ISEC HEALTHCARE LTD.
(Company Registration No. 201400185H)
(Incorporated in Singapore on 2 January 2014)

PROPOSED TRANSACTION IN RELATION TO:

(I) THE ACQUISITION OF 100.0% OF THE ISSUED AND PAID-UP CAPITAL OF EACH OF (1) IE CENTRE SDN. BHD., AND (2) KAMPAR EYE SDN. BHD.; AND

(II) THE SUBSCRIPTION OF ORDINARY SHARES IN EACH OF (1) ME CENTRE SDN BHD, (2) TE CENTRE SDN BHD, AND (3) TAIPING EYE SDN BHD, COMPRISING 50.0% PLUS 1 ORDINARY SHARE OF THE ENLARGED SHARE CAPITAL OF EACH OF THE AFORESAID COMPANIES

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1. INTRODUCTION

1.1. The board of directors (the "**Board**") of ISEC Healthcare Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, ISEC Sdn. Bhd. (the "**Purchaser**"), has on 6 April 2022 entered into a share purchase and subscription agreement ("**SPSA**") with Shin Hoy Choong ("**Dr Shin**"), Tan Hooi Ngea ("**THN**"), Yong Ked Sheong ("**Dr Yong**"), Cheng Heng Liang ("**Dr Cheng**"), Chan Suet Mei ("**Dr Chan**") and Jane Foo Mei Li ("**Dr Foo**") (collectively, the "**Vendors**"), ME Centre Sdn Bhd ("**ME Centre**"), TE Centre Sdn Bhd ("**TE Centre**"), and Taiping Eye Sdn Bhd ("**Taiping Eye**"), pursuant to which:

(a) the Vendors have agreed to sell, and the Purchaser has agreed to purchase, 100,000 ordinary shares and 1,200,000 ordinary shares representing 100.0% of the issued and paid-up share capital of IE Centre Sdn. Bhd. ("**IE Centre**") and Kampar Eye Sdn. Bhd. ("**Kampar Eye**") respectively (collectively, the "**Sale Shares**"), for an aggregate purchase consideration of RM56,745,000.03 (the "**Purchase Consideration**"), subject to adjustment following Completion (as defined below) if there are any Pre-Completion Losses (as defined below) (collectively, "**Proposed Acquisition**"); and

(b) the Purchaser has agreed to subscribe for 500,001 ordinary shares in each of ME Centre, TE Centre and Taiping Eye, comprising 50.0% plus 1 ordinary share of the enlarged share capital of each of the aforesaid companies (collectively, the "**Proposed Subscription**" and the subscription shares comprised therein shall collectively be referred to as the "**Subscription Shares**"),

subject to the terms and conditions of the SPSA (the Proposed Acquisition and the Proposed Subscription shall collectively be referred to as "**Proposed Transaction**").

1.2. Under the terms of the SPSA, the Proposed Acquisition and the Proposed Subscription shall be completed simultaneously. Please refer to Paragraph 4.4 of this announcement for further details and completion is expected to take place by end of the first half year of 2022.

2. INFORMATION ON IE CENTRE, KAMPAR EYE, ME CENTRE, TE CENTRE, TAIPING EYE AND THE VENDORS

2.1. IE Centre is a company incorporated in Malaysia on 4 April 2008 and has an issued and paid-up share capital of RM100,000 comprising 100,000 ordinary shares. IE Centre is in the business of operating a specialist eye clinic in Ipoh. The Vendors are the legal and beneficial owners of the entire issued and paid-up share capital in IE Centre.

IE Centre's audited financial statements as at 30 June 2021 recorded net profit before and after tax of approximately RM5,774,000 and RM4,362,000 respectively, for the financial year ended 30 June 2021, and net book value and net tangible assets ("**NTA**") of approximately RM6,652,000 as at 30 June 2021, and RM3,409,000 as at 31 December 2021.

2.2. Kampar Eye is a company incorporated in Malaysia on 4 December 2017 and has an issued and paid-up share capital of RM1,200,000 consisting of 1,200,000 ordinary shares. Kampar Eye is in the business of operating a specialist eye clinic in Kampar. The Vendors are the legal and beneficial owners of the entire issued and paid-up share capital in Kampar Eye.

Kampar Eye's audited financial statements as at 31 December 2021 recorded net profit before and after tax of approximately RM1,063,000 and RM855,000 respectively, for the financial year ended 31 December 2021, and net book value and NTA of approximately RM2,211,000 as at 31 December 2021.

2.3. ME Centre is a company incorporated in Malaysia on 24 September 2020 and has an issued and paid-up share capital of RM500,000 consisting of 500,000 ordinary shares. ME Centre is in the business of operating a specialist eye clinic in Manjung. However, as at the date of this announcement, ME Centre has not conducted any business yet as it has applied for but has not obtained the licence to operate or provide a private healthcare facility or service pursuant to the Private Healthcare Facilities and Services Act 1998 of Malaysia ("**PHFSA**").

ME Centre's net loss after tax for the 12 months ended 31 December 2021 is approximately RM173,000, and ME Centre's net tangible assets as at 31 December 2021 is approximately RM324,000, based on ME Centre's unaudited financial statements as at 31 December 2021.

2.4. TE Centre is a company incorporated in Malaysia on 11 November 2020 and has an issued and paid-up share capital of RM500,000 consisting of 500,000 ordinary shares. TE Centre is in the business of operating a specialist eye clinic in Teluk Intan. However, as at the date of this announcement, TE Centre has not conducted any business yet as it has applied for but has not obtained the licence to operate or provide a private healthcare facility or service pursuant to the PHFSA.

TE Centre's net loss after tax for the 12 months ended 31 December 2021 is approximately RM78,000, and TE Centre's net tangible assets as at 31 December 2021 is approximately RM419,000, based on TE Centre's unaudited financial statements as at 31 December 2021.

2.5. Taiping Eye is a company incorporated in Malaysia on 25 June 2021 and has an issued and paid-up share capital of RM500,000 consisting of 500,000 ordinary shares. Taiping Eye is in the business of operating a specialist eye clinic in Taiping. However, as at the date of this announcement, Taiping

Eye has not conducted any business yet as it has applied for but has not obtained the licence to operate or provide a private healthcare facility or service pursuant to the PHFSA.

Taiping Eye's net loss after tax for the 7 months ended 31 December 2021 is approximately RM102,000, and Taiping Eye's net tangible liabilities as at 31 December 2021 is approximately RM102,000, based on Taiping Eye's unaudited financial statements as at 31 December 2021.

2.6. Based on IE Centre's audited financial statements as at 30 June 2021, Kampar Eye's audited financial statements as at 31 December 2021, each of ME Centre's, TE Centre's and Taiping Eye's unaudited financial statements as at 31 December 2021, the net profits attributable to the assets acquired for the Proposed Transaction is approximately RM4,301,000.

2.7. The Vendors are business partners and independent third parties, unrelated to any of the Company's directors, controlling shareholders of the Company ("**Shareholders**") or their respective associates. As at the date of this announcement, none of the Vendors hold any shares in the capital of the Company ("**Shares**") directly or indirectly.

3. RATIONALE FOR THE PROPOSED TRANSACTION

IE Centre has maintained a stable increase in income stream and profit track record for the last three financial years respectively. IE Centre and Kampar Eye recorded approximately RM4,362,000 and RM855,000 respectively in audited profits after tax for the financial years ended 30 June 2021 and 31 December 2021 respectively. Further, the Proposed Transaction is beneficial to the Company as it increases the Company's core capabilities given that the principal activities of IE Centre and Kampar Eye are complementary and synergistic with the Company's business.

IE Centre and Kampar Eye are expected to provide the Group with a growing stream of recurring income and cash flow in Malaysia where the demand for specialised and quality medical eye care services is expected to increase. The Group's further venture into eye clinics is also well-placed in the strategic roadmap for the Group's expansion and can potentially accelerate the revenue growth and execution of the business strategies of the Group.

The Group considers partial settlement of the Purchase Consideration by way of the allotment and issue of Consideration Shares to be advantageous to the Group as it would conserve the Group's cash reserves and delivers long-term benefit to the Company.

4. PRINCIPAL TERMS OF THE SPSA

4.1. Proposed Acquisition

4.1.1 <u>Proposed Acquisition</u>

The Vendors shall sell, and the Purchaser shall purchase, the Sale Shares free from all encumbrances and together with all rights and advantages now and hereafter attaching thereto including all dividends and distributions declared, made or paid on or after the Completion Date (as defined below).

The Purchaser shall not be obliged to purchase only some and not all of the Sale Shares and further, shall not be entitled to any dividends declared and paid on the Sale Shares in accordance with the SPSA, prior to the Completion Date (as defined below).

4.1.2 <u>Purchase Consideration</u>

The Purchase Consideration was arrived at by the Purchaser and the Vendors on a willing buyer willing seller basis, based on:

(a) in relation to IE Centre, approximately a multiple of twelve and a half (12.5) times of IE Centre's adjusted and normalised profit after tax based on its audited accounts for the period between 1 July 2020 to 30 June 2021 and on the basis that (i) IE Centre's NTA as at 30 November 2021 and 31 December 2021 shall be no less than RM2,910,000; (ii) the Vendors shall not be entitled to any dividends arising from earnings of IE Centre between the period from 31 December 2021 until Completion; and (iii) if IE Centre incurs losses between the period from 31 December 2021 until Completion ("**IE Centre Pre-Completion Losses**"), the Vendors shall refund to the Purchaser, an amount equivalent to the IE Centre Pre-Completion Losses. In connection with this Paragraph 4.1.2(a), IE Centre's NTA as at 30 November 2021 will be subject to special audit forthwith after the date of the SPSA; and

(b) in relation to Kampar Eye, approximately a multiple of twelve and a half (12.5) times of Kampar Eye's adjusted and normalised profit after tax based on its management accounts for the period between 1 January 2021 to 31 December 2021 and on the basis that (i) Kampar Eye's NTA as at 30 November 2021 and 31 December 2021 shall be no less than RM500,000; (ii) the Vendors shall not be entitled to any dividends arising from earnings of Kampar Eye between the period from 31 December 2021 until Completion; and (iii) if Kampar Eye incurs losses between the period from 31 December 2021 until Completion ("**Kampar Eye Pre-Completion Losses**", together with the IE Centre Pre-Completion Losses, "**Pre-Completion Losses**"), the Vendors shall refund to the Purchaser, an amount equivalent to the Kampar Eye Pre-Completion Losses. In connection with this Paragraph 4.1.2(b), Kampar Eye's NTA as at 30 November 2021 will be subject to special audit forthwith after the date of the SPSA.

The Purchase Consideration for the Sale Shares will be satisfied by the Purchaser in the following manner and as set out below:

(a) a cash portion of RM36,125,750.03 ("**Cash Portion**") shall be payable by banker's cheque and/or telegraphic transfer in the following manner and as set out in the table below:

(i) on the date of the SPSA, the Purchaser shall pay RM250,000 or 1.5% of the Cash Portion, whichever is the lower, to Dr Shin and RM250,000 or 1.5% of the Cash Portion, whichever is the lower, to THN (collectively, "**First Tranche Cash Portion**");

(ii) on the Completion Date (as defined below), the Purchaser shall pay RM21,648,450.00 less the First Tranche Cash Portion, to the Vendors (in proportion to their respective shareholding to each other in IE Centre and Kampar Eye) and Dr Shin will be entitled to an additional RM45,000.03 for his portion of the Purchase Consideration;

(iii) within twelve (12) months after Completion (as defined below), the Purchaser shall pay RM10,824,225.00 to the Vendors (in proportion to their respective shareholding to each other in IE Centre and Kampar Eye); and

(iv) within twenty-four (24) months after Completion (as defined below), the Purchaser shall pay RM3,608,075.00 to the Vendors (in proportion to their respective shareholding to each other in IE Centre and Kampar Eye); and

(b) RM20,619,250.00 of the Purchase Consideration shall be satisfied by way of issue and allotment of an aggregate of 21,881,135 fully paid-up ordinary shares in the capital of the Company ("**Consideration Shares**") on the Completion Date (as defined below) and at the Issue Price (as defined below) as set out in the table below:

<u>IE Centre</u>

Name of Vendor (1)	No. of Sale Shares & % of total issued and paid up share capital of IE Centre (2)	Purchase Consideration entitlement (RM) (3)	Cash Portion (RM) (4)	No. of Consideration Shares to be issued and allotted (5)		Percentage of Shares held out of the enlarged share capital of the Company following Completion (6)
				No. of Consideration Shares to be represented by physical share scrips (5A)	No. of Consideration Shares to be represented by scripless shares (5B)	
Shin Hoy Choong	42,500 (42.5%)	20,368,500.03	9,935,179.66	8,857,465	2,214,367	1.9%
Tan Hooi Ngea	42,500 (42.5%)	20,323,500.00	20,323,500.00	-	-	-
Yong Ked Sheong	7,500 (7.5%)	3,586,500.00	108,164.29	2,952,965	738,243	0.6%
Cheng Heng Liang	4,500 (4.5%)	2,151,900.00	64,898.57	1,771,780	442,945	0.4%
Chan Suet Mei	2,000 (2.0%)	956,400.00	28,843.81	787,458	196,864	0.2%
Jane Foo Mei Li	1,000 (1.0%)	478,200.00	14,421.90	393,729	98,432	0.1%
TOTAL	100,000 (100%)	47,865,000.03	30,475,008.23	14,763,397	3,690,851	3.2%

<u>Kampar Eye</u>

Name of Vendor (1)	No. of Sale Shares & % of total issued and paid up share capital of Kampar Eye (2)	Purchase Consideration entitlement (RM) (3)	Cash Portion (RM) (4)	No. of Consideration Shares to be issued and allotted (5)		Percentage of Shares held out of the enlarged share capital of the Company following Completion (6)
				No. of Consideration Shares to be represented by physical share scrips (5A)	No. of Consideration Shares to be represented by scripless shares (5B)	
Shin Hoy Choong	510,000 (42.5%)	3,774,000.00	1,836,570.37	1,644,799	411,200	0.4%
Tan Hooi Ngea	510,000 (42.5%)	3,774,000.00	3,774,000.00	-	-	-
Yong Ked Sheong	90,000 (7.5%)	666,000.00	20,085.71	548,355	137,089	0.1%
Cheng Heng Liang	54,000 (4.5%)	399,600.00	12,051.43	329,013	82,253	0.1%
Chan Suet Mei	24,000 (2.0%)	177,600.00	5,356.19	146,228	36,557	0.0%
Jane Foo Mei Li	12,000 (1.0%)	88,800.00	2,678.10	73,114	18,279	0.0%
TOTAL	1,200,000 (100%)	8,880,000.00	5,650,741.80	2,741,509	685,378	0.6%

The Company intends to fund the Cash Portion of the Purchase Consideration by way of internal cash resources of the Group.

4.1.3 Consideration Shares

The issue price for each Consideration Share is S$0.303 (equivalent to approximately RM0.94[1]) ("**Issue Price**"), as determined based on the volume weighted average price of the Shares traded on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in the thirty (30) trading days immediately prior to the date of the SPSA (excluding the date of the SPSA) ("**VWAP**"). As the

[1] Unless otherwise indicated, the RM amounts in this announcement have been translated into S$ amounts based on an exchange rate (middle rate) of S$1 : RM3.11 as published on Bank Negara Malaysia's website as at 5 p.m. on 5 April 2022.

Consideration Shares are allotted and issued to satisfy the Purchase Consideration, it will not result in any new cash proceeds for the Company.

The Consideration Shares, when allotted and issued, shall be free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing Shares. Notwithstanding the aforesaid, the Vendors have agreed to account to the Purchaser any dividends that may be paid by the Company towards the Consideration Shares at any time between the Completion Date and the date occurring six (6) months after the Completion Date (both dates inclusive).

The Consideration Shares will represent approximately 4.0% of the total number of issued Shares, being 550,349,071 Shares (excluding treasury Shares) as at the date of this announcement and approximately 3.8% of the enlarged total number of issued Shares, being 572,230,206 Shares post issuance of the Consideration Shares, assuming no other new Shares are issued by the Company between the date of this announcement and the Completion Date (as defined below) (both dates inclusive).

4.1.4 Moratorium on the Consideration Shares

Subject to the Moratorium Shares to be released from the Moratorium in the manner contemplated herein, each of the Vendors has undertaken to the Purchaser not to, during the five (5) year period commencing from the Completion Date ("**Moratorium Period**") sell, transfer, assign, charge or howsoever deal ("**Moratorium**") with 80% of the total Consideration Shares issued to each of the Vendors (the "**Moratorium Shares**"). At the end of the twelve (12) month period (first period commencing from the Completion Date), 20% of the total Moratorium Shares will be released from the Moratorium and this release will be repeated every twelve (12) month period over the next forty-eight (48) months until there are no more Consideration Shares subject to the Moratorium.

4.2. Proposed Subscription

4.2.1 Proposed Subscription of Subscription Shares

Pursuant to the SPSA, the Purchaser shall subscribe for the respective Subscription Shares at the offer price of RM1.00 per ordinary share ("**Subscription Sum**") in each of ME Centre, TE Centre and Taiping Eye, such offer effective as at the Completion Date (as defined below).

4.2.2 Subscription Sum for the Subscription Shares

The Purchaser shall fund the subscription of shares through internal resources, and shall pay directly to ME Centre, TE Centre and Taiping Eye on the Completion Date (as defined below), the Subscription Sum for the respective Subscription Shares.

The Purchaser shall pay on the Completion Date (as defined below):

(a) the sum of RM500,001 for the Subscription Shares in respect of ME Centre to ME Centre;

(b) the sum of RM500,001 for the Subscription Shares in respect of TE Centre to TE Centre; and

(c) the sum of RM500,001 for the Subscription Shares in respect of Taiping Eye to Taiping Eye.

The Subscription Sum was arrived at by the Purchaser and the Vendors on a willing buyer willing seller basis, and takes into account that each of ME Centre, TE Centre and Taiping Eye has not conducted any business yet as each of the aforesaid entities has applied for but has not obtained the licence to operate or provide a private healthcare facility or service pursuant to the PHFSA.

4.2.3 Shareholders' Agreements

On the Completion Date, the Purchaser shall enter into a shareholders' agreement with the shareholders[2] of each of ME Centre, TE Centre and Taiping Eye (collectively, "**SHAs**") to regulate the affairs and the respective rights as shareholders of the aforesaid companies, upon the terms and subject to the conditions of the SHAs, further details of which are set out in Paragraph 5 of this announcement.

4.3. Conditions Precedent

Completion of the Proposed Transaction ("**Completion**") is subject to certain conditions precedent being satisfied or waived in accordance with the SPSA, including, *inter alia*, the following:

(a) if required, any regulatory (eg. Ministry of Health), banking and/or third party approval and/or consent required to be obtained or notification required to be given, being obtained or given, in respect of the Proposed Transaction;

(b) if required, approval of the Shareholders being obtained in respect of the allotment and issue of the Consideration Shares as contemplated by the SPSA;

(c) the approval by SGX-ST being obtained in respect of the listing and quotation of the Consideration Shares on the Singapore Exchange;

(d) the written consent of Zuellig Pharma Sdn Bhd for the change to the ownership or control of IE Centre having been obtained pursuant to an equipment agreement for iLasik Refractive System dated 1 January 2021 entered into between IE Centre and Zuellig Pharma Sdn. Bhd.;

(e) the entry into agreements to formalise stock assignment arrangements between IE Centre and Zuellig Pharma Sdn Bhd;

(f) the entry into agreements to formalise stock assignment arrangements between Kampar Eye and (i) Zuellig Pharma Sdn Bhd and (ii) Alcon Laboratories Sdn Bhd respectively, on terms acceptable to the Purchaser; and

(g) the valid certificate of registration under the Personal Data Protection Act 2010 issued to IE Centre and Kampar Eye respectively.

4.4. Completion

[2] The existing shareholders of each of ME Centre, TE Centre and Taiping Eye are Dr Shin, Dr Yong, Dr Cheng, Dr Chan and Dr Foo.

The completion is to take place on the fifth business day immediately after the fulfilment or waiver of the last of the conditions precedent as determined by a written notice from the Purchaser to the Vendors pursuant to the SPSA (or such other date as the Purchaser and the Vendors may agree in writing), provided that if such day falls on a day occurring within either (i) the two (2) week period before an announcement of the Company's first and third quarterly results; or (ii) the one (1) month period before the announcement of the Company's half year and full year results ("**Blackout Period**"), completion date shall occur on the next business day immediately after the end of the Blackout Period provided that the Purchaser shall provide documentary evidence or proof to support such Blackout Period (the "**Completion Date**"). The Proposed Acquisition and Proposed Subscription shall be completed simultaneously.

4.5. Non-Competition and Non-Solicitation

Each of the Vendors covenants with the Purchaser that during the Prohibited Period, each of the Vendors shall not within a fifty (50) kilometre radius of the existing business of IE Centre, Kampar Eye, ME Centre, TE Centre or Taiping Eye (collectively, "**Target Companies**" and each a "**Target Company**"), either solely or jointly with or on behalf of any person and whether through the medium of any company controlled by him or as principal, owner, investor, partner, director, employee, consultant or agent, directly or indirectly, wholly or partially, carry on or be engaged, involved, concerned or interested in or otherwise manage, operate or assist any business which is similar or identical to the business of each Target Company or any part thereof or which competes with each Target Company.

Each of the Vendors also covenants with the Purchaser that during the Prohibited Period (as defined below), he will not, directly, indirectly or beneficially, on his own account or jointly with or on behalf of any other person, and whether as an officer, employee, independent contractor, partner or shareholder, induce, entice, persuade, canvass, procure, solicit, counsel or otherwise cause or attempt thereto:

(a) any supplier, service provider, client or customer of each Target Company, to cease doing business or reduce the amount of business it does with each Target Company or increase its cost of doing business with each Target Company;

(b) any person not to undertake any new business with each Target Company or to undertake such new business with a third party, or

(c) any employee of each Target Company to terminate, cease or discontinue their employment or engagement by each Target Company or otherwise hire, employ, engage or attempt to hire, employ or engage, any employee of each Target Company but this prohibition shall not extend to the employment of employees of the Target Company who (i) seek employment in response to a general advertisement that is not specifically targeted at them; (ii) contact that party on their own initiative without any direct or indirect solicitation by that party; or (iii) are referred to that party by a recruitment agency provided that such recruitment agency has not been instructed by that party.

For the purpose of this Paragraph 4.5, "**Prohibited Period**" means the period commencing from the Completion Date and ending on the earlier of (a) the fifth anniversary of the Completion Date, or (b) twenty-four (24) months from the date each Vendor ceases to be employees of each Target Company (if applicable).

4.6. Entry into new employment contracts and termination of existing employment contracts

Pursuant to the terms in the SPSA, on the Completion Date, each of Dr Shin, Dr Yong, Dr Cheng, Dr Chan and Dr Foo will terminate his/her existing contract of employment or employment arrangements with each Target Company and enter into new employment agreements with IE Centre or Kampar Eye (where applicable) for a fixed term of five (5) years commencing from the Completion Date.

5. PRINCIPAL TERMS OF THE SHAS

A summary of the material terms and conditions of the SHAs in respect of each of ME Centre, TE Centre and Taiping Eye is as follows.

5.1. Shareholding Structure

Unless varied in accordance with the terms of the SHAs, the Purchaser shall at all times hold no less than 50.0% plus 1 ordinary share of ME Centre, TE Centre and Taiping Eye (as the case may be).

5.2. Board Composition

Unless otherwise agreed by all the shareholders of each company, the board of each company shall consist of not more than five (5) directors. The Purchaser is entitled to appoint up to 3 directors and Dr Shin (as authorized representative on behalf of the other shareholders) is entitled to appoint up to two (2) directors.

5.3. Reserved Matters

A board resolution in connection with a reserved matter will be passed only if such resolution has been approved by one (1) director nominated by the Company and one (1) director nominated by Dr. Shin (on behalf of the other shareholders).

Any resolution proposed to the shareholders in general meeting concerning any reserved matter shall only be passed if such resolution has been approved by the shareholders holding no less than 75% of the total issued share capital of the company at the time such a resolution is required to be passed.

The reserved matters include, *inter alia*, alteration of the constitution or share capital of the company, restructuring or winding-up of the company, disposal and acquisition of material assets, granting of loans outside the ordinary course of business, change in business of the company, entry into joint ventures, remuneration to directors and executives, entry into agreements with conflict parties and approval of annual budget and annual accounts of the company.

5.4. Transfer of Shares

For so long as the Purchaser is a shareholder of the company, the other shareholders shall not, *inter alia*, without the prior written consent of the Purchaser, sell, transfer, mortgage or otherwise deal with their respective shareholding in the company.

5.5. Call Option

The Purchaser may at any time give a written notice to Dr Shin, Dr Yong, Dr Chan, Dr Foo or Dr Cheng and require him/her to sell and transfer any or all the shares held by him/her in ME Centre, TE Centre and Taiping Eye (as the case may be) ("**Call Shares**") to the Purchaser or any of its nominee.

The Call Shares shall be sold free from any encumbrance, with all rights and advantages attaching thereto, and shall be sold at the higher of (a) the auditor's value for the Call Shares, or (b) based on the price per ordinary share for the Call Shares that is computed based on the company's issued shares valued at a multiple of 12.5 times of the profit after tax for the company's then preceding financial year and after adjustments and normalization of the company's accounts, if applicable.

5.6. Non-Competition

Unless with the Purchaser's written consent, Dr Shin, Dr Yong, Dr Chan, Dr Foo or Dr Cheng (as the case may be) shall not, and shall procure that their affiliates shall not, whether alone or jointly with another and whether directly or indirectly, during the period commencing from the date of the SHA until the later of (a) one (1) year after Dr Shin, Dr Yong, Dr Chan, Dr Foo or Dr Cheng (as the case may be) ceases to be a shareholder, or (b) five (5) years from the date of the SHA:

(a) sponsor, promote, carry on, or engage, be employed or be interested directly or indirectly in any business within the respective towns of Manjung/Teluk Intan/Taiping in the State of Perak whereby ME Centre, TE Centre and Taiping Eye (as the case may be) shall principally carry on the business of operating and administering an ophthalmology clinic, and providing medical consultations and services ("**Territory**") which is similar to or competing with the business of the company (other than as a holder of not more than 5% of the issued shares or debentures of any company listed on stock exchange);

(b) carry on for its own account either alone or in partnership or be concerned as a director in any company engaged or about to be engaged in any business within the Territory, which is similar to or competing with the business of the company;

(c) assist with technical advice to any person, firm or company engaged or about to be engaged in any business within the Territory which is similar to or competing with the business of the company; or

(d) solicit in the Territory in competition with the business of the company the custom of any person, firm or company, who, at any time during the period it held any shares in the issued share capital of the company, was an employee or customer of the company.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

6.1. Relative Figures under Rule 1006 of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the SGX-ST

The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable(1)
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits(2)	20.11%(3)
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares in the share capital of the Company (excluding treasury shares)	11.34%(4)
(d)	The aggregate number of Consideration Shares issued by the Company as consideration for the Proposed Transaction, compared with the number of equity securities previously in the issue	3.98%(5)
(e)	Aggregate volume of proved and probable reserves to be disposed of compared with the Group's proved and probable reserves	Not applicable(6)

Notes:

(1) This is not applicable as the Company is not disposing any assets pursuant to the Proposed Transaction.

(2) "Net profit" or "net loss" means profit or loss before income tax, minority interests and extraordinary items.

(3) Computed based on (i) the adjusted and normalised net profits attributable to the Sale Shares of approximately RM4,478,000 (equivalent to S$1,440,000) for the pro-rated corresponding 12 month period ended 31 December 2021 for IE Centre and for the financial year ended 31 December 2021 for Kampar Eye; (ii) the net losses attributable to the Subscription Shares is approximately RM177,000 (equivalent to S$57,000) for the financial year ended 31 December 2021; and (iii) the net profits attributable to the Group of S$6,879,000 based on the Group's latest announced financial statements for the financial year ended 31 December 2021.

(4) Computed based on the sum of the Purchase Consideration of RM56,745,000.03 (equivalent to S$18,245,981.00) and the Subscription Sum of RM1,500,003 (equivalent to S$482,316.00) and the Company's market capitalisation of S$165,104,721 as at 5 April 2022 (being the last market day on which the Shares were traded preceding the date of the SPSA). The market capitalisation of the Company is determined by multiplying the Shares in issue (being 550,349,071 Shares, excluding treasury Shares) by the weighted average price of S$0.300 of such Shares transacted on 5 April 2022 (being the last market day on which the Shares were traded preceding the date of the SPSA), which is higher than the Group's net asset value per Share of S$0.13 at 31 December 2022.

(5) Computed based on the aggregate of 21,881,135 Consideration Shares and the total of 550,349,071 Shares (excluding treasury Shares) in issue as at the date of the SPSA.

(6) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company

As the relative figures computed on the applicable bases as set out in Rule 1006 of the Catalist Rules exceed 5% but is less than 75%, the Proposed Transaction will be classified as a

"Discloseable Transaction" for the purposes of Chapter 10 of the Catalist Rules. In addition, as the Purchase Consideration is partially satisfied in Consideration Shares, the Proposed Transaction is being announced under Rule 1009 of the Catalist Rules.

7. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The unaudited pro forma financial effects of the Proposed Transaction on the Group as set out below are purely for illustrative purposes only and are neither indicative nor do they represent actual financial effects of the Proposed Transaction on the NTA per Share and the earnings per Share ("**EPS**"), nor do they represent the actual future financial position or financial performance of the Group after completion of the Proposed Transaction.

For illustrative purposes only, the unaudited pro forma financial effects set out below have been prepared based on (i) the latest announced consolidated accounts of the Group for the financial year ended 31 December 2021 ("**FY2021**") and (ii) audited financial results of IE Centre for the financial year ended 30 June 2021 and Kampar Eye for the financial year ended 31 December 2021, subject to the following bases and assumptions:

(a) the computations are purely for illustrative purposes only and do not reflect the actual financial result and the financial position of the Company and/or the Group after the Proposed Transaction;

(b) for the purposes of computing the effect of the NTA per Share of the Group, it is assumed that the Proposed Transaction was completed on 31 December 2021;

(c) for the purposes of computing the effect of the Proposed Transaction on the EPS, it is assumed that the Proposed Transaction have been completed on 1 January 2021; and

(d) the transaction costs incurred for the Proposed Transaction are insignificant and ignored for computational purposes.

The pro forma financial effects set out in this announcement are theoretical in nature and are therefore not necessarily reflective of the results of the Group or the related effects on its financial position that would have been attained had the Proposed Transaction taken place in accordance with the main assumptions set out herein.

7.1. Effect on the NTA per Share

Assuming that the Proposed Transaction had been completed on 31 December 2021, the illustrative effect of the Proposed Transaction on the Group's NTA per Share is as follows:

	Before completion of the Proposed Transaction	**After completion of the Proposed Transaction**(1)
NTA(2) (S$)	25,270,000	14,910,901
Number of Shares as at 31 December 2021	550,349,071	572,230,206(3)
NTA per Share (cents)	4.59	2.61

Notes:

(1) Assuming that the Proposed Transaction was completed on 31 December 2021.
(2) NTA is based on the net asset value of the Group less intangible assets and goodwill.
(3) Including the Consideration Shares.

7.2. Effect on the EPS

Assuming that the Proposed Transaction had been completed on 1 January 2021, the illustrative effect of the Proposed Transaction on the Group's EPS is as follows:

	Before completion of the Proposed Transaction	**After completion of the Proposed Transaction**(1)
Profit after tax attributable to the Shareholders of the Company (S$'000)	4,762,000	6,145,098
Weighted average number of Shares	550,324,332	572,205,467(2)
EPS (cents)	0.87	1.07

Notes:

(1) Assuming that the Proposed Transaction was completed on 1 January 2021.
(2) Including the Consideration Shares.

8. FURTHER INFORMATION RELATING TO THE ISSUE OF CONSIDERATION SHARES

8.1. 2021 General Share Issue Mandate

The allotment and issue of the Consideration Shares is pursuant to the authority under the general share issue mandate of the Company granted by the Shareholders at the annual general meeting of the Company held on 21 April 2021 ("**AGM**") pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Catalist Rules ("**General Mandate**").

The General Mandate authorises the Directors to allot and issue not more than 550,299,457 Shares, being 100% of the total number of issued Shares (excluding treasury Shares) as at the date of the AGM, of which the aggregate number of Shares that may be issued other than on a pro-rata basis to existing Shareholders must not be more than 275,149,728 Shares, being 50% of the total number of issued Shares (excluding treasury Shares) as at the date of the AGM.

As announced on 2 July 2021, 49,614 ordinary Shares were previously issued under the General Mandate pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme prior to the date of this announcement and accordingly, as at the date of this announcement, the maximum number of Shares that may be issued other than on a pro-rata basis under the General Mandate is 275,100,144 Shares. Accordingly, the allotment and issue of 21,881,135 Consideration Shares still falls within the limits of the General Mandate and the

Company will not be seeking approval of shareholders of the Company in an extraordinary general meeting for the allotment and issue of the Consideration Shares.

8.2. Additional Listing Application

An application to the SGX-ST will be made by the Company through its sponsor, PrimePartners Corporate Finance Pte. Ltd., for the listing and quotation of the Consideration Shares on the Catalist Board of the SGX-ST. The Company will make the necessary announcement in due course upon receipt of the listing and quotation notice from the SGX-ST.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, none of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction, other than through their respective shareholding interests, direct or indirect, in the Company.

10. SERVICE CONTRACTS

As at the date of this announcement, no person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly, no service contract in relation thereto is proposed to be entered into by the Company.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPSA will be made available for inspection during normal business hours at the registered office of the Company at 101 Thomson Road #09-04 United Square Singapore 307591 for a period of three (3) months from the date of this announcement.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transaction and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 this announcement in its proper form and context.

13. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares as there is no certainty or assurance that the Proposed Transaction will be completed. Shareholders and potential investors are also advised to read this announcement and any further announcements by the Company carefully, and where in doubt as to the action that they should take, they should consult their financial, tax or other professional adviser immediately.

By Order of the Board

Dr. Lee Hung Ming
Executive Vice Chairman
7 April 2022

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

The contact person for the Sponsor is Ms. Gillian Goh at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.