

**ENTRY INTO A JOINT VENTURE AGREEMENT TO OPERATE AND MANAGE AN  
OPHTHALMOLOGY CENTRE IN KLANG, STATE OF SELANGOR IN MALAYSIA**

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**1. INTRODUCTION**

The Board of Directors (the “**Directors**”) of ISEC Healthcare Ltd. (the “**Company**”, or collectively with its subsidiaries, “**the Group**”) wishes to announce that on 15 August 2023, ISEC Sdn. Bhd. (“**ISEC Malaysia**”), a wholly owned subsidiary of the Company, has entered into a joint venture agreement (the “**JV Agreement**”) with Durham Group Sdn. Bhd. (“**Durham**”, and collectively with ISEC Malaysia, the “**Parties**”). Under the JV Agreement, the Parties intend to incorporate a joint venture company in Malaysia under the proposed name of “ISEC (Klang) Sdn. Bhd.” (the “**JVC**”) to establish, operate and administer an ophthalmology centre in the city of Klang, State of Selangor in Malaysia.

**2. INFORMATION ON DURHAM**

Durham is a private company incorporated in Malaysia on 23 June 2023 and has an issued and paid-up share capital of RM1,000 comprising 1,000 ordinary shares. The principal activity of Durham is investment holding. The shareholders of Durham are Dr Then Kong Yong, Dr Woo Wen Wei and Dr Yew Chien Voon (collectively, “**Durham Shareholders**”), who are also directors of Durham.

Save that the Durham Shareholders are currently employees of ISEC Malaysia, to the best knowledge of the Directors, Durham and its directors and shareholders are independent of the Company, its directors, substantial shareholders, and their respective associates.

**3. SALIENT TERMS OF THE JV AGREEMENT**

**3.1 Formation of the JVC and Share Capital**

Based on the terms of the JV Agreement:

- (a) the issued share capital of the JVC upon incorporation shall be RM100 (equivalent to S\$29<sup>1</sup> based on the exchange rate of RM3.42:S\$1) comprising 100 ordinary shares; and
- (b) the Parties shall, no later than 9 months from the date of the JV Agreement, subscribe for such number of new ordinary shares in the JVC such that upon completion of the subscription, the JVC will have an issued and paid-up share capital of RM1,000,000 comprising 1,000,000 ordinary shares and the shareholding proportion of the JVC shall be as follows:

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<sup>1</sup> 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 : RM3.42 as published on Bank Negara Malaysia’s website as at 5 pm on 15 August 2023.

Name of shareholder in the JVC	No. of ordinary shares to be issued as paid upon incorporation	No. of new ordinary shares to be subscribed by each Party after incorporation	Total subscription monies payable by each Party to the JVC for the new ordinary shares	Total No. of ordinary shares held by each Party in the JVC after the subscription of new ordinary shares	Shareholding proportion held by each Party in the JVC after the subscription of new ordinary shares
ISEC Malaysia	65	649,935	RM649,935	650,000	65%
Durham	35	349,965	RM349,965	350,000	35%
<b>Total</b>	<b>100</b>	<b>999,900</b>	<b>RM999,900</b>	<b>1,000,000</b>	<b>100%</b>

Accordingly, upon incorporation, the JVC will become an indirectly 65%-owned subsidiary of the Company, through ISEC Malaysia.

### 3.2 Business of the JVC

The purpose of the joint venture is for the JVC to carry out the business of operating and administering an ophthalmology centre, providing medical consultations and services, which is subject to all requisite approvals, licenses and permits under the Private Healthcare and Facilities Act 1998 of Malaysia, including for the establishment, maintenance and operation of the ophthalmology centre, being obtained by the JVC.

### 3.3 Board composition and control

The board of directors of the JVC shall consist of no more than three (3) directors. ISEC Malaysia will nominate two (2) directors (each, an “**ISEC Malaysia Nominee**”), and Durham will nominate one (1) director (“**Durham Nominee**”). The chairman of the board of the directors of the JVC shall be one of the ISEC Malaysia Nominees.

### 3.4 Reserved matters

The JV Agreement sets out certain customary matters concerning the JVC which require (a) the approval of both ISEC Malaysia and Durham; or (b) the approval of a Durham Nominee and the approval of at least one ISEC Malaysia Nominee.

### 3.5 Moratorium

No share in the JVC may be sold, disposed of, transferred or allotted to any person (who is not a Party) for a period of two (2) years from the date of execution of the JV Agreement (“**Moratorium**”), except that ISEC Malaysia may at any time, sell and/or transfer all or any of its shares in the JVC to its related corporation under the condition that such transfer is subject to ISEC Malaysia’s guarantee given to the other Party, guaranteeing such related corporation’s performance of ISEC Malaysia’s obligations under the JV Agreement.

The Moratorium does not apply to the shares subscribed by the Approved New Doctor (as defined below) under the Option to Subscribe (as defined below).

### 3.6 Approved New Doctor and Option to Subscribe

The terms of the JV Agreement contemplate that Durham shall as soon as possible after the incorporation of the JVC, nominate for ISEC Malaysia’s prior written approval, a registered and qualified medical doctor in Malaysia to serve and/or act as the pioneer medical practitioner of the ophthalmology centre (“**Approved New Doctor**”).

The Approved New Doctor shall be granted an option by the JVC to subscribe for up to a maximum of 250,000 new ordinary shares in capital of the JVC (“**Option to Subscribe**”), at an option price to be determined based on the Auditor’s Value, during the period of six (6) years commencing from the date which the Approved New Doctor commenced his/her employment with the JVC.

For the purposes of the above paragraph, “Auditor’s Value” means the price of the ordinary shares in the JVC, to be ascertained and certified by the auditor for the time being of the JVC (“**Auditor**”) (acting as experts and not as arbitrators) on the basis of the higher of either:-

- (a) the net tangible asset value of the JVC at the time of determination by the Auditor; or
- (b) the discounted cash flow method, i.e. the value of the cash flow of the JVC at the end of a projected five (5) year period commencing from the time of determination by the Auditor, discounting the rate of the future cash flow or the time value of money to arrive at the value as at the time of determination by the Auditor, provided always that the rate of the future cash flow to be discounted shall be based on the weighted average cost of capital of the JVC.

Assuming the Approved New Doctor exercises his/her right to fully subscribe all 250,000 new ordinary shares in the JVC under the Option to Subscribe, the shareholding proportion of the JVC shall be as follows:

<b>Name of shareholder in the JVC</b>	<b>Total No. of ordinary shares held by each shareholder in the JVC after the Option to Subscribe is fully exercised by the Approved New Doctor</b>	<b>Shareholding proportion held by each shareholder in the JVC after the Option to Subscribe is fully exercised by the Approved New Doctor</b>
ISEC Malaysia	650,000	52%
Durham	350,000	28%
Approved New Doctor	250,000	20%
<b>Total</b>	<b>1,250,000</b>	<b>100%</b>

In the event whereby the Approved New Doctor ceases to be employed by the JVC, Durham shall procure the Approved New Doctor to sell and transfer his/her shares in the JVC (if any) to ISEC Malaysia and Durham in accordance with the terms of the JV Agreement.

### **3.7 Research and Development**

The Parties agree that during the term of the joint venture, the JVC may undertake research and development activities to *inter alia*, develop new technology, intellectual property, know-how, improvements, enhancements or modifications to ophthalmic and medical practice (“**Research**”).

Subject to any agreements between ISEC Malaysia and a Durham Shareholder in respect of their respective employment with ISEC Malaysia, or any other agreements entered into between the JVC and a Durham Shareholder or the Approved New Doctor or made with any other medical consultants providing services to the JVC as approved by the board of directors of the JVC, the JVC have the sole right, title and interest in, the results obtained in the Research, and in any intellectual property, that is co-developed between the JVC and the relevant Durham Shareholder and/or the Approved New Doctor, whether such results are registrable or not.

#### 4. RATIONALE FOR THE JOINT VENTURE

The Group's entry into the JV Agreement is in line with the Group's strategy to expand its network of ophthalmology centres in Malaysia and to establish new ophthalmology centres as and when suitable strategic locations become available.

As stated in paragraph 2 above, the Durham Shareholders are currently employees of ISEC Malaysia. The Durham Shareholders will be holding shares in the JVC through the joint venture party, Durham, so as to align the interests of the Durham Shareholders to the Group's expansion plans. The Durham Shareholders will be involved in sourcing permanent resident doctors for the JVC, such as the Approved New Doctor, and ensuring the smooth operations of the ophthalmology centre once operations commence.

#### 5. CHAPTER 10 OF THE CATALIST RULES

All relative figures of the abovementioned joint venture computed pursuant to Rule 1006 of the Catalist Rules of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), based on the Company's latest announced consolidated results is less than 5%. Accordingly, this announcement is released by the Company on a voluntary basis and the disclosures are referenced from the disclosure requirements of a non-discloseable transaction under Chapter 10 of the Catalist Rules.

#### 6. FINANCIAL EFFECTS

The investment in the JVC will be funded by internal resources and is not expected to have any material impact on the consolidated net tangible assets per share or earnings per share of the Group for the current financial year ending 31 December 2023.

#### 7. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the JV Agreement (other than through their interests in the shares of the Company).

#### 8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JV Agreement will be available for inspection during normal business hours at the registered office of the Company at 51 Goldhill Plaza, #10-07 / 08, Singapore 308900, for a period of three (3) months from the date of this announcement.

By Order of the Board

**Dr. Lee Hung Ming**  
**Executive Vice Chairman**  
15 August 2023

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*This announcement has been reviewed by the Company's 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 announcement.*

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