

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

**RESULTS OF THE JL MEDICAL GROUP OF COMPANIES IN RELATION TO THE
PROFIT GUARANTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

*All capitalised terms used but not defined herein shall bear the meanings ascribed to them in the Company’s announcements dated 27 May 2016, 6 September 2016, 6 October 2016 and 7 October 2016 (collectively, the “**Announcements**”), and the circular to the shareholders of the Company dated 22 September 2016 (the “**Circular**”).*

1. INTRODUCTION

The Board of Directors of the Company refers to the Announcements and the Circular in relation to, *inter alia*, the sale and purchase agreement dated 27 May 2016 (as amended on 6 September 2016) between the Company and Dr Lee Yeng Fen, Dr Koo Xian Yeang and Dr Ng Chiew Fang (collectively, the “**Vendors**”) to acquire all the issued and fully-paid ordinary shares in the capital of JL Medical (Bukit Batok) Pte. Ltd. (“**JLMBB**”), JL Medical (Sembawang) Pte. Ltd. (“**JLMS**”), JL Medical (Woodlands) Pte. Ltd. (“**JLMW**”) and JL Medical (Yew Tee) Pte. Ltd. (“**JLMYT**”) (collectively, the “**JL Medical Group of Companies**” or “**Target Companies**”) owned by the Vendors, representing 100% of the total number of issued shares in each of the Target Companies (the “**Sale Shares**”) (the “**Sale and Purchase Agreement**”).

2. PROFIT GUARANTEE

As stated in the Company’s announcement dated 27 May 2016, each of the Vendors has guaranteed and undertaken for the benefit of the Company, in the shareholding proportions in the Target Company in which each of them holds shares (as at the date of the Sale and Purchase Agreement), that the audited profit after tax (“**APAT**”) of that Target Company, for each of the five (5) financial years commencing from 1 January 2017 (each a “**Profit Guarantee Period**”) shall be as follows (the “**Profit Guarantee**”):

Target Company	Profit Guarantee Amount for Each Profit Guarantee Period (S\$)	Shortfall Threshold for Each Profit Guarantee Period (S\$)
JLMBB	344,883.00	310,394.70
JLMS	301,362.00	271,225.80
JLMW	334,396.00	300,956.40
JLMYT	181,182.00	163,063.80

In the event that the APAT of a Target Company is lower than 90% of the respective Profit Guarantee (the "**Shortfall Threshold**") in respect of a Profit Guarantee Period, the respective Vendor(s) who hold(s) shares in such Target Company (as at the date of the Sale and Purchase Agreement) shall pay to the Company an amount equivalent to the difference between the Shortfall Threshold and the actual APAT of such Target Company, based on the proportion of their shareholdings in the said Target Company (as at the date of the Sale and Purchase Agreement) (the "**Shortfall Compensation**"), which shall be payable in cash to the Company upon demand.

3. RESULTS OF THE TARGET COMPANIES IN RELATION TO THE PROFIT GUARANTEE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3.1 The results of the Target Companies in relation to the Profit Guarantee for the financial year ended 31 December 2021, being the last year of the Profit Guarantee Period are as follows:

Target Company	APAT (S\$)	Variance between Shortfall Threshold and APAT (S\$)
JLMBB	250,958.00	59,436.70
JLMS	240,167.00	31,058.80
JLMW	250,137.00	50,819.40
JLMYT	139,843.00	23,220.80

3.2 Accordingly, the Board wishes to announce that JLMBB, JLMS, JLMW and JLMYT have not met the Profit Guarantee for the financial year ended 31 December 2021.

3.3 Pursuant to Rule 1013(3)(a) of the Catalist Rules, the Board wishes to announce the following:

(i) the variance between the profit guarantee or the profit forecast and the actual profit, and the reason for the variance;

As detailed in paragraphs 2 and 3.1 above, the Shortfall Threshold in respect of JLMBB, JLMS, JLMW and JLMYT was for an aggregate sum of S\$1,045,640.70 and the actual APAT of these Target Companies for the financial year ended 31 December 2021 was an aggregate sum of S\$881,105.00 resulting in a variance between the Shortfall Threshold and the actual APAT of JLMBB, JLMS, JLMW and JLMYT of an aggregate sum of S\$164,535.70.

The main reason for the variance was due to lower than expected revenue by JLMBB, JLMS, JLMW and JLMYT which were adversely affected by the outbreak of COVID-19, resulting in lower number of patient visits.

(ii) any variation of the rights of the issuer; and

There is no variation to the rights of the Company relating to the Profit Guarantee in respect of the Target Companies.

(iii) the possible course(s) of action by the issuer to protect the interests of the shareholders of the issuer, if any. Notwithstanding this, the issuer must provide timely updates on the specific course of action including its progress and outcome of the action.

The Company has on 6 April 2022 issued notices to the Vendors who hold shares in each of JLMBB, JLMS, JLMW and JLMYT (as at the date of the Sale and Purchase Agreement) to pay the respective Shortfall Compensation amounting to an aggregate of S\$164,535.70 to the Company in cash upon demand.

In the event that any Vendor fails to pay the Shortfall Compensation, the Company shall have legal recourse under the Sale and Purchase Agreement against any such Vendor.

By Order of the Board

Dr. Lee Hung Ming
Executive Vice-Chairman
7 April 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 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.