



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

Condensed Interim Financial Statements
For the six months ended 30 June 2022

Index

	Pages
A Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income	3
<hr/>	
B Condensed Interim Statements of Financial Position	7
<hr/>	
C Condensed Interim Consolidated Statements of Cash Flows	9
<hr/>	
D Condensed Interim Statements of Changes in Equity	11
<hr/>	
E Notes to the Condensed Interim Financial Statements	17
<hr/>	
F Other information Required by Appendix 7C of the Catalist Rules	41
<hr/>	

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

	Note	Group			Voluntary Disclosure		
		6 Months Ended			Group		
		30 June 2022 (Unaudited) S\$'000	30 June 2021 (Unaudited) S\$'000	Change %	30 June 2022 (Unaudited) S\$'000	30 June 2021 (Unaudited) S\$'000	Change %
Revenue	4	27,935	19,033	47%	16,148	9,966	62%
Cost of sales		(15,103)	(10,570)	43%	(8,685)	(5,472)	59%
Gross profit		12,832	8,463	52%	7,463	4,494	66%
Other item of income							
Other income		195	366	-47%	85	136	-38%
Other items of expense							
Selling and distribution expenses		(52)	(22)	>100%	(23)	(13)	77%
Administrative expenses		(4,641)	(4,087)	14%	(2,498)	(2,088)	20%
Other expenses		(703)	(405)	74%	(497)	(130)	>100%
Finance costs		(213)	(212)	0%	(116)	(94)	23%
Share of results of associate		(1)	(10)	-90%	*	(2)	-100%
Profit before income tax		7,417	4,093	81%	4,414	2,303	92%
Income tax expense	6	(1,849)	(953)	94%	(1,182)	(518)	>100%
Profit for the financial period		5,568	3,140	77%	3,232	1,785	81%
Other comprehensive income							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation of subsidiaries		(802)	(758)	6%	(627)	(182)	>100%
Other comprehensive income for the financial period, net of tax		(802)	(758)	6%	(627)	(182)	>100%
Total comprehensive income for the financial period		4,766	2,382	100%	2,605	1,603	63%
Profit attributable to:							
Owners of the parent		5,484	3,162	73%	3,180	1,756	81%
Non-controlling interests		84	(22)	NM	52	29	79%
Profit for the financial period		5,568	3,140	77%	3,232	1,785	81%

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

	Note	Group			<i>Voluntary Disclosure</i>		
		6 Months Ended			Group		
		30 June	30 June	Change	30 June	30 June	Change
		2022	2021		2022	2021	
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)			
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total comprehensive income attributable to:							
Owners of the parent		4,681	2,405	95%	2,552	1,574	62%
Non-controlling interests		85	(23)	NM	53	29	83%
Total comprehensive income for the financial period		4,766	2,382	100%	2,605	1,603	63%
Earnings per share							
- basic (in cents)	18	0.99	0.57	74%	0.57	0.32	78%
- diluted (in cents)	18	0.99	0.57	74%	0.57	0.32	78%

NM – Not meaningful

* Less than \$1,000

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

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

	Group			Voluntary Disclosure		
	6 Months Ended			Group		
	30 June	30 June	Change	3 Months Ended		
	2022	2021		30 June	30 June	Change
(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment – cost of sales	338	339	0%	178	166	7%
Depreciation of right-of-use assets – cost of sales	260	240	8%	134	124	8%
Depreciation of property, plant and equipment – administrative expenses	202	183	10%	108	90	20%
Depreciation of right-of-use assets – administrative expenses	589	554	6%	302	274	10%
Amortisation of intangible assets – other expenses	265	281	-6%	132	141	-6%
Amortisation of intangible assets – administrative expenses	6	15	-60%	3	6	-50%
Interest income	(111)	(100)	11%	(49)	(50)	-2%
Interest income – net investment in sublease	(2)	(4)	-50%	(1)	(3)	-67%
Other income – government grants	(57)	(213)	-73%	(19)	(69)	-72%
Other income – rental rebate	(3)	(8)	-63%	-	(3)	-100%
Interest expense – lease liabilities	151	132	14%	81	62	31%
Interest expense – loans	41	52	-21%	20	25	-20%
Loss/(gain) on exchange differences - net	256	121	>100%	185	(12)	NM
Gain on disposal of property, plant and equipment	(2)	-	NM	(2)	-	NM
Property, plant and equipment written-off	4	1	>100%	4	1	>100%

NM – Not meaningful

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

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

	Group			<i>Voluntary Disclosure</i>		
	6 Months Ended			Group		
	30 June	30 June	Change	3 Months Ended		
	2022	2021		30 June	30 June	Change
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Allowance for expected credit losses, net	19	1	>100%	18	2	>100%
Share-based compensation expense	21	41	-49%	8	16	-50%
Loss on disposal of associate	155	-	NM	155	-	NM

NM – Not meaningful

B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		30 June 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000	30 June 2022 (Unaudited) S\$'000	31 December 2021 (Audited) S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	13,717	9,428	7	9
Right-of-use assets	10	10,215	6,382	13	50
Intangible assets - goodwill	11	55,497	41,865	-	-
Intangible assets - others	11	1,346	1,619	-	-
Investment in subsidiaries		-	-	62,328	56,855
Investment in associate		-	156	-	-
Net investment of sublease	10	20	50	-	-
Deposits		202	207	-	-
Deferred tax assets		137	140	7	7
		81,134	59,847	62,355	56,921
Current assets					
Inventories		1,758	1,271	-	-
Trade receivables, net ⁽¹⁾		4,083	2,941	-	-
Other receivables and deposits		671	804	14,531	14,169
Prepayments		282	271	17	28
Net investment of sublease	10	59	58	-	-
Cash and cash equivalents ⁽¹⁾		19,073	22,494	2,133	1,867
		25,926	27,839	16,681	16,064
TOTAL ASSETS		107,060	87,686	79,036	72,985
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	75,524	70,068	75,524	70,068
Treasury share reserve	15	(105)	(105)	(105)	(105)
Other reserves	16	(8,923)	(8,141)	160	139
Retained earnings		10,765	6,932	3,235	2,474
Equity attributable to owners of Company		77,261	68,754	78,814	72,576
Non-controlling interests	12	1,041	553	-	-
TOTAL EQUITY		78,302	69,307	78,814	72,576
LIABILITIES					
Non-current liabilities					
Other payables		1,053	-	-	-
Borrowings	13	2,253	2,244	-	-
Lease liabilities	10	9,166	5,212	-	-
Deferred tax liabilities		256	273	-	-
Provisions		150	153	21	21
		12,878	7,882	21	21

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

	Note	Group		Company	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(Unaudited) S\$'000	(Audited) S\$'000	(Unaudited) S\$'000	(Audited) S\$'000
Current liabilities					
Trade payables		1,936	1,634	-	-
Other payables		4,385	1,546	46	35
Advances and contract liabilities		968	263	-	-
Accrued expenses		846	839	86	193
Payroll payable		3,397	2,760	43	78
Borrowings	13	858	849	-	-
Lease liabilities	10	1,473	1,560	14	55
Current income tax payable		2,007	1,036	12	27
Provisions		10	10	-	-
		<u>15,880</u>	<u>10,497</u>	<u>201</u>	<u>388</u>
TOTAL LIABILITIES		28,758	18,379	222	409
TOTAL EQUITY AND LIABILITIES		107,060	87,686	79,036	72,985

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

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables, net denominated in the following currencies:				
Singapore Dollar	1,210	1,175	-	-
Ringgit Malaysia	2,849	1,750	-	-
Myanmar Kyat	24	16	-	-
	<u>4,083</u>	<u>2,941</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents denominated in the following currencies:				
Singapore Dollar	5,582	4,862	2,133	1,867
Ringgit Malaysia	12,743	17,194	-	-
Myanmar Kyat	675	395	-	-
United States Dollar	73	43	-	-
	<u>19,073</u>	<u>22,494</u>	<u>2,133</u>	<u>1,867</u>

C. Condensed Interim Consolidated Statements of Cash Flows

	Note	Group 6 Months Ended		Voluntary Disclosure Group 3 Months Ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
		(Unaudited) S\$'000	(Unaudited) S\$'000	(Unaudited) S\$'000	(Unaudited) S\$'000
Cash flows from operating activities					
Profit before income tax		7,417	4,093	4,414	2,303
Adjustments for:					
Allowance for expected credit losses, net		19	1	18	2
Amortisation of intangible assets	11	271	296	135	147
Depreciation of property, plant and equipment and right-of-use assets	9,10(a)	1,389	1,316	722	654
Interest income		(113)	(104)	(50)	(53)
Interest expense		213	212	116	94
Gain on disposal of property, plant and equipment		(2)	-	(2)	-
Loss on disposal of associate		155	-	155	-
Other income from rental rebates	10	(3)	(8)	-	(3)
Property, plant and equipment written-off	9	4	1	4	1
Share of results of associate		1	10	*	2
Share-based compensation expense		21	41	8	16
Operating cash flows before working capital changes		9,372	5,858	5,520	3,163
Working capital changes:					
- Inventories		(311)	6	(19)	(86)
- Trade and other receivables		(18)	(493)	(160)	(211)
- Prepayments		(23)	19	(78)	(1)
- Trade and other payables		411	(117)	955	570
Cash generated from operations		9,431	5,273	6,218	3,435
Income tax paid		(1,060)	(1,114)	(701)	(552)
Net cash generated from operating activities		8,371	4,159	5,517	2,883

* Less than \$1,000

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

	Group		Voluntary Disclosure	
	6 Months Ended		Group	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
Note	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Payment to vendors ⁽¹⁾	(577)	(1,765)	-	-
Purchase of property, plant and equipment	9	(2,223)	(1,554)	(138)
Proceeds from disposal of property, plant and equipment		3	3	-
Purchase of intangible assets	11	-	-	(5)
Acquisition of subsidiaries, net of cash acquired		(5,534)	(5,534)	-
Interest received		111	49	50
Net cash used in investing activities		(8,220)	(7,036)	(93)
Cash flows from financing activities				
Dividends paid		(1,651)	(1,651)	(4,402)
Share issue expenses	14	(16)	(16)	-
Principal element of lease liabilities	10(e)	(868)	(483)	(382)
Interest paid – lease liabilities	10(e)	(149)	(80)	(50)
Repayment of bank loan		(418)	(208)	(210)
Interest paid – loan		(42)	(21)	(27)
Net cash used in financing activities		(3,144)	(2,459)	(5,071)
Net decrease in cash and cash equivalents		(2,993)	(3,978)	(2,281)
Cash and cash equivalents at beginning of financial period		22,494	23,378	22,688
Effects of exchange rate changes on cash and cash equivalents		(428)	(327)	(6)
Cash and cash equivalents at end of financial period		19,073	19,073	20,401

- (1) The Group acquired Indah Specialist Eye Centre Sdn. Bhd. ("Indah Specialist") on 27 February 2020. In the financial period ended 31 March 2021 ("1Q2021"), 30% of the total cash consideration, amounting to RM5,379,840 (equivalent to S\$1,765,000) was paid to the vendors as partial settlement of the total cash consideration. The remaining 10% balance of the total cash consideration of RM1,793,280 (or S\$577,000) was paid to the vendors in the financial period ended 31 March 2022 ("1Q2022"). As at the date of this announcement, the consideration has been fully settled.

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

D. Condensed Interim Statements of Changes in Equity

Group (Unaudited)	Attributable to owners of the company										
		Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share option reserve	Retained earnings	Equity attributable to owners of the company	Non-controlling interests	Total equity
	Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2022		70,068	(105)	(245)	(3,572)	(4,463)	139	6,932	68,754	553	69,307
Profit for the financial period		-	-	-	-	-	-	2,304	2,304	32	2,336
Other comprehensive income											
Foreign currency translation		-	-	(175)	-	-	-	-	(175)	*	(175)
Total comprehensive income for the financial period		-	-	(175)	-	-	-	2,304	2,129	32	2,161
Transaction with owners of the Company											
Share-based compensation expense ⁽¹⁾		-	-	-	-	-	13	-	13	-	13
Total transaction with owners of the Company		-	-	-	-	-	13	-	13	-	13
At 31 March 2022		70,068	(105)	(420)	(3,572)	(4,463)	152	9,236	70,896	585	71,481

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020.

* Less than \$1,000

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

Group (Unaudited)	Attributable to owners of the company									Total equity S\$'000
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share option 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	S\$'000	S\$'000	
At 1 April 2022	70,068	(105)	(420)	(3,572)	(4,463)	152	9,236	70,896	585	71,481
Profit for the financial period	-	-	-	-	-	-	3,180	3,180	52	3,232
Other comprehensive income										
Foreign currency translation	-	-	(628)	-	-	-	-	(628)	1	(627)
Total comprehensive income for the financial period	-	-	(628)	-	-	-	3,180	2,552	53	2,605
Transactions with owners of the Company										
Issuance of ordinary shares ⁽¹⁾	14	5,472	-	-	-	-	-	5,472	-	5,472
Share issue expenses	14	(16)	-	-	-	-	-	(16)	-	(16)
Dividends	19	-	-	-	-	-	(1,651)	(1,651)	-	(1,651)
Share-based compensation expense ⁽²⁾		-	-	-	-	8	-	8	-	8
Total transactions with owners of the Company		5,456	-	-	-	8	(1,651)	3,813	-	3,813
Transactions with non-controlling interests										
Arising from acquisition ⁽³⁾		-	-	-	-	-	-	-	403	403
Total transactions with non-controlling interests		-	-	-	-	-	-	-	403	403
At 30 June 2022		75,524	(105)	(1,048)	(3,572)	(4,463)	160	10,766	1,041	78,302

(1) On 26 May 2022, the Company, through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), completed the acquisition of IE Centre Sdn. Bhd. ("IE Centre") and Kampar Eye Sdn. Bhd. ("Kampar Eye"), by way of the allotment and issuance of 21,881,135 consideration shares, equivalent to fair value consideration of S\$5,472,000 to the Vendors.

(2) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020.

(3) On 26 May 2022, the Company, through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), completed the acquisition of 50% plus 1 ordinary share each of ME Centre Sdn Bhd ("ME Centre"), TE Centre Sdn Bhd ("TE Centre") and Taiping Eye Sdn Bhd ("Taiping Eye") respectively, by way of subscription of 500,001 new ordinary shares in each of the respective entities at an offer price of approximately \$0.315 (RM1.00) per share, with total net identifiable assets at fair value of S\$807,000 (RM2,555,000).

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

Group (Unaudited)	Note	Attributable to owners of the company								Non- controlling interests	Total equity
		Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share option reserve	Retained earnings	Equity attributable to owners of the company		
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2021		70,054	(105)	567	(3,572)	(4,463)	71	8,557	71,109	580	71,689
Profit for the financial period		-	-	-	-	-	-	1,406	1,406	(51)	1,355
Other comprehensive income											
Foreign currency translation		-	-	(575)	-	-	-	-	(575)	(1)	(576)
Total comprehensive income for the financial period		-	-	(575)	-	-	-	1,406	831	(52)	779
Transaction with owners of the Company											
Share-based compensation expense ⁽¹⁾		-	-	-	-	-	25	-	25	-	25
Total transaction with owners of the Company		-	-	-	-	-	25	-	25	-	25
At 31 March 2021		70,054	(105)	(8)	(3,572)	(4,463)	96	9,963	71,965	528	72,493

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020.

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

Group (Unaudited)	Attributable to owners of the company									Non- controlling interests	Total equity
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share option reserve	Retained earnings	Equity attributable to owners of the company			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
At 1 April 2021	70,054	(105)	(8)	(3,572)	(4,463)	96	9,963	71,965	528	72,493	
Profit for the financial period	-	-	-	-	-	-	1,756	1,756	29	1,785	
Other comprehensive income											
Foreign currency translation	-	-	(182)	-	-	-	-	(182)	-	(182)	
Total comprehensive income for the financial period	-	-	(182)	-	-	-	1,756	1,574	29	1,603	
Transactions with owners of the Company											
Dividends	-	-	-	-	-	-	(4,402)	(4,402)	-	(4,402)	
Share-based compensation expense ⁽¹⁾	-	-	-	-	-	16	-	16	-	16	
Total transactions with owners of the Company	-	-	-	-	-	16	(4,402)	(4,386)	-	(4,386)	
At 30 June 2021	70,054	(105)	(190)	(3,572)	(4,463)	112	7,317	69,153	557	69,710	

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020.

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

	Note	Share capital S\$'000	Treasury share reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Company (Unaudited)						
At 1 January 2022		70,068	(105)	139	2,474	72,576
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	303	303
Transaction with owners of the Company						
Share-based compensation expense ⁽¹⁾		-	-	13	-	13
Total transaction with owners of the Company		-	-	13	-	13
At 31 March 2022		70,068	(105)	152	2,777	72,892
At 1 April 2022		70,068	(105)	152	2,777	72,892
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	2,109	2,109
Transactions with owners of the Company						
Issuance of ordinary shares ⁽²⁾	14	5,472	-	-	-	5,472
Share issue expenses	14	(16)	-	-	-	(16)
Dividends	19	-	-	-	(1,651)	(1,651)
Share-based compensation expense ⁽¹⁾		-	-	8	-	8
Total transactions with owners of the Company		5,456	-	8	(1,651)	3,813
At 30 June 2022		75,524	(105)	160	3,235	78,814

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020.

(2) On 26 May 2022, the Company, through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), completed the acquisition of IE Centre Sdn. Bhd. ("IE Centre") and Kampar Eye Sdn. Bhd. ("Kampar Eye"), by way of the allotment and issuance of 21,881,135 consideration shares, equivalent to fair value consideration of S\$5,472,000 to the Vendors.

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

	Note	Share capital S\$'000	Treasury share reserve S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Company (Unaudited)						
At 1 January 2021		70,054	(105)	71	5,033	75,053
Loss for the financial period, representing total comprehensive income for the financial period		-	-	-	(279)	(279)
Transaction with owners of the Company						
Share-based compensation expense ⁽¹⁾		-	-	25	-	25
Total transaction with owners of the Company		-	-	25	-	25
At 31 March 2021		70,054	(105)	96	4,754	74,799
At 1 April 2021		70,054	(105)	96	4,754	74,799
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	1,448	1,448
Transactions with owners of the Company						
Dividends	19	-	-	-	(4,402)	(4,402)
Share-based compensation expense ⁽¹⁾		-	-	16	-	16
Total transactions with owners of the Company		-	-	16	(4,402)	(4,386)
At 30 June 2021		70,054	(105)	112	1,800	71,861

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020.

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

ISEC Healthcare Ltd. (the “Company”) is a public limited company, incorporated and domiciled in Singapore with its registered office address and principal place of business at 101 Thomson Road #09-04 United Square Singapore 307591. The Company’s registration number is 201400185H. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX”).

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

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

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

2. Basis of preparation

The condensed interim financial statements for the six-month period ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information and disclosures required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

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

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

2.1. New and amended standards adopted by the Group

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

The following amendments to Standards became effective for the Group on 1 January 2022:

- Amendments to SFRS(I) 16: *Covid-19 – Related Rent Concessions* beyond 30 June 2021
- Amendments to SFRS(I) 3: *Business Combinations*: Reference to the Conceptual Framework;
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*;
- Amendments to SFRS(I) 1-37: *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Costs of Fulfilling a Contract; and
- Annual Improvements to SFRS(I) 2018-2020.

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates

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

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

The acquisition of subsidiaries was accounted for using the acquisition method involving a purchase price allocation ("PPA") exercise. Significant judgements and estimates are made by the Management in the PPA exercise on the identification of intangible assets, ascertaining the fair values of the acquired assets and liabilities as well as the new shares issued as part of the purchase consideration.

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

Note 11 – Goodwill impairment assessment

Note 17 – Acquisition of subsidiaries

3. Seasonal operations

In view of the COVID-19 situation, there has been gradual resumption of travel, business and lifestyle activities globally, translating to an increase in overall revenue across all geographical segments of our Group's operations.

Save for the above, the Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Disaggregation of revenue

	For six-month period ended 30 June					
	General health services		Specialised health services		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Types of goods or services</u>						
Consultation, medication and procedures	2,228	1,810	25,707	17,223	27,935	19,033
<u>Timing of transfer of goods or services</u>						
At a point in time	2,204	1,785	25,707	17,223	27,911	19,008
Over time	24	25	–	–	24	25
	2,228	1,810	25,707	17,223	27,935	19,033

(a) Contract liabilities

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

	30 June	31 December
	2022	2021
	\$'000	\$'000
Contract liabilities, included in advances and contract liabilities	68	42

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

Changes in contract liabilities are highlighted as follows:

	For six-month period ended 30 June	
	2022	2021
	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	10	12

4. Revenue recognition (cont'd)

(b) Transaction price allocated to remaining performance obligation

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

5. Segment information

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

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

The Group has two reportable segments as described below.

Business segments information

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

	Group	
	For six-month period ended 30	
	June	
	2022	2021
	\$'000	\$'000
Segment revenue		
Specialised health services	25,707	17,223
General health services	2,228	1,810
	27,935	19,033
Segment profit after tax		
Specialised health services	5,112	2,729
General health services	456	411
	5,568	3,140

5. Segment information (cont'd)

	Group	
	For six-month period ended 30	
	June	
	2022	2021
	\$'000	\$'000
Impairment loss for goodwill		
Specialised health services	-	-
General health services	-	-
	-	-
Depreciation of property, plant and equipment and right-of-use assets		
Specialised health services	1,257	1,184
General health services	132	132
	1,389	1,316

	Group	
	30 June	31 December
	2022	2021
	\$'000	\$'000
Additions to property, plant and equipment		
Specialised health services	2,180	723
General health services	2	4
	2,182	727

Geographical information

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

	Group	
	For six-month period ended 30	
	June	
	2022	2021
	\$'000	\$'000
Segment revenue		
Singapore	5,325	4,554
Malaysia	21,741	14,053
Myanmar	869	426
	27,935	19,033

5. Segment information (cont'd)*Geographical information (cont'd)*

	Group	
	For six-month period ended 30	
	June	
	2022	2021
	\$'000	\$'000
Segment profit/(loss) after tax		
Singapore	717	725
Malaysia	4,661	2,423
Myanmar	190	(8)
	5,568	3,140
Impairment loss for goodwill		
Singapore	-	-
Malaysia	-	-
Myanmar	-	-
	-	-
Depreciation of property, plant and equipment and right-of-use assets		
Singapore	174	187
Malaysia	1,105	966
Myanmar	110	163
	1,389	1,316
	1,389	1,316
	30 June	31 December
	2022	2021
	\$'000	\$'000
Additions to property, plant and equipment		
Singapore	2	4
Malaysia	2,175	702
Myanmar	5	21
	2,182	727
	2,182	727

Major customers

Revenue is mainly derived from the walk-in patients who are the general public. Due to the diverse base of customers to which the Group renders services, the Group is generally not reliant on any customer for its sales and no one single customer accounted for 5% or more of the Group's total revenue except for 1 (30 June 2021: 2) corporate customer, which in total had contributed to 9% and 16% of the Group's total revenue for the financial period ended 30 June 2022 and 30 June 2021 respectively.

6. Taxation

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

	Group	
	For six-month period ended 30 June	
	2022	2021
	\$'000	\$'000
Current income tax expense	1,898	1,001
Deferred income tax expense relating to origination and reversal of temporary differences	(49)	(48)
	1,849	953
	1,849	953

7. Net Asset Value

	Group		Company	
	30 June	31	30 June	31
	2022	December	2022	December
	(Unaudited)	2021	(Unaudited)	2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value attributable to owners of the Company (S\$'000)	77,261	68,754	78,814	72,576
Number of ordinary shares in issue (excluding treasury shares)	572,230,206	550,349,071	572,230,206	550,349,071
Net asset value per ordinary share (S\$)	0.14	0.12	0.14	0.13

8. Fair value of assets and liabilities

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

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

9. Property, plant and equipment

Group	Computer equipment \$'000	Electrical equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000	Office equipment, furniture and fittings \$'000	Renovation \$'000	Assets under construction \$'000	Freehold Land and Building \$'000	Total \$'000
Cost									
At 1 January 2021	617	584	56	7,404	692	2,308	908	5,363	17,932
Additions	15	–	–	156	21	123	412	–	727 ⁽¹⁾
Disposals	–	–	–	–	(5)	–	–	–	(5)
Written-off	(12)	–	–	(196)	(21)	(6)	–	–	(235)
Reclassification	–	(9)	–	–	9	7	(7)	–	–
Currency translation differences	(26)	(10)	(1)	(345)	(40)	(86)	(13)	(92)	(613)
At 31 December 2021 and 1 January 2022	594	565	55	7,019	656	2,346	1,300	5,271	17,806
Acquisition of subsidiaries	23	91	7	690	284	344	778	662	2,879
Additions	202	–	–	198	17	–	1,765	–	2,182 ⁽¹⁾
Disposals	(13)	–	–	–	–	–	–	–	(13)
Written-off	–	–	–	(9)	–	–	*	–	(9)
Reclassification	–	–	–	–	–	1	(1)	–	–
Currency translation differences	(15)	(13)	(1)	(159)	(16)	(50)	(45)	(126)	(425)
At 30 June 2022	791	643	61	7,739	941	2,641	3,797	5,807	22,420

⁽¹⁾ During the financial period ended 30 June 2022, S\$194,000 (FY2021: S\$235,000) of the property, plant and equipment purchased remained unpaid and was included in other payables in the financial statements.

* Less than \$1,000

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

Group	Computer equipment \$'000	Electrical equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000	Office equipment, furniture and fittings \$'000	Renovation \$'000	Assets under construction \$'000	Freehold Land and Building \$'000	Total \$'000
Accumulated depreciation									
At 1 January 2021	460	445	34	4,782	437	1,633	–	–	7,791
Depreciation charge for the year	57	48	11	640	112	186	–	–	1,054
Disposals	–	–	–	–	(5)	–	–	–	(5)
Written-off	(12)	–	–	(194)	(20)	(6)	–	–	(232)
Reclassification	–	(4)	–	–	4	–	–	–	–
Currency translation differences	(13)	(8)	*	(142)	(18)	(49)	–	–	(230)
At 31 December 2021 and 1 January 2022	492	481	45	5,086	510	1,764	–	–	8,378
Depreciation charge for the period	36	26	6	338	42	92	–	–	540
Disposals	(12)	–	–	–	–	–	–	–	(12)
Written-off	–	–	–	(5)	–	–	–	–	(5)
Currency translation differences	(11)	(11)	–	(122)	(14)	(40)	–	–	(198)
At 30 June 2022	505	496	51	5,297	538	1,816	–	–	8,703
Carrying amount									
At 31 December 2021	102	84	10	1,933	146	582	1,300	5,271	9,428
At 30 June 2022	286	147	10	2,442	403	825	3,797	5,807	13,717

Assets under construction

Included in the Group's property, plant and equipment of S\$3,797,000 (FY2021: S\$1,300,000) as at 30 June 2022 mainly relates to the acquisition of land and building, and expenditures on renovation of clinics in Malaysia.

* Less than \$1,000

10. Leases**As lessee**

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

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

(a) Right-of-use assets

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

	Clinic/office premises	Motor vehicle	Medical equipment	Total
	\$'000	\$'000	\$'000	\$'000
Group				
At 1 January 2021	3,816	21	917	4,754
Additions	673	–	72	745
Lease modification	2,395	–	238	2,633
Depreciation charge for the year	(1,114)	(5)	(492)	(1,611)
Currency translation differences	(120)	(4)	(15)	(139)
	<hr/>			
At 31 December 2021 and 1 January 2022	5,650	12	720	6,382
Acquisition of subsidiaries	3,659	–	639	4,298
Additions	311	–	196	507
Lease modification	1	–	–	1
Depreciation charge for the period	(586)	(3)	(260)	(849)
Currency translation differences	(112)	*	(12)	(124)
	<hr/>			
At 30 June 2022	8,923	9	1,283	10,215
	<hr/>			

Lease modification relates to a price revision in the existing lease of one of the clinic premises.

* Less than \$1,000

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

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

	Group	
	30 June 2022	31 December 2021
	\$'000	\$'000
Beginning of interim period / financial year	6,772	5,256
Acquisition of subsidiaries	4,390	–
Additions	507	745
Lease modification	1	2,633
Interest expense	151	259
Payments, net	(1,048)	(1,893)
Rental rebate	(3)	(79)
Currency translation differences	(131)	(149)
End of interim period / financial year	10,639	6,772
Current	1,473	1,560
Non-current	9,166	5,212

Lease modification relates to a price revision in the existing lease of one of the clinic premises.

(c) Net investment in sublease

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

	Group	
	30 June 2022	31 December 2021
	\$'000	\$'000
Beginning of interim period / financial year	108	165
Accretion of interest income	2	5
Receipts, net	(31)	(57)
Rental rebate	–	(5)
End of interim period / financial year	79	108
Current	59	58
Non-current	20	50

10. Leases (cont'd)

As lessee (cont'd)

(d) Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

	Group	
	30 June 2022	30 June 2021
	\$'000	\$'000
Depreciation of right-of-use assets	849	794
Interest expense on lease liabilities	151	132
Interest income on sublease	(2)	(4)
Rental rebates	(3)	(8)
Lease expenses not capitalised in lease liabilities		
- Expenses relating to leases of short-term leases (included in cost of sales)	1	-
- Expenses relating to leases of low-value leases (included in administrative expenses)	6	5
	<hr/>	<hr/>
Total amount recognised in profit or loss	1,002	919
	<hr/>	<hr/>

(e) Total cash outflow

The Group had total cash outflows for leases (including short-term and low-value leases) of \$1,024,000 as at 30 June 2022 (30 June 2021: \$953,000), net of receipts from sublease and rental rebates.

(f) Extension options

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

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

11. Intangible assets

Group	Computer software \$'000	Software under development \$'000	Goodwill \$'000	Contractual relationship \$'000	Customer relationships \$'000	Total \$'000
Cost						
As at 1 January 2021	551	110	42,252	5,300	155	48,368
Additions	*	42	–	–	–	42
Currency translation differences	(14)	(3)	(387)	–	–	(404)
At 31 December 2021 and 1 January 2022	537	149	41,865	5,300	155	48,006
Acquisition of subsidiaries	4	–	14,131	–	–	14,135
Currency translation differences	(14)	(4)	(499)	–	–	(517)
At 30 June 2022	527	145	55,497	5,300	155	61,624

* Less than \$1,000

11. Intangible assets (cont'd)

Group	Computer software \$'000	Software under development \$'000	Goodwill \$'000	Contractual relationship \$'000	Customer relationships \$'000	Total \$'000
Accumulated amortisation						
At 1 January 2021	509	–	–	3,313	123	3,945
Amortisation for the year	23	–	–	530	32	585
Currency translation differences	(8)	–	–	–	–	(8)
At 31 December 2021 and 1 January 2022	524	–	–	3,843	155	4,522
Amortisation for the period	6	–	–	265	–	271
Currency translation differences	(12)	–	–	–	–	(12)
At 30 June 2022	518	–	–	4,108	155	4,781
Carrying amount						
At 31 December 2021	13	149	41,865	1,457	–	43,484
At 30 June 2022	9	145	55,497	1,192	–	56,843

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

11. Intangible assets (cont'd)*Goodwill impairment assessment*

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

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

	30 June 2022	31 December 2021
	\$'000	\$'000
Goodwill		
ISEC Eye Pte. Ltd. ("ISEC Eye")	7,970	7,970
Southern Specialist Eye Centre Sdn. Bhd. ("SSEC")	11,858	12,151
JL Medical (Bukit Batok) Pte. Ltd. ("JLMBB")	3,939	3,939
JL Medical (Sembawang) Pte. Ltd. ("JLMS")	2,980	2,980
JL Medical (Woodlands) Pte. Ltd. ("JLMW")	3,509	3,509
JL Medical (Yew Tee) Pte. Ltd. ("JLMYT")	1,474	1,474
Indah Specialist Eye Centre Sdn. Bhd. ("Indah Specialist")	9,605	9,842
IE Centre Sdn. Bhd. ("IE Centre")	12,069	–
Kampar Eye Sdn. Bhd. ("Kampar Eye")	2,023	–
TE Centre Sdn Bhd ("TE Centre")	17	–
ME Centre Sdn Bhd ("ME Centre")	37	–
Taiping Eye Sdn Bhd ("Taiping Eye")	16	–
	55,497	41,865
	55,497	41,865

The Group has assessed that there is no further impairment to the carrying amount of goodwill as at 30 June 2022 based on the CGU's business performance. The Group performed its most recent impairment assessment in December 2021. The key assumptions used to determine the recoverable amounts for the CGUs were disclosed in the 2021 Annual Report.

12. Non-controlling interests (“NCI”)

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

	ISEC Myanmar	
	30 June 2022	31 December 2021
Proportion of ownership interest held by non-controlling interest (%)	49	49
Profit after taxation allocated to NCI during the reporting period (\$'000)	93	26
Accumulated NCI at the end of reporting period (\$'000)	647	554

(a) Summarised financial information about subsidiary with material NCI

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

Summarised statement of financial position

	ISEC Myanmar	
	30 June 2022 \$'000	31 December 2021 \$'000
Non-current assets	626	740
Current assets	930	584
Non-current liabilities	–	(43)
Current liabilities	(415)	(316)
Net assets	1,141	965

Summarised statement of comprehensive income

	ISEC Myanmar 6 Months Ended	
	30 June 2022 \$'000	30 June 2021 \$'000
Revenue	869	426
Profit/(loss) for the financial period, representing total comprehensive income	190	(8)

12. Non-controlling interests (“NCI”) (cont’d)**(a) Summarised financial information about subsidiary with material NCI (cont’d)*****Other summarised information***

	ISEC Myanmar 6 Months Ended	
	30 June 2022	30 June 2021
	\$'000	\$'000
Net cash generated from operating activities	359	197
Net cash generated from/(used in) investing activities	1	(17)
Net cash used in financing activities	(44)	(89)
Net change in cash and cash equivalents	316	91

13. Borrowings

	Group	
	30 June 2022	31 December 2021
	\$'000	\$'000
Current	858	849
Non-current	2,253	2,244

The Group's borrowings of S\$3.111 million (FY2021: \$3.093 million) comprised of two loans.

On 6 August 2020, ISEC (Penang) Sdn. Bhd., a wholly owned indirect subsidiary of the Company, entered into a 5-year term bank loan of RM13,000,000 (equivalent S\$4,254,000) with OCBC Bank (Malaysia) Berhad to partially finance the acquisition of freehold land and building. The loan is repayable monthly over 5-year term. The loan bears a floating interest rate of the bank's cost of funds + 0.5% margin per annum. The interest rate for the current financial period ended 30 June 2022 was 3.10% (FY2021: 2.85%). The borrowing balance as at 30 June 2022 was S\$2,608,000 (FY2021: S\$3,093,000). The loan is secured by the freehold land and building for which the loan was entered into, and the subsidiary is required to maintain certain deposits balance with the bank.

On 26 May 2022, the Group completed its acquisition of ME Centre Sdn Bhd (“ME Centre”) (Note 17) which includes an existing 15-year bank loan of RM1,709,160 (equivalent to S\$539,000) entered into on 29 January 2021 with Public Bank Berhad to partially finance the acquisition of building. The loan is repayable monthly over the 15-year term. The loan bears a floating interest rate of the bank's base lending rate - 2.57% margin per annum for the first year and bank's base lending rate - 2.30% margin per annum from the second year onwards. The interest rate for the current financial period ended 30 June 2022 was 3.42%. The borrowing balance as at 30 June 2022 was S\$503,000. The loan is secured by the building for which the loan was entered into.

14. Share capital

	Group and Company			
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Number of ordinary shares		\$'000	
Issued and fully paid:				
At 1 January	550,735,471	550,685,857	70,068	70,054
Issuance of consideration shares for the acquisition of 100% equity interest in IE Centre and Kampar Eye on 26 May 2022	21,881,135	–	5,472	–
Issuance of ordinary shares from the exercise of options granted under Share Option Scheme on 2 July 2021	–	49,614	–	14
Less: Share issue expenses	–	–	(16)	–
End of interim period / financial year	<u>572,616,606</u>	<u>550,735,471</u>	<u>75,524</u>	<u>70,068</u>
	As at 30 June 2022		As at 31 December 2021	
Total number of issued shares (excluding treasury shares)	<u>572,230,206</u>		<u>550,349,071</u>	

The shareholders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction. As at 30 June 2022, the number of ordinary shares in issue was 572,616,606 of which 386,400 were held by the Company as treasury shares. There were 386,400 treasury shares as at 31 December 2021.

15. Treasury share reserve

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

	Group and Company	
	Number of ordinary shares	\$'000
Issued and fully paid:		
At 31 December 2021 and 30 June 2022	386,400	(105)

There were 386,400 treasury shares representing 0.067% of the Company's 572,230,206 ordinary shares (excluding treasury shares) as at 30 June 2022 and representing 0.070% of the Company's 550,299,457 ordinary shares (excluding treasury shares) as at 31 December 2021.

16. Other reserves

Group	30 June 2022 \$'000	31 December 2021 \$'000
Foreign currency translation reserve	(1,048)	(245)
Merger reserve	(3,572)	(3,572)
Capital reserve	(4,463)	(4,463)
Share option reserve	160	139
	(8,923)	(8,141)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and is non-distributable.

Movement in the foreign currency translation reserve is set out in the condensed interim consolidated statement of changes in equity.

Merger reserve

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

Capital reserve

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

Share option reserve

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

Subsidiary Holdings

There were no subsidiary holdings as at 30 June 2022 and 31 December 2021.

17. Acquisition of subsidiaries

On 26 May 2022, the Company completed the acquisition of IE Centre Sdn. Bhd. (“IE Centre”), Kampar Eye Sdn. Bhd. (“Kampar Eye”), TE Centre Sdn Bhd (“TE Centre”), ME Centre Sdn Bhd (“ME Centre”) and Taiping Eye Sdn Bhd (“Taiping Eye”), through its wholly-owned subsidiary, ISEC Sdn. Bhd., from external parties (or the “Vendors”).

The entire issued and paid-up share capital of IE Centre and Kampar Eye was acquired by way of allotment of 21,881,135 new ordinary shares to the Vendors, equivalent to fair value consideration of S\$5,472,000 and cash consideration of S\$11,158,000. 80% of the consideration shares are subjected to a moratorium of up to a period of 60 months from the date of completion of acquisition. 30% of the cash consideration is payable in 12 months and 10% is payable in 24 months from date of completion of acquisition.

A total of 1,500,003 issued and paid-up share capital (comprising 50.0% plus 1 ordinary share of each entity) of TE Centre, ME Centre and Taiping Eye was acquired by way of a total cash consideration of RM1,500,003 (equivalent to S\$474,000).

The Group acquired the subsidiaries above, as a whole, as they are expected to provide the Group with growing stream of recurring revenue and cash flow in the territory of Perak where the demand for specialised and quality medical eye services is expected to increase. Please refer to the announcement dated 7 April 2022 for more information.

Assets and liabilities recognised as a result of the acquisition

The fair value of material assets acquired has been determined provisionally pending completion of an independent valuation. If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts or any additional provisions existed at the date of acquisition, then the accounting for the acquisition will be revised.

The provisional fair value of the identifiable assets of the acquired subsidiaries as at the acquisition date were:

	Fair value recognised on acquisition					Total \$'000
	IE Centre \$'000	Kampar Eye \$'000	TE Centre \$'000	ME Centre \$'000	Taiping Eye \$'000	
Property, plant and equipment	1,097	342	443	702	295	2,879
Right-of-use assets	3,200	1,098	–	–	–	4,298
Intangible assets	1	1	–	–	–	2
Trade receivables	800	80	–	–	–	880
Deposits, prepayments and other receivables	50	17	3	–	88	158
Inventories	133	71	–	–	–	204
Cash and cash equivalents	605	189	194	157	159	1,304
	<u>5,886</u>	<u>1,798</u>	<u>640</u>	<u>859</u>	<u>542</u>	<u>9,725</u>
Trade and other payables	(497)	(77)	(359)	(111)	(259)	(1,303)
Borrowings	–	–	–	(505)	–	(505)
Lease liabilities	(3,251)	(1,110)	–	–	–	(4,361)
Deferred tax liabilities	(18)	(14)	–	–	–	(32)
Current income tax payable	(134)	(14)	–	–	–	(148)
	<u>(3,900)</u>	<u>(1,215)</u>	<u>(359)</u>	<u>(616)</u>	<u>(259)</u>	<u>(6,349)</u>
Total identifiable net assets	1,986	583	281	243	283	3,376
Less: Non-controlling interest measured at the non-controlling interest's proportionate share	–	–	(141)	(121)	(141)	(403)
Add: Goodwill arising from acquisition	12,044	2,017	18	36	16	14,131
Total consideration transferred	<u>14,030</u>	<u>2,600</u>	<u>158</u>	<u>158</u>	<u>158</u>	<u>17,104</u>

17. Acquisition of subsidiaries (cont'd)Assets and liabilities recognised as a result of the acquisition (cont'd)

The fair value of the identifiable assets of the acquired subsidiaries as at the acquisition date were:

	Fair value recognised on acquisition					Total \$'000
	IE Centre \$'000	Kampar Eye \$'000	TE Centre \$'000	ME Centre \$'000	Taiping Eye \$'000	
<u>Consideration transferred for the acquisition</u>						
Cash paid	5,771	1,067	158	158	158	7,312
Equity instrument issued (21,881,135 ordinary shares of the company)	4,615	857	–	–	–	5,472
Deferred cash settlement	3,644	676	–	–	–	4,320
Total consideration transferred	<u>14,030</u>	<u>2,600</u>	<u>158</u>	<u>158</u>	<u>158</u>	<u>17,104</u>

Effect of the acquisition of subsidiaries on cash flows

Total consideration for equity interest acquired	14,030	2,600	158	158	158	17,104
Less: cash transferred to subsidiaries for the acquisition of new ordinary shares	–	–	(158)	(158)	(158)	(474)
Less: non-cash consideration	(4,615)	(857)	–	–	–	(5,472)
Less: deferred cash settlement	(3,644)	(676)	–	–	–	(4,320)
Consideration settled in cash	<u>5,771</u>	<u>1,067</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>6,838</u>
Less: cash and cash equivalents of subsidiaries acquired	<u>(605)</u>	<u>(189)</u>	<u>(194)</u>	<u>(157)</u>	<u>(159)</u>	<u>(1,304)</u>
Net cash outflow/(inflow) on acquisition	<u>5,166</u>	<u>878</u>	<u>(194)</u>	<u>(157)</u>	<u>(159)</u>	<u>5,534</u>

Goodwill arising from acquisition

The goodwill of \$14,131,000 comprises the value of strengthening the Group's market position in Malaysia and the synergies expected to arise from integrating the acquired subsidiaries into the Group's existing Specialised Health business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Transaction costs

Transaction costs related to the acquisition amounting to S\$80,000 (RM254,000) and S\$54,000 (RM164,000) for the respective 6 months financial period ended 30 June 2022 and financial year ended 31 December 2021 had been recognised in "Administrative expenses" line item in the Group's profit or loss.

Acquired receivables

The fair value of trade and other receivables is S\$1,038,000 and includes trade receivables with a fair value of S\$880,000. The gross contractual amount for trade receivables due is S\$880,000.

17. Acquisition of subsidiaries (cont'd)

Impact of acquisition on profit or loss

For the period 26 May 2022 to 30 June 2022, the acquired subsidiaries contributed revenue of S\$1,068,000 and profit of S\$360,000 to the Group's results. If the business combination had taken place at the beginning of the year, the Group's consolidated revenue and consolidated profit after tax for the 6 months period ended 30 June 2022 would have been S\$4,631,000 and S\$1,270,000 respectively.

	IE Centre \$'000	Kampar Eye \$'000	TE Centre \$'000	ME Centre \$'000	Taipung Eye \$'000	Total \$'000
Revenue	887	181	–	–	–	1,068
Profit/(loss) after tax	312	50	–	(2)	–	360

18. Earnings per share

	Group		Voluntary Disclosure Group	
	6 months ended 30 June 2022	30 June 2021	3 months ended 30 June 2022	30 June 2021
Earnings per share ("EPS")				
Profit attributable to owners of the parent (S\$'000)	5,484	3,162	3,180	1,756
Weighted average number of ordinary shares in issue (excluding treasury shares)	554,701,120	550,299,457	559,005,344	550,299,457
Basic (Singapore cents)	0.99	0.57	0.57	0.32
Adjusted weighted average number of ordinary shares in issue (excluding treasury shares) ⁽¹⁾	554,830,247	550,341,392	559,134,471	550,341,392
Fully diluted basis (Singapore cents)	0.99	0.57	0.57	0.32

(1) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020.

19. Dividends

	Group and Company	
	30 June	31 December
	2022	2021
	\$'000	\$'000
<i>Dividends on ordinary shares:</i>		
- Final tax-exempt dividend for 2021: 0.30 cents (2020: 0.80 cents) per share	1,651	4,402
- First interim tax-exempt dividend for 2022: nil (2021: 0.75 cents) per share	–	4,128
	1,651	8,530
Proposed but not recognised as a liability as at 31 December:		
- Final tax-exempt dividends on ordinary shares for 2021 of 0.30 cents per share, subject to shareholders' approval at the Annual General Meeting	–	1,651
	–	1,651

20. Impact of COVID-19 and events occurring after the reporting period*Coronavirus 2019 (“COVID-19”) pandemic*

With most of the global economic activities already returned to normalcy, our clinics' businesses have also improved. The Group also see increasing foreign patients' visits from the Southeast Asian region since year 2022. For the current year ending 31 December 2022, while we are optimistic that our performance will sustain with gradual resumption of travel, business and lifestyle activities globally, we are also mindful that the COVID-19 situation remains fluid all over the world. The Group continues to remain vigilance during this endemic period.

Political situation in Myanmar

On 1 August 2022, Myanmar's military announced the extension of the state of emergency measure, which ended on 31 July 2022, for another six months. As at the date of this announcement, ISEC Myanmar's clinic continues to be operational. The on-going protest may adversely affect the operations of the clinic for the year. As the situation is still evolving, the Group is unable to reasonably ascertain the extent of the probable impact on its financial performance for the year ending 31 December 2022.

Proposed Acquisition of One Floor and a part of another Floor in a Commercial Building in Wilayah Persekutuan Kuala Lumpur Malaysia to be Constructed

The Company's wholly-owned subsidiary, ISEC Sdn. Bhd. (“**Purchaser**”) had on 14 June 2022 entered into a sale and purchase agreement (“**SPA**”) to acquire the entire Level 9 (measuring approximately 62,119 square feet (5,771.044 square meters)) and part of Level 10 (measuring approximately 5,316 square feet (493.868 square meters)) of the medical podium forming part of the commercial building to be located in Wilayah Persekutuan Kuala Lumpur, Malaysia from Paramount Properties Sdn Bhd (“**Vendor**”), a wholly-owned subsidiary of Bursa Malaysia-listed UOA Development Berhad for a consideration of RM60,242,610 (equivalent to approximately S\$18,944,000) (the “**Property Acquisition**”).

On 11 August 2022, the Vendor and Purchaser have mutually agreed to terminate the SPA subject to the refund of the Earnest Deposit by the Vendor to the Purchaser within fourteen (14) days from the date of notice of rescission.

The reason for the termination of the SPA is due to the inability of the Vendor, despite its best efforts, to secure any further sale or tenancy of the proposed Building and therefore is unlikely to satisfy the

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

condition precedent to the Property Acquisition in Clause 3.1(b) of the SPA that the Building have an occupancy rate of a total floor area of 210,000 square feet.

Upon the Purchaser's receipt of the refund of the Earnest Deposit, the parties mutually agree that the SPA shall be null and void and neither party shall have any claim against the other under or in respect of the SPA or otherwise howsoever and the Vendor shall be entitled to deal with the Property in any such manner it deems fit without further reference to the Purchaser.

The foregoing is encapsulated in a notice of rescission dated 5 August 2022 by the Vendor, duly accepted by (i) the Proprietor on 5 August 2022 and (ii) the Purchaser on 11 August 2022.

The Company will continue in its search for an appropriate premises to cater for its planned expansion.

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

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

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

Outstanding Convertibles

On 22 April 2020, the Company granted 3,809,150 options under the ISEC Healthcare Share Option Scheme, of which 427,590 options from the total 3,809,150 options were granted to 4 eligible Directors. The total number of share options outstanding was 3,088,406 and 3,188,406 as at 30 June 2022 and 31 December 2021 respectively.

There were no options and share awards granted pursuant to the Company's employee share options scheme and performance share plan as at 30 June 2022 and 31 December 2021 respectively.

Treasury Shares

There were 386,400 treasury shares representing 0.067% of the Company's 572,230,206 ordinary shares (excluding treasury shares) as at 30 June 2022 and 0.070% of the Company's 550,349,071 ordinary shares (excluding treasury shares) as at 30 June 2021.

Subsidiary Holdings

There were no subsidiary holdings as at 30 June 2022 and 30 June 2021.

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

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

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

Not applicable. There were no sales, transfers, cancellation and/or use of 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.

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

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

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

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

Not applicable as the Group's financials are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current financial reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2021.

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

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

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

Please refer to “E. Notes to the Condensed Interim Financial Statements: 18. Earnings per share” above.

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

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

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. The review must discuss:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of comparative performance of the Group for the 6 months ended 30 June 2022 (“1H2022”) and 30 June 2021 (“1H2021”), and 3 months ended 30 June 2022 (“2Q2022”) and 30 June 2021 (“2Q2021”) where applicable.

Consolidated Statement of Comprehensive Income

Revenue

The Group recorded revenue of S\$27.94 million in 1H2022, an increase of 47% from 1H2021.

The Group’s specialised health services revenue has shown a total increase of S\$8.48 million to S\$25.71 million in 1H2022 as compared to 1H2021. This was mainly due to the significant increase in patient visits and business activities of our eye clinics as the countries lifted their international travel restrictions in 1H2022. The acquisition of IE Centre and Kampar Eye (the “**Acquisition**”) also contributed S\$1.07 million revenue to the Group in 1H2022.

The revenue from general health services increased by S\$0.42 million between 1H2022 and 1H2021, mainly due to the improved business activities from the performance of COVID-19 swab tests by the Group’s general practitioner clinics.

Cost of sales

Cost of sales increased by 43%, or S\$4.53 million which was attributable to the increased business activities in the Group’s operations.

Gross profit and gross profit margin

As a result of the above, gross profit increased significantly by 52% to S\$12.83 million in 1H2022 with an increase in gross profit margin of 1.4 percentage points, from 44.5% in 1H2021 to 45.9% in 1H2022. The extent of the increase in cost of sales was lower compared to the increase in revenue, generally as a result of improved cost efficiency in covering fixed costs such as depreciation.

Other income

Other income decreased by S\$0.17 million to S\$0.20 million in 1H2022. Government grants and rental rebates arising as part of the respective governments' support measures to relief operations affected by COVID-19 have reduced between the periods, by S\$0.16 million between 1H2022 and 1H2021.

Other expenses

The Group recorded other expenses of S\$0.70 million in 1H2022, compared to S\$0.41 million in 1H2021.

The loss on disposal of an associate (I Medical & Aesthetics Pte. Ltd.) made on 30 April 2022 contributed S\$0.16 million to the increase, as this was absent in 1H2021. There was also an increase in exchange loss by S\$0.13 million between 1H2021 and 1H2022, with further weakening of Ringgit Malaysia against Singapore Dollar in 1H2022 compared to that in 1H2021.

Administrative expenses

The Group recorded administrative expenses of S\$4.64 million in 1H2022, an increase of S\$0.55 million as compared to 1H2021.

The increase was mainly due to higher staff-related costs of S\$0.28 million as a result of the increased business activities of the Group, administrative expenses arising from the Acquisition of S\$0.13 million which was absent in 1H2021, and transaction costs relating to the Acquisition of S\$0.08 million.

Income tax expense

The Group recorded income tax expenses of S\$1.85 million in 1H2022, compared to S\$0.95 million in 1H2021. The effective tax rates of the Group in 1H2022 and 1H2021 were 25% and 23% respectively. Excluding the loss on disposal of associate of S\$0.16 million and transaction costs arising from the Acquisition of S\$0.08 million, the effective tax rate of the Group in 1H2022 was 24%. The statutory corporate tax rates are 17% in Singapore, 24% in Malaysia and 25% in Myanmar.

Profit after tax

Net profit of the Group in 1H2022 stood at S\$5.57 million, an increase of S\$2.43 million, or 77%, from 1H2021, mainly attributed to the reasons explained above.

Review of comparative financial position of the Group as at 30 June 2022 and 31 December 2021.Consolidated Statement of Financial Position*Non-current assets*

Non-current assets increased by S\$21.29 million to S\$81.13 million as at 30 June 2022. This was mainly attributable to the following:

- i) Property, plant and equipment additions and renovations arising from the acquisition of IE Centre, Kampar Eye, TE Centre, ME Centre and Taiping Eye of S\$2.88 million;
- ii) Property, plant and equipment additions of S\$2.18 million mainly due to renovation expenditures for Penang and Kuching clinics;
- iii) Right-of-use assets additions of S\$4.30 million from the acquisition of IE Centre and Kampar Eye;
- iv) Right-of-use assets additions of S\$0.51 million, mainly due to the leasing of clinic premise for Melaka clinic expansion; and
- v) Goodwill of S\$14.13 million on acquisition of IE Centre, Kampar Eye, TE Centre, ME Centre and Taiping Eye.

The increase in non-current assets was offset by:

- i) Disposal of investment in associate of S\$0.16 million;
- ii) Depreciation expenses of property, plant and equipment of S\$0.54 million;
- iii) Depreciation expenses of right-of-use assets of S\$0.85 million;
- iv) Currency translation loss of S\$0.23 million on property, plant and equipment;
- v) Currency translation loss of S\$0.12 million on right-of-use assets;
- vi) Currency translation loss of S\$0.52 million on goodwill that arose from the acquisition of foreign subsidiaries; and
- vii) Amortisation expenses of S\$0.27 million on intangible assets.

Current assets

Current assets decreased by S\$1.91 million mainly attributable to the decrease in cash and cash equivalents of S\$3.42 million due to reasons mentioned in the review of cash flows of the Group. The decrease in current assets was offset by the increased inventories and trade receivables of S\$0.49 million and S\$1.14 million respectively mainly due to additions arising from the acquisition of IE Centre and Kampar Eye.

Non-current liabilities

Non-current liabilities increased by S\$5.00 million to S\$12.88 million as at 30 June 2022. This was mainly attributable to the net increase of lease liabilities of S\$3.95 million, arising from the addition of S\$4.39 million in relation to the acquisition of IE Centre and Kampar Eye and additional S\$0.51 million in leased property and medical equipment, which were partially offset by lease payments made of S\$1.05 million for the leased assets. In addition, other payables relating to the balance of cash consideration due to the vendors in relation to the acquisition of IE Centre and Kampar Eye contributed to the increase of S\$1.05 million in non-current liabilities.

Current liabilities

Current liabilities increased by S\$5.38 million to S\$15.88 million as at 30 June 2022 mainly attributable to the following:

- i) Increase in other payables by S\$3.27 million arising from the balance of cash consideration payable to the vendors in relation to the acquisition of IE Centre and Kampar Eye;
- ii) Increase in other payables by S\$0.43 million arising from newly acquired subsidiaries – IE Centre, Kampar Eye, and TE Centre;
- iii) Increase in advances by S\$0.60 million arising from newly acquired subsidiaries – TE Centre, ME Centre, and Taiping Eye;
- iv) Increase in payroll payables by S\$0.26 million arising from newly acquired subsidiaries – IE Centre and Kampar Eye;
- v) Increase in trade payables of S\$0.30 million mainly due to additions from acquisition of IE Centre and Kampar Eye; and
- vi) Net increase of current income tax payable of S\$0.97 million, mainly arising from tax provision for 1H2022 of S\$1.85 million (excluding the newly acquired subsidiaries), tax payable balances of S\$0.15 million from the acquisition of subsidiaries IE Centre and Kampar Eye, less tax payment of S\$1.06 million.

The increase in current liabilities was offset by repayment of the balance purchase consideration for the acquisition of Indah Specialist of S\$0.58 million resulting in a decrease in other payables.

Review of cash flows of the Group for 1H2022.

Consolidated Statement of Cash Flows

As at 30 June 2022, the Group had cash and cash equivalents of S\$19.07 million, as compared to S\$20.40 million of cash and cash equivalents as at 30 June 2021.

Cash flows from operating activities

In 1H2022, net cash flow from operating activities was recorded at S\$8.37 million. This comprised operating cash flows before working capital changes of S\$9.37 million, and changes in working capital outflow of S\$0.06 million, less income tax paid of S\$1.06 million.

Cash flows used in investing activities

Net cash used in investing activities in 1H2022 amounted to S\$8.22 million mainly due to the following factors:

- i) Acquisition of subsidiaries, net of cash acquired, of S\$5.53 million;
- ii) Payment for purchase of property, plant and equipment amounting to S\$2.22 million; and
- iii) Repayment of the cash consideration for the acquisition of Indah Specialist S\$0.58 million.

The cash outflow was offset by interest income received of S\$0.11 million.

Cash flows used in financing activities

Net cash used in financing activities was S\$3.14 million in 1H2022, mainly due to the following factors:

- i) Final dividend paid to shareholders of S\$1.65 million;
- ii) Repayment of lease liabilities and its corresponding finance costs of S\$1.02 million; and
- iii) Repayment of bank loan and its corresponding interest expense of S\$0.46 million.

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

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

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

Please refer to "E. Notes to the Condensed Interim Financial Statements: 20. Impact of COVID-19 and events occurring after the reporting period" above.

11. Dividend

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

Yes.

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

Name of dividend	First Interim Dividend
Dividend type	Cash
Dividend rate	0.48 Singapore cents (S\$0.0048) per ordinary share
Tax rate	Tax exempt (one-tier)

- (ii) Previous corresponding period (cents)**

No dividend has been declared or recommended for the previous corresponding reporting period.

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

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

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

The dividend will be paid on 30 August 2022.

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

The Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 19 August 2022 for the purpose of determining shareholders' entitlements to the first interim tax exempt (one-tier) dividend in respect of the financial period ended 30 June 2022 (the "Interim Dividend").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5.00 p.m. on 19 August 2022 will be registered to determine shareholders' entitlements to the Interim Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares at 5.00 p.m. on 19 August 2022 will be entitled to the Interim Dividend.

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

Not applicable.

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

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

There was no IPT of S\$100,000 and above for 1H2022.

14. 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 2022 to be false or misleading in any material aspect.

15. 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).

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

On 30 April 2022, the Company had disposed of all of its 250,000 ordinary shares (250,000 ordinary shares represented 25% ownership) held in an entity, I Medical & Aesthetics Pte. Ltd. (“IMA”), to the other shareholders, for a consideration of S\$3. The net asset value (audited) of IMA was S\$117,865 as at 31 December 2021.

On 26 May 2022, the Company completed the acquisition of IE Centre, Kampar Eye, ME Centre, TE Centre and Taiping Eye through its wholly-owned subsidiary, ISEC KL. Please refer to “E. Notes to the Condensed Interim Financial Statements: 17. Acquisition of subsidiaries” above.

BY ORDER OF THE BOARD

Dr Lee Hung Ming

Executive Vice Chairman

11 August 2022

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

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