

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

**Unaudited Financial Statement and Dividend Announcement
For the Third Quarter Ended 30 September 2017**

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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 2017 (Unaudited) S\$'000	30 September 2016 (Unaudited) S\$'000	Change %	30 September 2017 (Unaudited) S\$'000	30 September 2016 (Unaudited) S\$'000	Change %
Revenue	9,735	7,416	31%	27,445	22,481	22%
Cost of sales	(5,097)	(3,754)	36%	(14,492)	(11,477)	26%
Gross profit	4,638	3,662	27%	12,953	11,004	18%
<i>Other item of income</i>						
Other income	100	122	-18%	303	325	-7%
<i>Other items of expense</i>						
Selling and distribution expenses	(6)	(30)	-80%	(33)	(62)	-47%
Administrative expenses	(1,858)	(1,648)	13%	(5,440)	(4,749)	15%
Other expenses	(133)	(133)	0%	(448)	(399)	12%
Interest expense	(1)	(1)	0%	(3)	(3)	0%
Profit before income tax	2,740	1,972	39%	7,332	6,116	20%
Income tax expense	(548)	(294)	86%	(1,526)	(1,108)	38%
Profit for the financial period	2,192	1,678	31%	5,806	5,008	16%

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	Group			Group		
	3 Months Ended			9 Months Ended		
	30	30	Change	30	30	Change
	September	September		September	September	
2017	2016		2017	2016		
(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 differences - foreign operations	50	(382)	NM	(48)	(39)	23%
Other comprehensive income for the financial period, net of tax	50	(382)	NM	(48)	(39)	23%
Total comprehensive income for the financial period	2,242	1,296	73%	5,758	4,969	16%
Profit attributable to:						
Owners of the parent	2,178	1,679	30%	5,799	4,975	17%
Non-controlling interests	14	(1)	NM	7	33	-79%
Profit for the financial period	2,192	1,678	31%	5,806	5,008	16%
Total comprehensive income attributable to:						
Owners of the parent	2,227	1,296	72%	5,747	4,938	16%
Non-controlling interests	15	-	NM	11	31	NM
Total comprehensive income for the financial period	2,242	1,296	73%	5,758	4,969	16%

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	30	Change	30	30	Change
	September	September		September	September	
2017	2016		2017	2016		
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of plant and equipment - cost of sales	134	129	4%	421	384	10%
Depreciation of plant and equipment – administrative expenses	95	82	16%	272	247	10%
Amortisation of intangible assets – other expenses	140	133	5%	421	399	6%
Amortisation of intangible assets – administrative expenses	18	15	20%	52	38	37%
Interest income	(96)	(94)	2%	(268)	(261)	3%
(Gain)/ Loss on exchange differences - net	(5)	43	NM	26	38	-32%
(Gain)/ Loss on disposal of plant and equipment	-	*	NM	(2)	1	NM
Property, plant and equipment written-off	4	1	NM	4	1	NM
Write-back of provisions/accruals	-	(30)	NM	-	(32)	NM

* – Amount less than S\$1,000

NM – Not meaningful

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

	Group		Company	
	30 September 2017 (Unaudited) S\$'000	31 December 2016 (Audited) S\$'000	30 September 2017 (Unaudited) S\$'000	31 December 2016 (Audited) S\$'000
ASSETS				
Non-current assets				
Plant and equipment	3,692	3,967	95	118
Investment in subsidiaries	-	-	48,386	48,386
Intangible assets	38,622	39,111	4	5
Deferred tax assets	30	30	-	-
	42,344	43,108	48,485	48,509
Current assets				
Inventories	1,224	1,218	-	-
Trade and other receivables	2,612	2,171	4,226	4,718
Current tax assets	218	103	-	-
Prepayments	178	176	23	14
Cash and cash equivalents	21,770	20,376	7,697	8,266
	26,002	24,044	11,946	12,998
TOTAL ASSETS	68,346	67,152	60,431	61,507
EQUITY AND LIABILITIES				
Equity				
Share capital	59,673	59,673	59,673	59,673
Reserves	(5,359)	(5,307)	-	-
Retained earnings	9,069	6,424	544	1,501
Equity attributable to owners of parent	63,383	60,790	60,217	61,174
Non-controlling interests	265	(31)	-	-
TOTAL EQUITY	63,648	60,759	60,217	61,174
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	689	761	-	-
Provisions	203	198	19	19
	892	959	19	19
Current liabilities				
Trade and other payables	3,083	4,919	194	313
Current income tax payable	723	515	1	1
	3,806	5,434	195	314
TOTAL LIABILITIES	4,698	6,393	214	333
TOTAL EQUITY AND LIABILITIES	68,346	67,152	60,431	61,507

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

Amount repayable in one year or less, or on demand

None.

Amount repayable after one year

None.

Details of any collateral

Not applicable.

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 2017 (Unaudited) S\$'000	30 September 2016 (Unaudited) S\$'000	30 September 2017 (Unaudited) S\$'000	30 September 2016 (Unaudited) S\$'000
Cash flows from operating activities				
Profit before income tax	2,740	1,972	7,332	6,116
Adjustments for:				
Depreciation of plant and equipment	229	211	693	631
Amortisation of intangible assets	158	148	473	437
Write-back of provisions/accruals	-	(30)	-	(32)
Plant and equipment written-off	4	1	4	1
(Gain)/ loss on disposal of plant and equipment	-	*	(2)	1
Interest income	(96)	(94)	(268)	(261)
Interest expense	1	1	3	3
Operating cash flows before working capital changes	3,036	2,209	8,235	6,896
Working capital changes:				
- Inventories	66	72	(6)	(49)
- Trade and other receivables	(179)	37	(455)	10
- Prepayments	(49)	(68)	(1)	(43)
- Trade and other payables	59	371	(916)	(702)
Cash generated from operations	2,933	2,621	6,857	6,112
Income tax paid	(656)	(722)	(1,506)	(1,397)
Net cash from operating activities	2,277	1,899	5,351	4,715

* – Amount less than S\$1,000

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	Group 3 Months Ended		Group 9 Months Ended	
	30 September 2017 (Unaudited) S\$'000	30 September 2016 (Unaudited) S\$'000	30 September 2017 (Unaudited) S\$'000	30 September 2016 (Unaudited) S\$'000
Investing activities				
Purchase of plant and equipment	(136)	(499)	(431)	(738)
Purchase of intangible assets	(16)	(44)	(26)	(63)
Proceeds from disposal of plant and equipment	-	-	14	2
Interest received	92	91	281	280
Net cash used in investing activities	(60)	(452)	(162)	(519)
Financing activities				
Dividends paid to shareholders	(2,585)	(1,076)	(3,154)	(2,152)
Dividends paid to vendors ⁽¹⁾	-	-	(932)	-
Subscription of shares in subsidiaries by non-controlling interests	-	-	285	-
Net cash used in financing activities	(2,585)	(1,076)	(3,801)	(2,152)
Net (decrease)/ increase in cash and cash equivalents	(368)	371	1,388	2,044
Cash and cash equivalents at beginning of financial period	22,117	26,652	20,376	24,924
Effects of exchange rate changes on cash and cash equivalents	21	(94)	6	(39)
Cash and cash equivalents at end of financial period	21,770	26,929	21,770	26,929

(1) Vendors refer to the previous shareholders of JLM Companies prior to 1 December 2016.

1(d)(i) A statement (for the issuer and 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

	Attributable to owners of the company					Non-controlling interests	Total Equity
	Share capital	Merger reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the company		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group (Unaudited)							
At 1 January 2017	59,673	(3,572)	(1,735)	6,424	60,790	(31)	60,759
Profit for the financial period	-	-	-	3,621	3,621	(7)	3,614
Other comprehensive income							
Foreign currency translation differences – foreign operations	-	-	(101)	-	(101)	3	(98)
Total comprehensive income for the financial period	-	-	(101)	3,621	3,520	(4)	3,516
Transaction with owners of the Company							
Dividends	-	-	-	(569)	(569)	-	(569)
Total transaction with owners of the Company	-	-	-	(569)	(569)	-	(569)
Transaction with non-controlling interests							
Subscription of shares in subsidiaries by non-controlling interests	-	-	-	-	-	285	285
Total transaction with non-controlling interests	-	-	-	-	-	285	285
At 30 June 2017	59,673	(3,572)	(1,836)	9,476	63,741	250	63,991

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	Attributable to owners of the company						Total Equity
	Share capital	Merger reserve	Foreign currency translation 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	
Group (Unaudited)							
At 1 July 2017	59,673	(3,572)	(1,836)	9,476	63,741	250	63,991
Profit for the financial period	-	-	-	2,178	2,178	14	2,192
Other comprehensive income							
Foreign currency translation differences – foreign operations	-	-	49	-	49	1	50
Total comprehensive income for the financial period	-	-	49	2,178	2,227	15	2,242
Transaction with owners of the Company							
Dividends	-	-	-	(2,585)	(2,585)	-	(2,585)
Total transaction with owners of the Company	-	-	-	(2,585)	(2,585)	-	(2,585)
At 30 September 2017	59,673	(3,572)	(1,787)	9,069	63,383	265	63,648

Statements of Changes in Equity

Group (Unaudited)	Attributable to owners of the parent						Total Equity S\$'000
	Share capital	Merger reserve	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2016	51,462	(3,572)	(1,253)	5,362	51,999	(74)	51,925
Profit for the financial period	-	-	-	3,296	3,296	34	3,330
Other comprehensive income							
Foreign currency translation differences – foreign operations	-	-	346	-	346	(3)	343
Total comprehensive income for the financial period	-	-	346	3,296	3,642	31	3,673
Transaction with owners of the parent							
Dividends	-	-	-	(1,076)	(1,076)	-	(1,076)
Total transaction with owners of the parent	-	-	-	(1,076)	(1,076)	-	(1,076)
At 30 June 2016	51,462	(3,572)	(907)	7,582	54,565	(43)	54,522
At 1 July 2016	51,462	(3,572)	(907)	7,582	54,565	(43)	54,522
Profit for the financial period	-	-	-	1,679	1,679	(1)	1,678
Other comprehensive income							
Foreign currency translation differences – foreign operations	-	-	(383)	-	(383)	1	(382)
Total comprehensive income for the financial period	-	-	(383)	1,679	1,296	-	1,296
Transaction with owners of the parent							
Dividends	-	-	-	(1,076)	(1,076)	-	(1,076)
Total transaction with owners of the parent	-	-	-	(1,076)	(1,076)	-	(1,076)
At 30 September 2016	51,462	(3,572)	(1,290)	8,185	54,785	(43)	54,742

Statements of Changes in Equity

	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Company (Unaudited)			
At 1 January 2017	59,673	1,501	61,174
Profit for the financial period, representing total comprehensive income for the financial period	-	2,308	2,308
Transaction with owners of the Company			
Dividends	-	(569)	(569)
Total transaction with owners of the Company	-	(569)	(569)
At 30 June 2017	59,673	3,240	62,913
At 1 July 2017	59,673	3,240	62,913
Loss for the financial period, representing total comprehensive income for the financial period	-	(111)	(111)
Transaction with owners of the Company			
Dividends	-	(2,585)	(2,585)
Total transaction with owners of the Company	-	(2,585)	(2,585)
At 30 September 2017	59,673	544	60,217
	Share capital S\$'000	Retained earnings S\$'000	Total Equity S\$'000
Company (Unaudited)			
At 1 January 2016	51,462	1,406	52,868
Profit for the financial period, representing total comprehensive income for the financial period	-	920	920
Transaction with owners of the Company			
Dividends	-	(1,076)	(1,076)
Total transaction with owners of the Company	-	(1,076)	(1,076)
At 30 June 2016	51,462	1,250	52,712
At 1 July 2016	51,462	1,250	52,712
Profit for the financial period, representing total comprehensive income for the financial period	-	3,319	3,319
Transaction with owners of the Company			
Dividends	-	(1,076)	(1,076)
Total transaction with owners of the Company	-	(1,076)	(1,076)
At 30 September 2016	51,462	3,493	54,955

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share Capital – Ordinary Shares

	Number of ordinary shares	Issued and paid-up share capital S\$
At 30 June 2017 and 30 September 2017	517,095,669	59,672,457

The Company did not have any outstanding options or convertibles as at 30 September 2017 and 30 September 2016. There have been no options and share awards granted pursuant to the Company's employee share options scheme and performance share plan.

There were also no treasury shares or subsidiary holdings as at 30 September 2017 and 30 September 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	<u>30 September 2017</u>	<u>31 December 2016</u>
Total number of issued shares	517,095,669	517,095,669

There were no treasury shares as at 30 September 2017 and 31 December 2016.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current financial reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	3 months ended		9 months ended	
	30 September 2017 (Unaudited)	30 September 2016 (Unaudited)	30 September 2017 (Unaudited)	30 September 2016 (Unaudited)
Earnings per share ("EPS")				
Profit attributable to owners of the parent (S\$'000)	2,178	1,679	5,799	4,975
Weighted average number of ordinary shares in issue	517,095,669	489,211,919	517,095,669	489,211,919
Basic and fully diluted basis (Singapore cents) ⁽¹⁾	0.42	0.34	1.12	1.02

(1) There were no potentially dilutive ordinary shares in existence during the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
(a) Current financial period reported on; and
(b) Immediately preceding financial year

	Group		Company	
	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	Net asset value attributable to owners of the parent (S\$'000)	63,383	60,790	60,217
Number of ordinary shares in issue	517,095,669	517,095,669	517,095,669	517,095,669
Net asset value per ordinary share (S\$)	0.12	0.12	0.12	0.12

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of comparative performance of the Group for the 3 months ended 30 September 2017 ("3Q2017") and 30 September 2016 ("3Q2016").

Consolidated Statement of Comprehensive Income

Revenue

The Group recorded revenue of S\$9.74 million in 3Q2017. The increase in revenue of S\$2.32 million (or 31%) was attributable to increased patient visits from the Group's specialised eye care services in Malaysia and Singapore, and revenue contribution from JL Medical (Bukit Batok) Pte. Ltd., JL Medical (Sembawang) Pte. Ltd., JL Medical (Woodlands) Pte. Ltd. and JL Medical (Yew Tee) Pte. Ltd. (collectively, the "JLM Companies"), of S\$0.99 million, which were acquired on 1 December 2016.

Cost of sales

Cost of sales increased by 36%, or S\$1.34 million, to S\$5.10 million in 3Q2017 in tandem with the increase in revenue. The increase was also due to cost of sales incurred by JLM Companies in 3Q2017, which was absent in 3Q2016.

Gross profit and gross profit margin

Gross profit increased by 27% to S\$4.64 million in 3Q2017 due to the increase in revenue. The gross profit margin for 3Q2017 was 47.6%, compared to that for 3Q2016 which was 49.4%. The lower gross profit margin for 3Q2017 was mainly due to lower gross profit from Singapore operations after the acquisition of JLM Companies.

Administrative expenses

Administrative expenses increased by 13%, or S\$0.21 million, in 3Q2017. The increase was mainly due to increased operating expenses for:

- 1) JLM Companies - staff costs, rental of clinic premises, depreciation charges on renovation and office equipment, and other operating expenses, which were absent in 3Q2016; and
- 2) Malaysia operations - staff costs, rental of extended clinic premise and other operating expenses.

Depreciation expenses

Depreciation expenses increased by 9% from S\$0.21 million in 3Q2016 to S\$0.23 million in 3Q2017 mainly due to additional depreciation charge incurred from fixed asset additions by Malaysian operations, as well as the inclusion of depreciation charge incurred by JLM Companies.

Income tax expense

The effective tax rates of the Group in 3Q2016 and 3Q2017 were 15% and 20% respectively. The statutory corporate tax rates are 17% in Singapore and 24% in Malaysia. The effective tax rate of the Group was lower in 3Q2016 due to reversal of the over-provision of income tax expense for FY2015 in 3Q2016.

Profit after tax

Net profit of the Group in 3Q2017 was S\$2.20 million, an increase of S\$0.52 million compared to S\$1.68 million in 3Q2016, mainly due to the above mentioned factors.

Consolidated Statement of Financial Position

Non-current assets

Non-current assets (comprising plant and equipment, intangible assets and deferred tax assets) were S\$42.34 million as at 30 September 2017, a decrease of S\$0.76 million.

The decrease of S\$0.49 million in intangible assets was mainly due to amortisation expense of S\$0.42 million on contractual relationships arising from the acquisition of ISEC Eye Pte. Ltd. and customer relationships arising from the acquisition of JLM Companies, and a reduction of S\$0.04 million in the Singapore Dollar-translated carrying value of the goodwill which arose from the acquisition of Southern Specialist Eye Centre Sdn. Bhd. ("SSEC").

Plant and equipment decreased by S\$0.28 million to S\$3.69 million as at 30 September 2017, mainly due to depreciation expenses.

Current assets

Current assets increased by S\$1.96 million mainly attributable to increase in trade receivable and cash and cash equivalents as a result of increased revenue which is consistent with the increased patient visits over the 9 months period ended 30 September 2017.

Current liabilities

Current liabilities decreased by S\$1.63 million to S\$3.80 million as at 30 September 2017, mainly due to dividends of S\$0.93 million paid to the vendors of JLM Companies (which were declared before the completion of the acquisition by the Company) and net payment of bonuses to the Group's doctors and staff of S\$0.60 million, offset by increased current tax payable of S\$0.21 million which was in tandem with the increase in revenue.

Consolidated Statement of Cash Flows

As at 30 September 2017, the Group had cash and cash equivalents of S\$21.77 million, as compared to S\$26.93 million of cash and cash equivalents as at 30 September 2016.

Cash flows from operating activities

In 3Q2017, net cash flows from operating activities was recorded at S\$2.28 million. This comprised operating cash flows before working capital changes of S\$3.04 million, less income tax paid of S\$0.66 million and changes in working capital outflow of S\$0.10 million which arose mainly from increased trade and other receivables, in line with increased sales revenue during the period.

Cash flows used in investing activities

Net cash used in investing activities in 3Q2017 amounted to S\$0.06 million mainly due to purchase of fixed assets by Malaysia operations. The outflow was offset by interest income received of S\$0.09 million.

Cash flows used in financing activities

Net cash used in financing activities of S\$2.59 million pertained to dividends paid to shareholders of the Company during the period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

10. 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.

Our Group expects the healthcare industry to remain challenging for the next 12 months due to overall dampening of the economic climate in Singapore and the region.

A significant portion of our Group's revenue is contributed by our Malaysian operations. The development in medical tourism in Malaysia is expected to be closely correlated to the weakening of the Malaysian Ringgit that would result in stronger purchasing power of foreign currencies, and vice versa. However, as the presentation currency of our Group is in Singapore Dollar, the revenue from our Malaysia operations translated to Singapore Dollar will be impacted by foreign exchange movements.

With the commitment to offer its patients the best possible treatment, our Group will continue to enhance its talent pool and stay at the forefront of the ophthalmology services industry by driving innovation and adopting cutting-edge procedures and technology.

11. Dividend

(a) Current Financial Period Reported On: Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended for the current reporting period.

(b) Corresponding Period of the Immediately Preceding Financial Year: Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of dividend	Interim Dividend
Dividend type	Cash
Dividend rate	0.66 Singapore cents (S\$0.0066) per ordinary share
Tax rate	Tax exempt (one-tier)

(c) Date payable:

Not applicable.

(d) Books closure date:

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for 3Q2017.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not obtain a general mandate from shareholders for IPTs.

There was no IPT of S\$100,000 and above for 3Q2017.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

15. Use of IPO proceeds

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

	<u>Amount allocated S\$'000</u>	<u>Amount allocated pursuant to reallocation of unutilised listing expenses S\$'000</u>	<u>Amount utilised S\$'000</u>	<u>Balance S\$'000</u>
Business expansion in the Asia Pacific region (including Malaysia and Singapore)	13,800	300	(12,565) ⁽¹⁾	1,535
General working capital	2,500	-	(2,500) ⁽²⁾	-
Total	16,300	300	(15,065)	1,535

(1) Utilised for the acquisition of SSEC and JLM Companies:

	<u>Acquisition of SSEC (S\$'000)</u>	<u>Acquisition of the JLM Companies (S\$'000)</u>	<u>Total (S\$'000)</u>
Cash consideration	5,204	6,971	12,175
Administrative expenses	122	268	390
Total	5,326	7,239	12,565

(2) Utilised for general working capital:

	<u>S\$'000</u>
Cost of sales	1,028
Administrative expenses	1,378
Selling and distribution expenses	94
Total	2,500

16. Negative Confirmation by the Board Pursuant to Rule 705(5)

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the 3-month and 9-month financial period ended 30 September 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Wong Jun Shyan
Executive Director and Chief Executive Officer
13 November 2017

This announcement has been prepared by the Company and its contents have been reviewed by the sponsor, 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.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).