

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 2017

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 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**"). The Sale and Purchase Agreement was supplemented and amended by the supplemental agreement dated 6 September 2016 between the Company and the Vendors pursuant to which, *inter alia*, the Vendors agreed to transfer the legal title to the Sale Shares to the Company for the sole purpose of fulfilling the Conditions to HDB Approval for Assignment in connection with the leases relating to the Clinics (the "**Supplemental 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 2017

3.1 The results of the Target Companies in relation to the Profit Guarantee for the financial year ended 31 December 2017 are as follows:

Target Company	APAT (S\$)	Variance between Shortfall Threshold and APAT (S\$)
JLMBB	206,657.00	103,737.70
JLMS	226,540.00	44,685.80
JLMW	313,853.00	(12,896.60)
JLMYT	152,022.00	11,041.80

3.2 Accordingly, the Board wishes to announce that:

- (i) JLMW has met the Profit Guarantee for the financial year ended 31 December 2017; and
- (ii) JLMBB, JLMS and JLMYT have not met the Profit Guarantee for the financial year ended 31 December 2017.

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 and JLMYT was for an aggregate sum of S\$744,684.30 and the actual APAT of the relevant Target Companies for the financial year ended 31 December 2017 was an aggregate sum of S\$585,219.00, resulting in a variance between the Shortfall Threshold and the actual APAT of the relevant Target Companies of an aggregate sum of S\$159,465.30.

The main reason for the variance was due to lower than expected revenue by JLMBB, JLMS and JLMYT resulting from a 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 10 April 2018 issued notices to the respective Vendor(s) who hold(s) shares in each of JLMBB, JLMS and JLMYT (as at the date of the Sale and Purchase Agreement) to pay the respective Shortfall Compensation to the Company in cash upon demand, amounting to an aggregate of S\$159,465.30.

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

By Order of the Board

Dr. Wong Jun Shyan
Executive Director and Chief Executive Officer
10 April 2018

*This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. 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 SGX-ST 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.

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