 30 June 2017	59,673	3,240	62,913

- 1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share Capital – Ordinary Shares

	Number of ordinary shares	Issued and paid-up share capital S\$
At 31 March 2018 and 30 June 2018	517,095,669	59,672,457

The Company did not have any outstanding options or convertibles as at 30 June 2018 and 30 June 2017. There have been no options and share awards granted pursuant to the Company’s employee share options scheme and performance share plan.

There were also no treasury shares or subsidiary holdings as at 30 June 2018 and 30 June 2017.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	<u>30 June 2018</u>	<u>31 December 2017</u>
Total number of issued shares	517,095,669	517,095,669

There were no treasury shares as at 30 June 2018 and 31 December 2017.

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

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

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current financial reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 January 2018.

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s) on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the quarter ended 31 March 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1: *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's opening balance sheet under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

Application of SFRS(I) 1

The Group has elected for the optional exemption in SFRS(I) to zeroise the cumulative foreign currency translation differences for foreign operations at the date of transition. The Group has reclassified an amount of S\$1,735,000 of foreign currency translation reserve to the opening retained earnings at 1 January 2017.

Adoption of SFRS(I)s

In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2018:

- (i) SFRS(I) 9 Financial Instruments
- (ii) SFRS(I) 15 Revenue from Contracts with Customers
- (iii) SFRS(I) INT 22 Foreign currency transactions and advance consideration
- (iv) Amendments to SFRS(I) 2 Classification and Measurement of Share-Based Payment Transactions; and
- (v) Amendments to SFRS(I) 15 Clarifications to SFRS(I) 15 Revenue from Contracts with Customers

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group for the current financial period reported on.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	3 months ended		6 months ended	
	30 June 2018 (Unaudited)	30 June 2017 (Unaudited)	30 June 2018 (Unaudited)	30 June 2017 (Unaudited)
Earnings per share ("EPS")				
Profit attributable to owners of the parent (S\$'000)	2,212	1,961	4,311	3,621
Weighted average number of ordinary shares in issue	517,095,669	517,095,669	517,095,669	517,095,669
Basic and fully diluted basis (Singapore cents) ⁽¹⁾	0.43	0.38	0.83	0.70

(1) There were no potentially dilutive ordinary shares in existence during the respective financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
- (a) **Current financial period reported on; and**
- (b) **Immediately preceding financial year**

	Group		Company	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value attributable to owners of the parent (S\$'000)	67,426	66,076	63,853	63,436
Number of ordinary shares in issue	517,095,669	517,095,669	517,095,669	517,095,669
Net asset value per ordinary share (S\$)	0.13	0.13	0.12	0.12

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

Review of comparative performance of the Group for the 3 months ended 30 June 2018 ("2Q2018") and 30 June 2017 ("2Q2017").

Consolidated Statement of Comprehensive Income

Revenue

The Group recorded revenue of S\$10.42 million in 2Q2018, an increase of 13% from S\$9.25 million in 1Q2018. This mainly arose from increased patient visits from the Group's specialised eye care services in Malaysia and Singapore.

Cost of sales

Cost of sales increased by 9%, or S\$0.44 million, to S\$5.32 million in 2Q2018 in tandem with increased revenue.

Gross profit and gross profit margin

Gross profit increased by 17% to S\$5.10 million in 2Q2018 with an increase in gross profit margin of 1.6 percentage points from 47.3% in 2Q2017 to 48.9% in 2Q2018, mainly due to the increase in revenue contribution and business activities of the Group.

Administrative expenses

Administrative expenses increased by 12% to S\$2.15 million in 2Q2018 mainly due to increased staff related-costs across the Group and other operating expenses, which was a result of the increased business activities of the Group.

Income tax expense

The effective tax rates of the Group in 2Q2017 and 2Q2018 remained relatively consistent at 21% and 22% respectively. The statutory corporate tax rates are 17% in Singapore and 24% in Malaysia.

Profit after tax

Net profit of the Group in 2Q2018 was S\$2.27 million, an increase of S\$0.32 million compared to S\$1.95 million in 2Q2017, mainly due to the above-mentioned factors.

Consolidated Statement of Financial Position

Current assets

Current assets increased by S\$1.83 million mainly attributable to increased trade receivables and cash and cash equivalents from increased revenue over the 6 months period ended 30 June 2018.

Current liabilities

Current liabilities increased by S\$0.25 million to S\$4.57 million as at 30 June 2018 mainly as a result of increased current income tax provision which was in line with increased operating profits of the Group.

Consolidated Statement of Cash Flows

As at 30 June 2018, the Group had cash and cash equivalents of S\$26.02 million, as compared to S\$24.82 million of cash and cash equivalents as at 31 December 2017.

Cash flows from operating activities

In 2Q2018, net cash flows from operating activities was recorded at S\$2.82 million. This comprised operating cash flows before working capital changes of S\$3.20 million, and changes in working capital inflow of S\$0.28 million largely from increase in trade and other payables of S\$0.41 million in tandem with increased business activities, less income tax paid of S\$0.66 million.

Cash flows used in investing activities

Net cash used in investing activities in 2Q2018 amounted to S\$0.16 million was mainly due to purchase of fixed assets amounting to S\$0.26 million by the Group. The outflow was offset by interest income received of S\$0.11 million.

Cash flows used in financing activities

Net cash used in financing activities of S\$3.62 million pertained to dividends paid to shareholders of the Company.

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

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

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

Age-related eye diseases and conditions apparent in aging population, increasing awareness about eye diseases, rising income levels and the increase in private insurance coverage will raise patients' propensity in seeking timely and private medical treatment. With these in mind, the Group remains positive regarding prospects in the demand in the healthcare industry in Singapore and the region, despite being challenging and highly competitive.

The Group continues to grow our talent pool and stay at the forefront of the ophthalmology services industry by driving innovation and adopting cutting-edge procedures and technology to offer our patients the best possible treatments.

Our Malaysia operations contributed a significant portion of the Group's revenue. The movement in medical tourism in Malaysia is expected to be closely correlated to the weakening of the Malaysian Ringgit, hence stronger purchasing power of foreign currencies, and vice versa. However, as the presentation currency of the Group is in Singapore Dollar, the revenue from Malaysia operations translated to Singapore Dollar will be impacted by foreign exchange movements.

11. Dividend

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

Yes.

Name of dividend	First Interim Dividend
Dividend type	Cash
Dividend rate	0.78 Singapore cents (S\$0.0078) per ordinary share
Tax rate	Tax exempt (one-tier)

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

Yes.

Name of dividend	First Interim Dividend
Dividend type	Cash
Dividend rate	0.5 Singapore cents (S\$0.005) per ordinary share
Tax rate	Tax exempt (one-tier)

- (c) Date payable:**

The dividend will be paid on 28 August 2018.

- (d) Books closure date:**

The Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 17 August 2018 for the purpose of determining shareholders' entitlements to the tax exempt (one-tier) interim dividend in respect of the financial year ending 31 December 2018.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 17 August 2018 will be registered to determine shareholders' entitlements to the interim tax exempt (one-tier) dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares at 5.00 p.m. on 17 August 2018 will be entitled to the interim tax exempt (one-tier) dividend.

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

Not applicable.

- 13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company did not obtain a general mandate from shareholders for IPTs.

There was no IPT of S\$100,000 and above for 2Q2018.

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

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

- 15. Use of IPO proceeds**

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

	<u>Amount allocated S\$'000</u>	<u>Amount allocated pursuant to reallocation of unutilised listing expenses S\$'000</u>	<u>Amount utilised S\$'000</u>	<u>Balance S\$'000</u>
Business expansion in the Asia Pacific region (including Malaysia and Singapore)	13,800	300	(12,579) ⁽¹⁾	1,521
General working capital	2,500	-	(2,500) ⁽²⁾	-
Total	16,300	300	(15,079)	1,521

- (1) Utilised for the acquisition of Southern Specialist Eye Centre Sdn. Bhd. (“SSEC”) and JLM Companies, and joint venture into ISEC Myanmar Co., Ltd. (“ISEC Myanmar”):

	<u>Acquisition of SSEC (S\$'000)</u>	<u>Acquisition of the JLM Companies (S\$'000)</u>	<u>Joint venture into ISEC Myanmar (S\$'000)</u>	<u>Total (S\$'000)</u>
Cash consideration	5,204	6,971	-	12,175
Administrative expenses	122	268	14	404
Total	5,326	7,239	14	12,579

(2) Utilised for general working capital:

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

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

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 3-month and 6-month financial period ended 30 June 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Wong Jun Shyan
Executive Director and Chief Executive Officer
8 August 2018

This announcement has been prepared by the Company and its contents have been reviewed by the 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 Catalyst. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).