

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

**Unaudited Financial Statement and Dividend Announcement
 For the Third Quarter Ended 30 September 2021**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 3 Months Ended			Group 9 Months Ended		
	30 September 2021 (Unaudited) S\$'000	30 September 2020 (Unaudited) S\$'000	Change %	30 September 2021 (Unaudited) S\$'000	30 September 2020 (Unaudited) S\$'000	Change %
Revenue	8,202	11,170	-27%	27,235	26,208	4%
Cost of sales	(4,668)	(5,896)	-21%	(15,238)	(14,891)	2%
Gross profit	3,534	5,274	-33%	11,997	11,317	6%
Other item of income						
Other income	212	304	-30%	578	956	-40%
Other items of expense						
Selling and distribution expenses	(25)	(4)	>100%	(47)	(34)	38%
Administrative expenses	(2,020)	(2,101)	-4%	(6,107)	(6,220)	-2%
Other expenses	(116)	(88)	32%	(521)	(1,357)	-62%
Finance costs	(93)	(122)	-24%	(305)	(292)	4%
Share of results of associate	(5)	(5)	0%	(15)	(23)	-35%
Profit before income tax	1,487	3,258	-54%	5,580	4,347	28%
Income tax expense	(343)	(728)	-53%	(1,296)	(1,317)	-2%
Profit for the financial period	1,144	2,530	-55%	4,284	3,030	41%

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	Group			Group		
	3 Months Ended			9 Months Ended		
	30	30	Change	30	30	Change
	September	September		September	September	
2021	2020		2021	2020		
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation of subsidiaries	49	396	-88%	(709)	110	NM
Other comprehensive income for the financial period, net of tax	49	396	-88%	(709)	110	NM
Total comprehensive income for the financial period	1,193	2,926	-59%	3,575	3,140	14%
Profit attributable to:						
Owners of the parent	1,204	2,583	-53%	4,366	3,218	36%
Non-controlling interests	(60)	(53)	13%	(82)	(188)	-56%
Profit for the financial period	1,144	2,530	-55%	4,284	3,030	41%
Total comprehensive income attributable to:						
Owners of the parent	1,253	2,978	-58%	3,658	3,328	10%
Non-controlling interests	(60)	(52)	15%	(83)	(188)	-56%
Total comprehensive income for the financial period	1,193	2,926	-59%	3,575	3,140	14%

NM – Not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

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

	Group			Group		
	3 Months Ended			9 Months Ended		
	30 September	30 September	Change	30	30 September	Change
	2021	2020		September	2020	
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Depreciation of property, plant and equipment - cost of sales	166	181	-8%	505	539	-6%
Depreciation of right-of-use assets - cost of sales	120	114	5%	360	338	7%
Depreciation of property, plant and equipment – administrative expenses	88	102	-14%	271	303	-11%
Depreciation of right-of-use assets – administrative expenses	281	281	0%	835	803	4%
Amortisation of intangible assets – other expenses	140	140	0%	421	420	0%
Amortisation of intangible assets – administrative expenses	5	9	-44%	20	27	-26%
Interest income	(57)	(60)	-5%	(157)	(235)	-33%
Interest income – net investment in sublease	(1)	(2)	-50%	(5)	(6)	-17%
Other income – government grants	(71)	(172)	-59%	(284)	(503)	-44%
Other income – rental rebate	(45)	(28)	61%	(53)	(122)	-57%
Interest expense – loans	24	14	71%	76	14	>100%
Interest expense – lease liabilities	59	80	-26%	191	212	-10%
(Gain)/loss on exchange differences, net	(24)	(62)	-61%	97	(9)	NM
Gain on disposal of plant and equipment	-	(15)	-100%	-	(15)	-100%
Plant and equipment written-off	-	-	NM	1	-	NM
(Write-back of)/allowance for expected credit losses, net	(4)	3	NM	(3)	(18)	-83%
Impairment loss for goodwill	-	-	NM	-	934	-100%
Share-based compensation expenses	13	26	-50%	54	46	17%

NM – Not meaningful

1(b)(i) A statement of financial position for the group, together with a comparative statement as at the end of the immediately preceding financial year

	Group	
	30 September 2021 (Unaudited) S\$'000	31 December 2020 (Audited) S\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,574	10,141
Right-of-use assets	4,260	4,754
Intangible assets - goodwill	41,953	42,252
Intangible assets - others	1,748	2,171
Investment in associate	154	168
Net investment in sublease	65	109
Deferred tax assets	63	51
	57,817	59,646
Current assets		
Inventories	1,222	1,333
Trade receivables, net ⁽¹⁾	2,241	2,337
Other receivables and deposits	575	737
Prepayments	246	247
Net investment in sublease	58	56
Cash and cash equivalents ⁽¹⁾	22,217	24,124
	26,559	28,834
TOTAL ASSETS	84,376	88,480
EQUITY AND LIABILITIES		
EQUITY		
Share capital	70,068	70,054
Treasury share reserve	(105)	(105)
Other reserves	(8,051)	(7,397)
Retained earnings	8,521	8,557
Equity attributable to owners of Company	70,433	71,109
Non-controlling interests	497	580
TOTAL EQUITY	70,930	71,689
LIABILITIES		
Non-current liabilities		
Provisions	162	163
Lease liabilities	3,236	3,610
Deferred tax liabilities	320	378
Other payables	-	558
Loans	2,464	3,141
	6,182	7,850

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	Group	
	30 September 2021	31 December 2020
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Current liabilities		
Trade payables	1,001	1,098
Other payables	945	2,338
Advances	242	212
Accrued expenses	593	512
Payroll payable	1,703	1,423
Loans	853	866
Lease liabilities	1,392	1,646
Current income tax payable	535	846
	7,264	8,941
TOTAL LIABILITIES	13,446	16,791
TOTAL EQUITY AND LIABILITIES	84,376	88,480

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

	Group	
	30 September 2021	31 December 2020
	S\$'000	S\$'000
	S\$'000	S\$'000
Trade receivables, net denominated in the following currencies:		
Singapore Dollar	1,262	1,145
Ringgit Malaysia	973	1,190
Myanmar Kyat	6	2
	2,241	2,337
Cash and cash equivalents denominated in the following currencies:		
Singapore Dollar	6,626	9,405
Ringgit Malaysia	15,338	14,491
Myanmar Kyat	223	31
United States Dollar	30	197
	22,217	24,124

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2021		As at 31 December 2020	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
853	1,392 ⁽¹⁾	866	1,646 ⁽¹⁾

Amount repayable after one year

As at 30 September 2021		As at 31 December 2020	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,464	3,236 ⁽¹⁾	3,141	3,610 ⁽¹⁾

(1) Unsecured borrowings relate to lease liabilities recognised under SFRS(I) 16 *Leases*.

Details of any collateral

As at 30 September 2021, the Group's secured loan of S\$3.317 million (31 December 2020: S\$4.007 million) is secured by the land and building which the loan was entered for.

1(c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group 3 Months Ended		Group 9 Months Ended	
	30 September 2021 (Unaudited) S\$'000	30 September 2020 (Unaudited) S\$'000	30 September 2021 (Unaudited) S\$'000	30 September 2020 (Unaudited) S\$'000
Cash flows from operating activities				
Profit before income tax	1,487	3,258	5,580	4,347
Adjustments for:				
(Write-back of)/allowance for expected credit losses, net	(4)	3	(3)	(18)
Amortisation of intangible assets	145	149	441	447
Depreciation of property, plant and equipment and right-of-use assets	655	678	1,971	1,983
Rental rebates	(45)	(28)	(53)	(122)
Interest income	(58)	(62)	(162)	(241)
Interest expense	93	122	305	292
Impairment loss for goodwill	-	-	-	934
Gain on disposal of property, plant and equipment	-	(15)	-	(15)
Plant and equipment written-off	-	-	1	-
Share-based compensation expenses	13	26	54	46
Share of results of associate	5	5	15	23
Operating cash flows before working capital changes	2,291	4,136	8,149	7,676
Working capital changes:				
- Inventories	58	34	64	(14)
- Trade and other receivables	803	(1,186)	310	(233)
- Prepayments	(24)	(17)	(5)	(26)
- Trade and other payables	380	660	263	(1,423)
Cash generated from operations	3,508	3,627	8,781	5,980
Income tax paid	(561)	(520)	(1,675)	(1,470)
Net cash from operating activities	2,947	3,107	7,106	4,510
Cash flows from investing activities				
Payment to vendors ⁽¹⁾	-	-	(1,765)	-
Purchase of property, plant and equipment ⁽²⁾	(372)	(1,482)	(608)	(2,164)
Purchase of intangible assets	-	(13)	(41)	(89)
Acquisition of a subsidiary, net of cash acquired	-	-	-	(2,946)
Interest received	56	60	156	235
Net cash used in investing activities	(316)	(1,435)	(2,258)	(4,964)

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	Group 3 Months Ended		Group 9 Months Ended	
	30 September 2021 (Unaudited) S\$'000	30 September 2020 (Unaudited) S\$'000	30 September 2021 (Unaudited) S\$'000	30 September 2020 (Unaudited) S\$'000
Cash flows from financing activities				
Dividends paid	-	(2,662)	(4,402)	(2,662)
Subscription of shares in subsidiaries by non-controlling interests	-	107	-	341
Share issue expenses	-	-	-	(16)
Proceeds from exercise of share options	14	-	14	-
Principal element of lease liabilities	(395)	(381)	(1,228)	(1,064)
Interest paid – lease liabilities	(69)	(106)	(184)	(206)
Repayment of loans ⁽²⁾	(209)	(71)	(632)	(71)
Interest paid – loan	(26)	(4)	(80)	(4)
Net cash used in financing activities	(685)	(3,117)	(6,512)	(3,682)
Net increase/(decrease) in cash and cash equivalents	1,946	(1,445)	(1,664)	(4,136)
Cash and cash equivalents at beginning of financial period	20,401	22,909	24,124	25,657
Effects of exchange rate changes on cash and cash equivalents	(130)	80	(243)	23
Cash and cash equivalents at end of financial period	22,217	21,544	22,217	21,544

(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. Upon the partial settlement, a 10% balance, or S\$558,000, remains as payable to be settled.

(2) **Non-cash transaction - investing and financing activities**

Purchase of property partially financed through loan facility	-	4,254	-	4,254
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On 6 August 2020, ISEC (Penang) Sdn. Bhd., a wholly-owned indirect subsidiary of the Company, entered into a 5-year term loan facility to partially finance the acquisition of land and building, with an aggregate cost of RM18,922,000 (equivalent to S\$6,191,000), of which RM13,000,000 (equivalent to S\$4,254,000) was satisfied by the loan facility. The loan bears a floating interest rate of the bank’s Cost of Funds + 0.5% margin per annum and is secured by the land and building for which the loan was entered. The interest rate for the period 3 months and 9 months ended 30 September 2021 was 2.85% (August to September 2020: 2.85%).

The remaining balance of RM5,922,000 (equivalent to S\$1,937,000) was satisfied by the Group’s cash and included in purchase of property, plant and equipment.

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1(d)(i) A statement for the group showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statements of Changes in Equity

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 January 2021	70,054	(105)	567	(3,572)	(4,463)	71	8,557	71,109	580	71,689
Profit for the financial period	-	-	-	-	-	-	3,162	3,162	(22)	3,140
Other comprehensive income										
Foreign currency translation	-	-	(757)	-	-	-	-	(757)	(1)	(758)
Total comprehensive income for the financial period	-	-	(757)	-	-	-	3,162	2,405	(23)	2,382
Transactions with owners of the Company										
Dividends	-	-	-	-	-	-	(4,402)	(4,402)	-	(4,402)
Share-based compensation expenses ⁽¹⁾	-	-	-	-	-	41	-	41	-	41
Total transactions with owners of the Company	-	-	-	-	-	41	(4,402)	(4,361)	-	(4,361)
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.

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Statements of Changes in Equity

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 July 2021	70,054	(105)	(190)	(3,572)	(4,463)	112	7,317	69,153	557	69,710
Profit for the financial period	-	-	-	-	-	-	1,204	1,204	(60)	1,144
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	49	-	-	-	-	49	-	49
Total comprehensive income for the financial period	-	-	49	-	-	-	1,204	1,253	(60)	1,193
Transaction with owners of the Company										
Share-based compensation expenses ⁽¹⁾	-	-	-	-	-	13	-	13	-	13
Issuance of ordinary shares ⁽²⁾	14	-	-	-	-	-	-	14	-	14
Total transaction with owners of the Company	14	-	-	-	-	13	-	27	-	27
At 30 September 2021	70,068	(105)	(141)	(3,572)	(4,463)	125	8,521	70,433	497	70,930

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

(2) On 2 July 2021, the Company issued and allotted 49,614 ordinary shares in the share capital of the Company (the "New Shares"), at an issue price of S\$0.29 per New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issue and allotment of the New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 550,685,857 ordinary shares to 550,735,471 ordinary shares.

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Statements of Changes in Equity

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 S\$'000	Non- controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2020	64,741	(105)	495	(3,572)	(4,463)	-	6,529	63,625	478	64,103
Profit for the financial period	-	-	-	-	-	-	635	635	(135)	500
Other comprehensive income										
Foreign currency translation	-	-	(285)	-	-	-	-	(285)	(1)	(286)
Total comprehensive income for the financial period	-	-	(285)	-	-	-	635	350	(136)	214
Transactions with owners of the Company										
Issuance of ordinary shares ⁽¹⁾	5,329	-	-	-	-	-	-	5,329	-	5,329
Shares issue expenses	(16)	-	-	-	-	-	-	(16)	-	(16)
Dividends	-	-	-	-	-	-	(2,662)	(2,662)	-	(2,662)
Grant of share options to employees ⁽²⁾	-	-	-	-	-	20	-	20	-	20
Total transactions with owners of the Company	5,313	-	-	-	-	20	(2,662)	2,671	-	2,671
Transaction with non-controlling interests										
Subscription of shares in subsidiary by non-controlling interests ⁽³⁾	-	-	-	-	-	-	-	-	339	339
Total transaction with non-controlling interests	-	-	-	-	-	-	-	-	339	339
At 30 June 2020	70,054	(105)	210	(3,572)	(4,463)	20	4,502	66,646	681	67,327

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Statements of Changes in Equity

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		
At 1 July 2020	70,054	(105)	210	(3,572)	(4,463)	20	4,502	66,646	681	67,327
Profit for the financial period	-	-	-	-	-	-	2,583	2,583	(53)	2,530
Other comprehensive income										
Foreign currency translation	-	-	395	-	-	-	-	395	1	396
Total comprehensive income for the financial period	-	-	395	-	-	-	2,583	2,978	(52)	2,926
Transaction with owners of the Company										
Grant of share options to employees ⁽²⁾	-	-	-	-	-	26	-	26	-	26
Total transaction with owners of the Company	-	-	-	-	-	26	-	26	-	26
Transaction with non-controlling interests										
Subscription of shares in subsidiary by non-controlling interests ⁽⁴⁾	-	-	-	-	-	-	-	-	2	2
Total transaction with non-controlling interests	-	-	-	-	-	-	-	-	2	2
At 30 September 2020	70,054	(105)	605	(3,572)	(4,463)	46	7,085	69,650	631	70,281

(1) On 27 February 2020, the Company, through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), completed the acquisition of Indah Specialist Eye Centre Sdn. Bhd. ("Indah Specialist"), by way of the allotment and issuance of 17,950,913 consideration shares, equivalent to fair value consideration of S\$5,329,000 to the Vendors.

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

(3) As at 31 March 2020, ISEC Myanmar Company Limited ("ISEC Myanmar"), a 51% owned indirect subsidiary of the Company, has undertaken share capital injection, resulting in an increase from S\$1,365,000 (equivalent to US\$1,000,000) to S\$2,058,000 (equivalent to US\$1,500,000), through issuance of shares allotted to the existing shareholders of the subsidiary in equal proportion to their existing shareholdings.

(4) In July 2020, the Company, through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), incorporated ISEC (Kuching) Sdn. Bhd. ("ISEC Kuching"), and 51% of the total shareholding is held by ISEC KL. The initial issued and paid-up share capital of ISEC Kuching was S\$3,000 (equivalent to RM10,000).

2. Review of comparative performance of the Group for the 3 months ended 30 September 2021 ("3Q2021") and 30 September 2020 ("3Q2020"), and 9 months ended 30 September 2021 ("9M2021") and 30 September 2020 ("9M2020"), where applicable.

Revenue

3Q2021 vs 3Q2020

The Group's revenue for 3Q2021 was S\$8.20 million, a decrease of 27%, or S\$2.97 million, from S\$11.17 million in 3Q2020.

The decrease was mainly from Malaysia, where revenue decreased by 34%, or S\$3.01 million, from S\$8.93 million in 3Q2020 to S\$5.92 million in 3Q2021. The decrease was mainly attributable to decreased business activities as a result of the surge of reported COVID-19 cases in the country while it was undergoing the National Recovery Plan ("NRP") starting 1 June 2021.

Q32021 revenue from both Singapore and Myanmar operations were generally consistent compared to Q32020.

9M2021 vs 9M2020

Revenue for 9M2021 was recorded at S\$27.24 million, an increase of S\$1.03 million, or 4%, from S\$26.21 million in 9M2020. This was mainly as a result of increased business activities in Singapore for both specialised health services and general health services.

In Singapore, revenue for 9M2021 was recorded at S\$6.71 million, an increase of S\$1.77 million or 36%, with a gradual resumption of business activities since early 2021 from the adverse impact faced during the COVID-19 pandemic in 2020, with the rolling out of progressive vaccination implementation for the population and further easing of movement control measures within the country.

In Malaysia, revenue decreased by S\$0.96 million, or 5%, from S\$20.93 million in 9M2020 to S\$19.97 million in 9M2021. The business activities in Malaysia decreased significantly in 3Q2021 when a spike in COVID-19 cases was seen while the country was undergoing the NRP starting 1 June 2021.

The Group acquired Indah Specialist on 27 February 2020, which contributed to the total revenue earned in Malaysia. Excluding the contribution from Indah Specialist, revenue earned in Malaysia for 9M2021 showed a decrease of S\$1.54 million, or 8%, compared to that in 9M2020.

Cost of sales

3Q2021 vs 3Q2020

Cost of sales for 3Q2021 was recorded at S\$4.67 million, a decrease of 21%, or S\$1.23 million from S\$5.90 million in 3Q2020. This decrease is generally in line with the decrease in revenue due to the reduced business activities in the Group's operations as a whole.

The decrease in cost of sales was 21% in 3Q2021 when revenue decreased by 27% in 3Q2021. The extent of the decrease in cost of sales was lower compared to the decrease in revenue, generally as a result of reduced efficiency with the reduction of business activities in Malaysia.

9M2021 vs 9M2020

Cost of sales increased by 2%, or S\$0.35 million from S\$14.89 million in 9M2020. This is consistent with increased revenue of 4% in 9M2021 compared to 9M2020.

Gross profit and gross profit margin

3Q2021 vs 3Q2020

Gross profit decreased by 33% to S\$3.53 million in 3Q2021 with a decrease in gross profit of 4.1 percentage points, from 47.2% in 3Q2020 to 43.1% in 3Q2021, mainly due to the greater decrease in revenue compared to that of cost of sales, as explained above.

9M2021 vs 9M2020

Gross profit increased marginally by 6% to S\$12.00 million in 9M2021 with an increase in gross profit margin of 0.8 percentage points, from 43.2% in 9M2020 to 44.0% in 9M2021. This was mainly due to the increased business activities in Singapore.

Profit after tax

3Q2021 vs 3Q2020

The Group reported a net profit of S\$1.14 million in 3Q2021. This was a decrease of S\$1.39 million compared to a net profit of S\$2.53 million in 3Q2020, mainly due to decreased revenue and gross profit as explained above.

9M2021 vs 9M2020

The Group reported a net profit of S\$4.28 million in 9M2021. This was an increase of S\$1.25 million compared to net profit of S\$3.03 million in 9M2020.

In 9M2020, the Group recorded an impairment loss for goodwill, totaling S\$0.93 million, in the general health services segment, with S\$0.38 million relating to JL Medical (Bukit Batok) Pte. Ltd. ("**JLMBB**"), S\$0.15 million relating to JL Medical (Woodlands) Pte. Ltd. ("**JLMWL**"), and S\$0.40 million relating to JL Medical (Yew Tee) Pte. Ltd. ("**JLMYT**") respectively, being recognised. No impairment loss for goodwill was recognised in 9M2021.

The increase in net profits in 9M2021 was mainly attributable to the absence of impairment loss for goodwill recorded in 9M2021 and lower income tax expense recorded as a result of reduced profits in 9M2021.

3. 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.

Coronavirus 2019 (“COVID-19”) pandemic

In Malaysia, the number of reported COVID-19 cases has been on a declining trend since mid-September 2021 due to its ramping up of vaccination drive. On 11 October 2021, the government of Malaysia announced the opening of domestic borders, but only for those fully vaccinated against COVID-19, as more than 90% of the adult population across the country are fully vaccinated. The government of Malaysia is preparing to shift into an endemic COVID-19 phase where it expects no imposition of wide lockdowns again if the number of COVID-19 cases rise.

In Singapore, the country had on 27 September 2021 entered into the Stabilisation Phase of Transition to COVID-19 Resilience with tightened measures in view of the increased number of reported COVID-19 cases and fatalities. However, as Singapore has achieved relatively high vaccination rates in the country, the government of Singapore continues to open its borders to more countries for quarantine-free travel in view to rebuild its economy and prepare its nation to live with COVID-19.

In Myanmar, the “Stay at Home” measures and curfews are still in place to restrict movements to reduce transmission of the virus since the third wave of COVID-19 hit its nation in July 2021. The Junta has accelerated the vaccination program since August 2021.

The Group is closely monitoring and assessing the impact of Malaysia and Singapore’s slow and progressive economic recovery to our operations in the respective countries, as well as the measures undertaken by Myanmar and its impact to our operations.

Political situation in Myanmar

On 1 February 2021, Myanmar declared a state of emergency for a year for political reasons. As at the date of this report, ISEC Myanmar’s clinic is currently still operational with low patient load. The on-going protest may adversely affect the operations of the clinic. As the situation is still evolving, the Group is unable to reasonably ascertain the extent of the probable impact on our financial performance for the year ending 31 December 2021.

4. 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	0.75 Singapore cents (S\$0.0075) per ordinary share
Tax rate	Tax exempt (one-tier)

(ii) Previous corresponding period (cents)

No dividend has been declared or recommended for Q3 2020.

(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 the shareholder, 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 8 November 2021.

(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 29 October 2021 for the purpose of determining shareholders' entitlements to the first interim tax exempt (one-tier) dividend in respect of the financial period ended 30 September 2021 (the "Interim Dividend").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 29 October 2021 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 29 October 2021 will be entitled to the Interim Dividend.

BY ORDER OF THE BOARD

Dr Lee Hung Ming
Executive Vice Chairman
21 October 2021

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 document.

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