ISEC HEALTHCARE LTD.

Company Registration Number: 201400185H
(Incorporated in Singapore on 2 January 2014)

PROPOSED ACQUISITION OF ALL THE SHARES IN THE CAPITAL OF JL MEDICAL (BUKIT BATOK) PTE. LTD., JL MEDICAL (SEMBAWANG) PTE. LTD., JL MEDICAL (WOODLANDS) PTE. LTD. AND JL MEDICAL (YEW TEE) PTE. LTD.

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1. INTRODUCTION

The Board of Directors (the "**Board**") of ISEC Healthcare Ltd. (the "**Company**", or together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 27 May 2016 entered into a conditional sale and purchase agreement (the "**SPA**") with 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 the Target Companies (as defined below) owned by the Vendors as set out in the table below, representing as at the date hereof 100% of the total number of issued shares in each of the Target Companies (the "**Sale Shares**"), upon the terms and subject to the conditions of the SPA (the "**Proposed Acquisition**"):

Target Company	Number of Sale Shares	Issued and Paid-up Share Capital	Vendors	Number of Sale Shares Held (As a Percentage of all the issued shares in the Target Company)
JL Medical (Bukit Batok) Pte. Ltd. ("**JLMBB**")	200	S$200.00	Dr. Lee Yeng Fen	200 (100%)
JL Medical (Sembawang) Pte. Ltd. ("**JLMS**")	200	S$200.00	Dr. Lee Yeng Fen	177 (88%)
			Dr. Koo Xian Yeang	23 (12%)
JL Medical (Woodlands) Pte. Ltd. ("**JLMW**")	200	S$200.00	Dr. Lee Yeng Fen	171 (86%)
			Dr. Ng Chiew Fang	29 (14%)
JL Medical (Yew Tee) Pte. Ltd. ("**JLMYT**")	200	S$200.00	Dr. Lee Yeng Fen	200 (100%)

Following the completion of the Proposed Acquisition ("**Completion**"), each of JLMBB, JLMS, JLMW and JLMYT (each a "**Target Company**" and collectively, the "**Target Companies**") will become a wholly-owned subsidiary of the Company.

2. INFORMATION ON THE TARGET COMPANIES AND THE VENDORS

2.1 Information on the Target Companies

(a) The Target Companies are owned by the Vendors as set out in the table above and are incorporated as limited exempt private companies under the laws of Singapore.

(b) Each of the Target Companies owns and operates a medical clinic in Singapore, details of which are set out in the table below (collectively, the "**Clinics**"). Each Clinic provides general (western) medical services. Temasek Medical Centre (Bukit Batok) also provides aesthetic treatment services.

Target Company	Clinic	Address	Resident Doctor
JLMBB	Temasek Medical Centre (Bukit Batok)	Block 413, Bukit Batok West Avenue 4, #01-214, Singapore 650413	Dr. Lee Yeng Fen
JLMS	Temasek Medical Centre (Sembawang)	Block 406, Sembawang Drive, #01-284, Singapore 750406	Dr. Koo Xian Yeang
JLMW	Temasek Medical Centre (Woodlands)	Block 883, Woodlands Street 82, #01-464, Singapore 730883	Dr. Ng Chiew Fang
JLMYT	Temasek Medical Centre (Yew Tee)	Block 624, Choa Chu Kang Street 62, #01-226, Singapore 680624	Dr. Tang Ching Ching

(c) The audited net asset value and net tangible assets ("**NTA**") of the Target Companies as at 31 October 2015 and the audited profits before income tax, minority interests and extraordinary items of the Target Companies for the financial year ended 31 October 2015 are set out in the table below.

Target Company	Audited net asset value / NTA (S$)	Audited profits before income tax, minority interests and extraordinary items (S$)
JLMBB	2,332,763.00	413,530.00
JLMS	393,638.00	278,632.00
JLMW	540,240.00	301,648.00
JLMYT	201,508.00	192,005.00
Total	**3,468,149.00**	**1,185,815.00**

The Company understands that prior to Completion, the Target Companies intend to distribute to the Vendors an aggregate amount of dividends of approximately S$2,968,149 from their respective profits. The Vendors have undertaken that the aggregate NTA of the Target Companies will be a minimum of S$500,000 upon Completion. Please refer to paragraph 9.1 below for more information.

2.2 Information on the Vendors

(a) Dr. Lee Yeng Fen is the medical director of the Target Companies. She graduated with a medical degree (M.B.B.S.) in 1989 from the National University of Singapore ("**NUS**"). She set up her first clinic, Temasek Medical Centre, in Bukit Batok, in 1993 and subsequently set up various branches in Choa Chu Kang (Yew Tee), Woodlands and Sembawang. Dr. Lee Yeng Fen's clinical interests also include medical aesthetics and she obtained a Diploma in Aesthetic Medicine (USA) in 2006. She is a certified laser physician and is trained in giving Botox and dermal filler injections. She continues to update herself by attending local and international medical conferences.

Dr. Lee Yeng Fen is the spouse of Dr. Lee Hung Ming, the Executive Vice-Chairman and a controlling shareholder of the Company.

(b) Dr. Koo Xian Yeang obtained her medical degree (M.B.B.S.) from NUS in 1987 and began her medical career with the Ministry of Health (Toa Payoh Hospital as well as polyclinics). In 1993, she joined Lim Clinic & Surgery in Chai Chee as a general practitioner. In November 2009, Dr. Koo Xian Yeang joined Temasek Medical Centre (Sembawang) and has been the resident doctor at the Clinic since. She has been on the Register of Family Physicians since 2012.

(c) Dr. Ng Chiew Fang graduated from NUS with a medical degree (M.B.B.S.) in 1990 and started her medical career with the Ministry of Health in various hospitals and polyclinics. She obtained her postgraduate Master of Medicine (Family Medicine) from NUS in 1996. In 1997, she joined Temasek Medical Centre (Woodlands) as a general practitioner and has been the resident doctor at the Clinic since. From November 2007 to 2012, Dr. Ng Chiew Fang was a tutor for Undergraduate Medical Teaching in NUS (Yong Loo Lin School of Medicine) and has been an examiner for the Graduate Diploma of Family Medicine of NUS since July 2009. She has also been on the Register of Family Physicians since 2011 and, as of July 2014, is a member of the Ministry of Health Peer Review Committee of the Chronic Disease Management Programme Clinical Advisory Committee.

(d) As at the date of this announcement, none of the Vendors holds, directly or indirectly, any shares in the capital of the Company (the "**Shares**").

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Target Companies have maintained a stable income stream and profit track record for the last five (5) financial years. With the Proposed Acquisition, the Group will be able to expand into general (western) medical services and aesthetic treatment services. The aesthetic treatment services provided at Temasek Medical Centre (Bukit Batok) may, in the future, also be offered at the other Clinics, and the Group may develop such aesthetic treatment services by offering oculoplastic and cosmetic eye lid services.

The Group will have the opportunity to tap on the patient base of the Clinics as referral centres for ophthalmology-related cases as well as to expand its ophthalmology services to Housing and Development Board ("**HDB**") neighbourhoods. Due to the location of the Clinics in heartland areas, the Group will be able to expand its demographic of patients as well as increase its visibility and promote its brand name in these new locations.

4. DETAILS OF THE PROPOSED ACQUISITION

4.1 Sale Shares

The Sale Shares will be acquired by the Company free from all encumbrances and with all rights, benefits and entitlements attaching thereto as at the date of Completion (the "**Completion Date**") and thereafter, including the right to any dividends or other distributions declared and payable thereon on or after the Completion Date.

The Company shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

4.2 Consideration

The aggregate consideration for the Proposed Acquisition shall be S$13,941,876.00 (the "**Consideration**"). The Consideration was calculated based on an aggregate of 12 times of each of the Target Companies' unaudited adjusted and normalised net profit after tax for the financial year ended 31 October 2015, and is payable in respect of each Target Company as follows:

Target Company	Consideration (S$)
JLMBB	4,138,596.00
JLMS	3,616,344.00
JLMW	4,012,752.00
JLMYT	2,174,184.00
Total	**13,941,876.00**

The Consideration shall be payable by the Company to the Vendors on the Completion Date as follows:

(a) 50% of the Consideration in cash; and

(b) 50% of the Consideration shall be satisfied by way of the allotment and issue of new Shares (the "**Consideration Shares**") to the Vendors,

and shall be payable to each of the Vendors in the following proportions:

Vendor	Consideration (S$)	Portion of Consideration Payable in Cash (S$)	Number of Consideration Shares
Dr. Lee Yeng Fen	12,946,129.44	6,473,064.72	25,892,258
Dr. Koo Xian Yeang	433,961.28	216,980.64	867,922
Dr. Ng Chiew Fang	561,785.28	280,892.64	1,123,570
Total	**13,941,876.00**	**6,970,938.00**	**27,883,750**

Pursuant to the SPA, subject to, and upon Completion, (i) the portion of the Consideration payable in cash shall be paid by way of cashier's order, banker's draft or bank transfer in favour of the respective Vendors (or their nominees) and (ii) the Consideration Shares shall be allotted and issued to the Vendors.

4.3 Consideration Shares

The issue price for each Consideration Share is S$0.25, which was calculated based on a 10% discount to the volume weighted average price for the Shares in the last sixty (60) days prior to the date of the SPA, being approximately S$0.278.

The Consideration Shares, when allotted and issued, shall be credited as fully-paid and free from any encumbrances and shall rank *pari passu* in all respects with, and carry all rights similar to, the existing Shares, except that they will not rank for any dividend, right, allotment or other distribution, the record date for which falls on or before the date of issue of the Consideration Shares.

The Consideration Shares will represent approximately 5.39% of the enlarged share capital of the Company following Completion of 517,095,669 Shares, assuming no new Shares are issued by the Company between the date of this announcement and the Completion Date (both dates inclusive).

The allotment and issue of the Consideration Shares shall be subject to specific approval of the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting of the Company (the "**EGM**") to be convened, and will not utilise the general share issue mandate of the Company.

4.4 Moratorium on the Consideration Shares

Each of the Vendors has undertaken to the Company that she shall not, during the period commencing on (and including) the Completion Date and ending on (and including) the date five (5) years from the Completion Date (the "**Moratorium Period**"), do or agree to do any of the following (the "**Moratorium**"):

(a) pledge, mortgage, charge or otherwise create any encumbrance over all or any part of the Consideration Shares or any interest in all or any part of the Consideration Shares, or enter into any agreement(s) to effect the foregoing;

(b) sell, transfer or otherwise dispose of, or grant any option over, all or any part of the Consideration Shares, or otherwise sell, transfer or otherwise dispose of, or grant any option over, all or any part of her legal or beneficial interest in such shares, or enter into any agreement(s) to effect the foregoing;

(c) enter into any agreement in respect of the votes attached to the Consideration Shares; or

(d) circumvent the restrictions set forth in this paragraph 4.4 by disposing of, directly or indirectly, her beneficial interests in the Consideration Shares which she holds, including without limitation, by way of a disposition of shares which she holds in the relevant holding entities that hold the Consideration Shares.

Upon Completion, the Moratorium shall apply to each of the Vendors as follows:

(i) 100% of the Consideration Shares allotted and issued to her on Completion (the "**Relevant Shares**") for a period commencing from the Completion Date up to the date falling one (1) year after the Completion Date (both dates inclusive);

(ii) 80% of the Relevant Shares for a period commencing from the date immediately after the expiry of the period in sub-paragraph (i) above up to the date falling two (2) years after the Completion Date (both dates inclusive);

(iii) 60% of the Relevant Shares for a period commencing from the date immediately after the expiry of the period in sub-paragraph (ii) above up to the date falling three (3) years after the Completion Date (both dates inclusive);

(iv) 40% of the Relevant Shares for a period commencing from the date immediately after the expiry of the period in sub-paragraph (iii) above up to the date falling four (4) years after the Completion Date (both dates inclusive); and

(v) 20% of the Relevant Shares for a period commencing from the date immediately after the expiry of the period in sub-paragraph (iv) above up to the date falling five (5) years after the Completion Date (both dates inclusive).

4.5 Conditions Precedent

Completion is subject to certain conditions precedent (the "**Conditions Precedent**") being satisfied or waived in accordance with the SPA, including, *inter alia*, the following:

(a) the approval of Shareholders (other than Dr. Lee Hung Ming and his associates) being obtained at a general meeting in respect of (i) the Proposed Acquisition (including but not limited to the acquisition of Dr. Lee Yeng Fen's Sale Shares, which constitutes an interested person transaction ("**IPT**") under Chapter 9 of Section B of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"): Rules of Catalist (the "**Catalist Rules**")); and (ii) the allotment and issue of the Consideration Shares to the Vendors under the SPA;

(b) the Securities Industry Council (the "**SIC**") having (i) confirmed that each of the Vendors are not regarded as parties acting in concert (as defined in the Singapore Code on Take-Overs and Mergers (the "**Code**")) with each other and (ii) granted Dr. Lee Yeng Fen and (if required) Dr. Koo Xian Yeang and Dr. Ng Chiew Fang and parties acting in concert with them, a waiver of their obligation to make a mandatory offer under Rule 14 of the Code as a result of the allotment and issue of the Consideration Shares (the "**Whitewash Waiver**"), subject to the passing of a whitewash resolution and such other conditions as the SIC may impose which are reasonably acceptable to the Company;

(c) the approval of a resolution by the independent Shareholders by way of a poll at an EGM to be convened in due course to waive their rights to receive a mandatory offer from Dr. Lee Yeng Fen and (if required) Dr. Koo Xian Yeang and Dr. Ng Chiew Fang and parties acting in concert with them, for Shares not already owned, controlled or agreed to be acquired by them, pursuant to Rule 14 of the Code, in connection with the allotment and issue of the Consideration Shares (the "**Proposed Whitewash Resolution**");

(d) the approval of the SGX-ST being obtained in respect of the listing and quotation of all the Consideration Shares;

(e) the approval of the Ministry of Health being obtained in respect of the transfer of the licences relating to the Clinics to the respective Target Companies;

(f) the approval of HDB being obtained in connection with the leases relating to the Clinics (the "**Leases**"), including (i) the transfer of the Leases to the respective Target Company and change of ultimate shareholders in connection with the SPA; and (ii) the change of mode of business, where applicable; and

(g) the results of the due diligence (including but not limited to legal, financial, business or otherwise) conducted on the Target Companies being reasonably satisfactory to the Company.

4.6 Completion

Completion is scheduled to take place no later than ten (10) business days after the Conditions Precedent are fulfilled (or if not fulfilled, waived by the Company). In the event any of the Conditions Precedent is not fulfilled or waived on or before 27 November 2016 or such other date as agreed in writing between the Company and the Vendors, the SPA (other than certain specified provisions) shall lapse and cease to have effect and all obligations and liabilities of the parties shall cease and determine and no party shall have any claim against any other party, save in respect of breaches of undertakings in respect of the fulfilment of conditions precedent and any antecedent breaches.

4.7 Pre-Completion Undertaking

Each of the Vendors has undertaken in respect of the Target Companies in which she holds shares (as at the date of the SPA), to procure and ensure that, between the date of the SPA and the Completion Date, the Target Companies shall retain and maintain a minimum NTA and a minimum amount of the NTA in cash and cash equivalents as set out in the table below:

Target Company	Minimum NTA (S$)	Minimum amount of the NTA which shall be in cash and cash equivalents (S$)
JLMBB	150,000.00	90,000.00
JLMS	130,000.00	78,000.00
JLMW	145,000.00	87,000.00
JLMYT	75,000.00	45,000.00
Total	**500,000.00**	**300,000.00**

4.8 Profit Guarantee

Each of the Vendors has guaranteed and undertaken for the benefit of the Company, in the shareholding proportions in the Target Company in which she holds shares (as at the date of the SPA), 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
Total	**1,161,823.00**	**1,045,640.70**

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 SPA) 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 SPA) (the "**Shortfall Compensation**"), which shall be payable in cash to the Company upon demand.

Please refer to paragraph 8 below for further details on the Profit Guarantee.

4.9 Employment Contracts

Under the SPA, each of Dr. Lee Yeng Fen, Dr. Koo Xian Yeang and Dr. Ng Chiew Fang shall enter into a five (5)-year employment contract with the respective Target Company for which she is the resident doctor, in form and substance approved by the Company.

In addition, pursuant to the SPA, the Vendors shall procure each of the doctors providing medical services at the Clinics (other than the Vendors) (including but not limited to Dr. Tang Ching Ching) to enter into employment contracts with the respective Target Company at which she provides medical services, in form and substance approved by the Company.

4.10 Non-Competition

Under the SPA, each of the Vendors has undertaken to the Company that she (save in accordance with her Employment Contract) will not, and shall procure that no affiliate and no director of any affiliate which is a corporation ("**Prohibited Person**") shall, in any relevant capacity during the two (2) years period from the Completion Date:

(a) carry on in, or be engaged, concerned or interested in any business or activity which is same or similar to the business carried out by the Target Companies ("**Prohibited Business**") or competes with the Prohibited Business in Singapore;

(b) canvass, solicit or entice away, in competition with the Prohibited Business, the custom of any person who has within three (3) years prior to the Completion Date been a customer, supplier or partner of any of the Target Companies; and

(c) induce or seek to induce any person which is an employee of any of the Target Companies to become employed, whether as employee, consultant or otherwise, by such Prohibited Person.

5. PROPOSED WHITEWASH RESOLUTION AND WHITEWASH WAIVER

As at the date of this announcement, Dr. Lee Hung Ming (who is the Executive Vice-Chairman and a controlling Shareholder), the spouse of Dr. Lee Yeng Fen, holds (directly and indirectly) 162,000,000 Shares, representing approximately 33.11% of the Shares in the Company. Subject to the SPA, following Completion, Dr. Lee Yeng Fen will be issued 25,892,258 Consideration Shares and Dr. Lee Yeng Fen and parties acting in concert with her (namely, Dr. Lee Hung Ming) will hold or control an aggregate of 187,892,258 Shares, representing approximately 36.34% of the enlarged number of issued Shares. Pursuant to Rule 14 of the Code, Dr. Lee Yeng Fen and parties acting in concert with her will incur an obligation to make a mandatory general offer for the Shares not already owned, controlled or agreed to be acquired by them, unless such obligation to make a mandatory general offer is waived by the SIC.

The Company intends to seek approval from independent Shareholders for the Proposed Whitewash Resolution. The Company also intends to submit an application to the SIC in respect of (i) a confirmation that none of the Vendors are regarded as parties acting in concert with each other and (ii) the Whitewash Waiver.

Further details of the Proposed Acquisition and the Proposed Whitewash Resolution will be set out in the Company's circular to Shareholders (the "**Circular**"), which is expected to be despatched to Shareholders in due course.

6. INTERESTED PERSON TRANSACTION

6.1 Chapter 9 of the Listing Manual

The Proposed Acquisition constitutes an IPT under Chapter 9 of the Catalist Rules:-

(a) An "interested person transaction" is a transaction between an entity at risk and an interested person pursuant to Rule 904(5) of the Catalist Rules.

(b) As the Company is an "issuer" on the SGX-ST Catalist Board, the Company is an "entity at risk" pursuant to Rule 904(2) of the Catalist Rules.

(c) As Dr. Lee Yeng Fen (one of the Vendors) is the spouse of Dr. Lee Hung Ming (the Executive Vice-Chairman and controlling Shareholder of the Company), Dr. Lee Yeng Fen is an "associate" of Dr. Lee Hung Ming and thus an "interested person" under Rule 904(4)(b) of the Catalist Rules.

(d) As the Proposed Acquisition involves the acquisition of shares in the Target Companies, it constitutes a "transaction" under Rule 904(6)(b) of the Catalist Rules.

Under Rule 906 of the Catalist Rules, Shareholders' approval is required for an IPT of a value which is equal to or greater than 5.0% of the Group's latest audited NTA or when aggregated with other IPTs entered into during the same financial year, the value is equal to or more than 5.0% of the Group's latest audited NTA. In obtaining such approval, pursuant to Rule 919 of the Catalist Rules, the interested person and its associates are required to abstain from voting on the resolution approving the IPT.

6.2 Shareholders' Approval

The Consideration for the Proposed Acquisition is S$13,941,876.00 and the portion of the Consideration payable to Dr. Lee Yeng Fen is S$12,946,129.44. The Group's latest audited NTA as at 31 December 2015 is S$26,836,790.00. As the Consideration (in cash and by way of allotment and issue of Consideration Shares) payable to Dr. Lee Yeng Fen against the Group's latest audited NTA is approximately 48.24%, which exceeds 5.0% of the Group's latest audited NTA, the Proposed Acquisition is subject to the approval of Shareholders (other than Dr. Lee Hung Ming and his associates) at the EGM.

6.3 Other IPTs

Save for the Proposed Acquisition, no IPT has been entered into by the Group in the current financial year ending 31 December 2016, whether with Dr. Lee Hung Ming, his associates or otherwise.

6.4 Voluntary Disclosure

The Board wishes to inform Shareholders that Dr. Lee Yeng Fen has informed the Company that her two brothers own and operate medical general practice clinics in Singapore. The clinics owned and operated by Dr. Lee Yeng Fen's brothers do not form part of the Proposed Acquisition and neither Dr. Lee Hung Ming nor Dr. Lee Yeng Fen has any interest, direct or indirect, in such clinics.

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

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

Rule 1006	Bases	Relative figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profit [(1)]	16.25 [(2)]
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	10.98 [(3)]
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	5.70 [(4)]

Rule 1006	Bases	Relative figure (%)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset.	Not applicable

Notes:

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

(2) Computed based on the pro-rated three months unaudited combined adjusted and normalised net profits attributable to the Target Companies during the financial year ended 31 October 2015 of S$312,309 and the net profits attributable to the Group during the three months ended 31 March 2016 of S$1,922,000.

(3) Computed based on the Company's volume weighted average price of S$0.270 per share on 25 May 2016 (being the last trading day for the Shares prior to the signing of the SPA), being higher than the Group's net asset value per share of S$0.11 as at 31 March 2016, on the 27,883,750 Consideration Shares, and the Company's market capitalisation of S$132,087,218.13 on its 489,211,919 Shares on 25 May 2016.

(4) Computed based on the aggregate of 27,883,750 Consideration Shares and the total of 489,211,919 Shares in issue as at the date of this announcement.

Having regard to the above, as the relative figures computed based on Rules 1006 (b), (c) and (d) exceed 5.0% but not 75.0%, the Proposed Acquisition constitutes a "discloseable transaction" under Rule 1010 of the Catalist Rules.

8. PROFIT GUARANTEE

In relation to the Profit Guarantee (as described in paragraph 4.8 above), the Company provides the following information in accordance with Rule 1013(1) of the Catalist Rules.

8.1 Factors in Accepting the Profit Guarantee

The Board is of the view that the Profit Guarantee helps to safeguard the interests of the Group and its Shareholders and the Company will have the legal recourse against the respective Vendors in the event that such Vendor(s) fail to pay the Shortfall Compensation (if required). In accepting the Profit Guarantee, the Board took into account the following factors:

(a) the track record and past financial performance of the Target Companies;

(b) the Target Company's unaudited financial statements for the financial year ended 31 October 2015, as adjusted and normalised following discussions between the Company, its auditors and the Vendors; and

(c) the intrinsic potential of the business to grow.

8.2 Assumptions in respect of the Quantum of the Profit Guarantee

The principal assumptions upon which the quantum of the Profit Guarantee was based are as follows:

(a) There are no material changes in the existing political, economic, legal and social conditions, and regulatory and fiscal measures in Singapore, being the country in which the Target Companies operate.

(b) There will be no significant changes in the structure of the Target Companies and their principal sources of revenue.

(c) There will be no material loss of major suppliers, strategic partners which are essential for the operations of the Target Companies.

(d) There will be no material changes in the resident doctor and key employees of the Target Companies.

(e) There will be no material adverse effect from any industrial or commercial disputes, which will affect the profitability and financial position of Target Companies.

(f) There will be no material changes in the inflation rates during the Profit Guarantee Period.

(g) There will be no material changes in the borrowings and its prevailing interest rates.

(h) There are no changes to the accounting policies normally adopted in the preparation of the financial statements of the Target Companies.

(i) There will be no material capital expenditure during the period of the Profit Guarantee.

8.3 Compensation in the event the Profit Guarantee is not met

In the event that the Profit Guarantee is not met and the APAT of a Target Company is below the Shortfall Threshold, the respective Vendor(s) who hold(s) shares in such Target Company (as at the date of the SPA) is required to pay the respective Shortfall Compensation to the Company in cash upon demand.

The Shortfall Compensation payable by the Vendor(s) (if required) will be an amount equivalent to the difference between the Shortfall Threshold (which provides for a 10% discount to the respective Profit Guarantee) and the actual APAT of such Target Company. Each Profit Guarantee Period is one (1) year, which will ensure that the Company will receive shortfall payments (if any) from the Vendors on a regular basis during the five (5) financial years commencing from 1 January 2017.

In determining the basis for the compensation, the Company notes that the Consideration was determined based on historical and not forward earnings of the Target Companies and the Profit Guarantee is intended to ensure continual accretive operational performance. Therefore, any compensation in the event that the Profit Guarantee is not met would be on a dollar for dollar basis.

Please refer to paragraph 4.8 above for more information.

8.4 Safeguards to Ensure the Company's Right of Recourse

In the event the Profit Guarantee is not met and the respective Vendor(s) fail to pay the Shortfall Compensation (if required), the Company shall have the legal recourse under the SPA against the Vendors.

9. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The pro forma financial effects of the Proposed Acquisition on the Company presented below are strictly for illustrative purposes only and do not reflect the actual financial effects or the future financial performance and condition of the Company and/or the Group after Completion. The pro forma financial effects below were prepared on the basis of the audited financial statements of the Group for the financial year ended 31 December 2015 ("**FY2015**").

9.1 NTA

Assuming that the Target Companies have distributed dividends to the Vendors (please refer to paragraph 2.1(c) above for more information) and the Proposed Acquisition had been effected on 31 December 2015, the pro forma NTA of the Group for FY2015 are as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA (S$)	26,836,790	20,365,852 (1)
Number of Shares	489,211,919	517,095,669
NTA per Share (cents)	5.49	3.94

Note:

(1) Computed based on the unaudited combined NTA attributable to the Target Companies as of 31 October 2015, having taken into account the distribution of dividends amounting to approximately S$2,968,149.

9.2 Earnings per Share ("EPS")

Assuming that the Proposed Acquisition had been effected on 1 January 2015, the pro forma consolidated EPS of the Company for FY2015 are as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Profit after tax attributable to the Shareholders (S$)	2,759,868	3,921,691 (1)
Weighted average number of Shares (excluding treasury Shares)	460,519,414	488,403,164
EPS (cents)	0.60	0.80

Note:

(1) Computed based on the unaudited combined adjusted and normalised profit after tax attributable to the Target Companies of S$1,161,823 for the financial year ended 31 October 2015.

9.3 Funding

The Consideration is intended to be funded by internal resources of the Group, including the net proceeds from the Company's initial public offering, and through the issuance of new Shares in the Company.

10. INDEPENDENT FINANCIAL ADVISER

Provenance Capital Pte. Ltd. has been appointed as the independent financial adviser (the "**IFA**") to advise the Directors of the Company who are independent for purposes of the Proposed Acquisition (comprising Mr. Sitoh Yih Pin, Dr. Wong Jun Shyan, Professor Low Teck Seng and Mr. Lim Wee Hann) on whether (a) the Proposed Acquisition, as an IPT, is on normal commercial terms and whether it is prejudicial to the interests of the Company and its minority Shareholders; and (b) whether the Proposed Whitewash Resolution is fair and reasonable and not prejudicial to the interests of independent Shareholders.

The Audit Committee of the Company will obtain an opinion from the IFA before forming its view on the Proposed Acquisition, which will be set out in the Circular when it is finalised.

11. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition.

12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings in the Company, none of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

13. EGM

13.1 Resolutions to be Passed

An EGM will be convened for the purpose of considering and, if thought fit, passing with or without modification, *inter alia*, ordinary resolutions in respect of the following:

(a) the Proposed Acquisition as an IPT, in accordance with Chapter 9 of the Catalist Rules;

(b) the allotment and issue of the Consideration Shares to the Vendors; and

(c) the Proposed Whitewash Resolution.

Shareholders should note that the above resolutions are inter-conditional. In the event that any of the resolutions is not approved, the other resolutions will not be duly passed. The Circular in relation to the foregoing matters, together with a notice of the EGM, will be despatched to the Shareholders in due course.

13.2 Abstention from Voting

Rule 914 of the Catalist Rules prohibits interested persons and their associates from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM. Accordingly, the Dr. Lee Hung Ming and his associates will abstain from voting on all the resolutions relating to the Proposed Acquisition.

14. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

15. DOCUMENTS FOR INSPECTION

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

By Order of the Board

Dr. Wong Jun Shyan
Executive Director and Chief Executive Officer
27 May 2016

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*ISEC Healthcare Ltd. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 28 October 2014. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay,#10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.