

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

Unaudited Financial Statement for the Third Quarter Ended 30 September 2023

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			Group		
	3 Months Ended			9 Months Ended		
	30	30	Change	30	30	Change
	September	September		September	September	
2023	2022		2023	2022		
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	18,114	17,670	3%	52,496	45,605	15%
Cost of sales	(10,012)	(9,560)	5%	(29,105)	(24,663)	18%
Gross profit	8,102	8,110	0%	23,391	20,942	12%
Other item of income						
Other income	93	97	-4%	337	292	15%
Other items of expense						
Selling and distribution expenses	(31)	(20)	55%	(82)	(72)	14%
Administrative expenses	(2,900)	(2,743)	6%	(8,961)	(7,384)	21%
Other expenses	(178)	(481)	-63%	(1,053)	(1,184)	-11%
Finance costs	(141)	(175)	-19%	(495)	(388)	28%
Share of results of associate	-	-	NM	-	(1)	-100%
Profit before income tax	4,945	4,788	3%	13,137	12,205	8%
Income tax expense	(1,096)	(1,149)	-5%	(3,068)	(2,998)	2%
Profit for the financial period	3,849	3,639	6%	10,069	9,207	9%

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	Group			Group		
	3 Months Ended			9 Months Ended		
	30	30	Change	30	30	Change
	September	September		September	September	
2023	2022		2023	2022		
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other comprehensive income						
<i>Items that may be reclassified</i>						
<i>subsequently to profit or loss:</i>						
Foreign currency translation						
of subsidiaries	185	(995)	NM	(1,927)	(1,797)	7%
Other comprehensive						
income for the financial						
period, net of tax	185	(995)	NM	(1,927)	(1,797)	7%
Total comprehensive						
income for the financial						
period	4,034	2,644	53%	8,142	7,410	10%
Profit attributable to:						
Owners of the parent	3,793	3,618	5%	9,924	9,102	9%
Non-controlling interests	56	21	>100%	145	105	38%
Profit for the financial						
period	3,849	3,639	6%	10,069	9,207	9%
Total comprehensive						
income attributable to:						
Owners of the parent	4,014	2,631	53%	8,144	7,312	11%
Non-controlling interests	20	13	54%	(2)	98	NM
Total comprehensive						
income for the financial						
period	4,034	2,644	53%	8,142	7,410	10%

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		Change	9 Months Ended		Change
	30 September	30 September		30 September	30 September	
	2023	2022	2023	2022		
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)			
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment – cost of sales	176	185	-5%	539	523	3%
Depreciation of right-of-use assets – cost of sales	151	146	3%	452	406	11%
Depreciation of property, plant and equipment – administrative expenses	186	139	34%	557	341	63%
Depreciation of right-of-use assets – administrative expenses	326	304	7%	944	893	6%
Amortisation of intangible assets – other expenses	133	133	0%	398	398	0%
Amortisation of intangible assets – administrative expenses	1	1	0%	3	7	-57%
Interest income	(67)	(47)	43%	(223)	(158)	41%
Interest income – net investment of sublease	*	*	0%	(1)	(2)	-50%
Other income – government grants	(9)	(21)	-57%	(53)	(78)	-32%
Other income – rental rebate	-	-	NM	-	(3)	-100%
Interest expense – lease liabilities	109	104	5%	335	255	31%
Interest expense – loans	20	26	-23%	74	67	10%
Loss on exchange differences, net	33	303	-89%	641	559	15%
Gain on disposal of property, plant and equipment	-	-	NM	-	(2)	-100%
Property, plant and equipment written-off	7	1	>100%	7	5	40%
Allowance for/(write-back of) expected credit losses, net	3	35	-91%	(15)	54	NM
Share-based compensation expense	25	5	>100%	78	26	>100%
Forfeiture of share options	-	(26)	-100%	-	(26)	-100%
Loss on disposal of associate	-	-	NM	-	155	-100%

NM – Not meaningful

* Less than \$1,000

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 2023	31 December 2022
	(Unaudited)	(Audited)
	S\$'000	S\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,518	16,316
Right-of-use assets	9,700	10,877
Intangible assets – goodwill	52,671	54,215
Intangible assets – others	741	1,074
Deferred tax assets	187	196
	79,817	82,678
Current assets		
Inventories	2,189	1,874
Trade receivables, net ⁽¹⁾	4,507	4,093
Other receivables and deposits	946	656
Prepayments	356	293
Net investment of sublease	5	50
Current income tax asset	-	18
Cash and cash equivalents ⁽¹⁾	14,563	20,633
	22,566	27,617
TOTAL ASSETS	102,383	110,295
EQUITY AND LIABILITIES		
EQUITY		
Share capital	76,085	75,484
Treasury share reserve	-	(105)
Other reserves	(12,364)	(10,561)
Retained earnings	14,437	15,054
Equity attributable to owners of Company	78,158	79,872
Non-controlling interests	1,468	1,470
TOTAL EQUITY	79,626	81,342
LIABILITIES		
Non-current liabilities		
Other payables	13	1,040
Borrowings	1,104	1,767
Lease liabilities	8,574	9,573
Deferred tax liabilities	215	299
Provisions	194	178
	10,100	12,857

	Group	
	30 September 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
Current liabilities		
Trade payables	1,493	1,980
Other payables	2,948	4,588
Advances and contract liabilities	511	674
Accrued expenses	921	933
Payroll payable	3,531	3,604
Borrowings	787	826
Lease liabilities	1,460	1,652
Current income tax payable	1,006	1,829
Provisions	-	10
	12,657	16,096
TOTAL LIABILITIES	22,757	28,953
TOTAL EQUITY AND LIABILITIES	102,383	110,295

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

	Group	
	30 September 2023 S\$'000	31 December 2022 S\$'000
Trade receivables, net denominated in the following currencies:		
Singapore Dollar	1,692	1,393
Ringgit Malaysia	2,796	2,679
Myanmar Kyat	19	21
	4,507	4,093
Cash and cash equivalents denominated in the following currencies:		
Singapore Dollar	3,840	8,970
Ringgit Malaysia	10,004	10,978
Myanmar Kyat	603	623
United States Dollar	116	62
	14,563	20,633

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 2023		As at 31 December 2022	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
787	1,460 ⁽¹⁾	826	1,652 ⁽¹⁾

Amount repayable after one year

As at 30 September 2023		As at 31 December 2022	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,104	8,574 ⁽¹⁾	1,767	9,573 ⁽¹⁾

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

Details of borrowings and collaterals

On 6 August 2020, ISEC (Penang) Sdn. Bhd., a wholly owned indirect subsidiary of the Company, entered into a 5-year term bank loan of RM13,000,000 (equivalent S\$4,254,000) to partially finance the acquisition of freehold land and building. The loan is repayable monthly over 5-year term. The loan bears a floating interest rate of the bank's cost of funds + 0.5% margin per annum. The interest rate for the current financial period ended 30 September 2023 was 4.05% (FY2022: 3.75%). The borrowing balance as at 30 September 2023 was S\$1,455,000 (31 December 2022: S\$2,119,000). The loan is secured by the freehold land and building for which the loan was entered into, and the subsidiary is required to maintain certain deposits balance with the bank.

On 26 May 2022, the Group completed its acquisition of ME Centre Sdn Bhd ("ME Centre") which includes an existing 15-year bank loan of RM1,709,160 (equivalent to S\$539,000) entered into on 29 January 2021 to partially finance the acquisition of building. The loan is repayable monthly over the 15-year term. The loan bears a floating interest rate of the bank's base lending rate -2.57% margin per annum for the first year and bank's base lending rate -2.30% margin per annum from the second year onwards. The interest rate for the current financial period ended 30 September 2023 was 4.42% (FY2022: 4.17%). The borrowing balance as at 30 September 2023 was S\$436,000 (31 December 2022: S\$474,000). The loan is secured by the building for which the loan was entered into.

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 2023 (Unaudited) S\$'000	30 September 2022 (Unaudited) S\$'000	30 September 2023 (Unaudited) S\$'000	30 September 2022 (Unaudited) S\$'000
Cash flows from operating activities				
Profit before income tax	4,945	4,788	13,137	12,205
Adjustments for:				
Allowance for/(write-back of) expected credit losses, net	3	35	(15)	54
Amortisation of intangible assets	134	134	401	405
Depreciation of property, plant and equipment	362	324	1,096	864
Depreciation of right-of-use assets	477	450	1,396	1,299
Interest income	(67)	(47)	(224)	(160)
Interest expense	141	175	495	388
Gain on disposal of property, plant and equipment	-	-	-	(2)
Loss on disposal of associate	-	-	-	155
Other income from rental rebates	-	-	-	(3)
Property, plant and equipment written-off	7	1	7	5
Share of results of associate	-	-	-	1
Share-based compensation expense	25	5	78	26
Forfeiture of share options	-	(26)	-	(26)
Operating cash flows before working capital changes	6,027	5,839	16,371	15,211
Working capital changes:				
- Inventories	(37)	(207)	(387)	(518)
- Trade and other receivables	353	477	(458)	459
- Prepayments	(46)	(33)	(95)	(56)
- Trade and other payables	(913)	117	(303)	528
Cash generated from operations	5,384	6,193	15,128	15,624
Income tax paid, net	(1,379)	(1,397)	(3,296)	(2,457)
Net cash generated from operating activities	4,005	4,796	11,832	13,167

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	Group 3 Months Ended		Group 9 Months Ended	
	30 September 2023 (Unaudited) S\$'000	30 September 2022 (Unaudited) S\$'000	30 September 2023 (Unaudited) S\$'000	30 September 2022 (Unaudited) S\$'000
Cash flows from investing activities				
Payment to vendors ^{(1) (2)}	-	-	(3,208)	(577)
Purchase of property, plant and equipment	(736)	(1,832)	(2,303)	(4,055)
Proceeds from disposal of property, plant and equipment	-	-	-	3
Purchase of intangible assets	-	-	(19)	-
Acquisition of subsidiaries, net of cash acquired	-	-	-	(5,534)
Interest received	66	46	222	157
Net cash used in investing activities	(670)	(1,786)	(5,308)	(10,006)
Cash flows from financing activities				
Advances from non-controlling interests	-	-	156	-
Dividends paid	(4,361)	(2,747)	(10,541)	(4,398)
Share issue expenses	-	-	-	(16)
Proceeds from exercise of share options	135	-	605	-
Principal element of lease liabilities, net	(390)	(412)	(1,319)	(1,280)
Interest paid – lease liabilities	(109)	(103)	(334)	(252)
Repayment of loan	(197)	(214)	(591)	(632)
Interest paid – loan	(20)	(20)	(74)	(62)
Net cash used in financing activities	(4,942)	(3,496)	(12,098)	(6,640)
Net decrease in cash and cash equivalents	(1,607)	(486)	(5,574)	(3,479)
Cash and cash equivalents at beginning of financial period	16,100	19,073	20,633	22,494
Effects of exchange rate changes on cash and cash equivalents	70	(330)	(496)	(758)
Cash and cash equivalents at end of financial period	14,563	18,257	14,563	18,257

(1) The Group acquired IE Centre Sdn. Bhd. (“IE Centre”) and Kampar Eye Sdn. Bhd. (“Kampar Eye”) on 26 May 2022. In the financial period ended 30 June 2023 (“2Q2023”), 30% of the total cash consideration, amounting to RM10,824,225 (equivalent to S\$3,208,000) was paid to the vendors as partial settlement of the total cash consideration.

(2) The Group acquired Indah Specialist Eye Centre Sdn. Bhd. (“Indah Specialist”) on 27 February 2020. In the financial period ended 31 March 2022 (“1Q2022”), the remaining 10% balance of the total cash consideration, amounting to RM1,793,280 (equivalent to S\$577,000), was paid to the vendors as final settlement of the total cash consideration. As at the date of this announcement, the consideration has been fully settled.

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1(d) 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 compensation 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 2023	75,484	(105)	(2,668)	(3,572)	(4,463)	142	15,054	79,872	1,470	81,342
Profit for the financial period	-	-	-	-	-	-	6,131	6,131	89	6,220
Other comprehensive income										
Foreign currency translation	-	-	(2,001)	-	-	-	-	(2,001)	(111)	(2,112)
Total comprehensive income for the financial period	-	-	(2,001)	-	-	-	6,131	4,130	(22)	4,108
Transactions with owners of the Company										
Issuance of ordinary shares ⁽¹⁾	549	-	-	-	-	(79)	-	470	-	470
Treasury shares transferred ⁽²⁾	(105)	105	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(6,180)	(6,180)	-	(6,180)
Share-based compensation expense ⁽³⁾	-	-	-	-	-	53	-	53	-	53
Total transactions with owners of the Company	444	105	-	-	-	(26)	(6,180)	(5,657)	-	(5,657)
At 30 June 2023	75,928	-	(4,669)	(3,572)	(4,463)	116	15,005	78,345	1,448	79,793

(1) On 22 June 2023, the Company issued and allotted 1,235,072 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 and the transfer and use of 386,400 treasury shares, the number of issued and paid-up shares in the share capital of the Company has increased from 572,230,206 ordinary shares (excluding 386,400 treasury shares) to 573,851,678 ordinary shares.

(2) On 22 June 2023, the Company transferred and used 386,400 treasury shares for the allotment of shares pursuant to exercise of share options under the ISEC Healthcare Share Option Scheme.

(3) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

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Statements of Changes in Equity

Group (Unaudited)	Attributable to owners of the Company									Total equity
	Share capital	Treasury share reserve	Foreign currency translation reserve	Merger reserve	Capital reserve	Share compensation 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 2023	75,928	-	(4,669)	(3,572)	(4,463)	116	15,005	78,345	1,448	79,793
Profit for the financial period	-	-	-	-	-	-	3,793	3,793	56	3,849
Other comprehensive income										
Foreign currency translation	-	-	221	-	-	-	-	221	(36)	185
Total comprehensive income for the financial period	-	-	221	-	-	-	3,793	4,014	20	4,034
Transactions with owners of the Company										
Issuance of ordinary shares ⁽¹⁾	157	-	-	-	-	(22)	-	135	-	135
Dividends	-	-	-	-	-	-	(4,361)	(4,361)	-	(4,361)
Share-based compensation expense ⁽²⁾	-	-	-	-	-	25	-	25	-	25
Total transactions with owners of the Company	157	-	-	-	-	3	(4,361)	(4,201)	-	(4,201)
At 30 September 2023	76,085	-	(4,448)	(3,572)	(4,463)	119	14,437	78,158	1,468	79,626

(1) On 4 September 2023, the Company issued and allotted 465,250 ordinary shares in the share capital of the Company (the "3Q2023 New Shares"), at an issue price of S\$0.29 per 3Q2023 New Share, pursuant to the exercise of options granted under the ISEC Healthcare Share Option Scheme. Following the issue and allotment of the 3Q2023 New Shares, the number of issued and paid-up shares in the share capital of the Company has increased from 573,851,678 ordinary shares to 574,316,928 ordinary shares.

(2) The Company has granted 3,809,150 options under the ISEC Healthcare Share Option Scheme on 22 April 2020 and 680,000 share awards under the ISEC Healthcare Performance Share Plan on 23 September 2022.

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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 January 2022	70,068	(105)	(245)	(3,572)	(4,463)	139	6,932	68,754	553	69,307
Profit for the financial period	-	-	-	-	-	-	5,484	5,484	84	5,568
Other comprehensive income										
Foreign currency translation	-	-	(803)	-	-	-	-	(803)	1	(802)
Total comprehensive income for the financial period	-	-	(803)	-	-	-	5,484	4,681	85	4,766
Transactions with owners of the Company										
Issuance of ordinary shares ⁽¹⁾	5,472	-	-	-	-	-	-	5,472	-	5,472
Share issue expenses	(16)	-	-	-	-	-	-	(16)	-	(16)
Dividends	-	-	-	-	-	-	(1,651)	(1,651)	-	(1,651)
Share-based compensation expense ⁽²⁾	-	-	-	-	-	21	-	21	-	21
Total transactions with owners of the Company	5,456	-	-	-	-	21	(1,651)	3,826	-	3,826
Transaction with non-controlling interests										
Arising from acquisition ⁽³⁾	-	-	-	-	-	-	-	-	403	403
Total transaction with non-controlling interests	-	-	-	-	-	-	-	-	403	403
At 30 June 2022	75,524	(105)	(1,048)	(3,572)	(4,463)	160	10,765	77,261	1,041	78,302

(1) On 26 May 2022, the Company, through its wholly-owned subsidiary, ISEC Sdn. Bhd. ("ISEC KL"), completed the acquisition of IE Centre Sdn. Bhd. ("IE Centre") and Kampar Eye Sdn. Bhd. ("Kampar Eye"), by way of the allotment and issuance of 21,881,135 consideration shares, equivalent to fair value consideration of S\$5,472,000 to the Vendors.

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

(3) On 26 May 2022, the Company, through its wholly-owned subsidiary, ISEC KL, completed the acquisition of 50% plus 1 ordinary share each of ME Centre Sdn Bhd ("ME Centre"), TE Centre Sdn Bhd ("TE Centre") and Taiping Eye Sdn Bhd ("Taiping Eye") respectively, by way of subscription of 500,001 new ordinary shares in each of the respective entities at an offer price of approximately \$0.315 (RM1.00) per share, with total net identifiable assets at fair value of S\$807,000 (RM2,555,000).

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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 2022	75,524	(105)	(1,048)	(3,572)	(4,463)	160	10,765	77,261	1,041	78,302
Profit for the financial period	-	-	-	-	-	-	3,618	3,618	21	3,639
Other comprehensive income										
Foreign currency translation	-	-	(987)	-	-	-	-	(987)	(8)	(995)
Total comprehensive income for the financial period	-	-	(987)	-	-	-	3,618	2,631	13	2,644
Transactions with owners of the Company										
Dividends	-	-	-	-	-	-	(2,747)	(2,747)	-	(2,747)
Share-based compensation expense ⁽¹⁾	-	-	-	-	-	5	-	5	-	5
Forfeiture of share options ⁽²⁾	-	-	-	-	-	(26)	-	(26)	-	(26)
Total transactions with owners of the Company	-	-	-	-	-	(21)	(2,747)	(2,768)	-	(2,768)
At 30 September 2022	75,524	(105)	(2,035)	(3,572)	(4,463)	139	11,636	77,124	1,054	78,178

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

(2) The forfeiture of share options refers to participants who left the Group and hence no longer eligible for the options as at 30 September 2022.

2. Review of comparative performance of the Group for the 3 months ended 30 September 2023 ("3Q2023") and 30 September 2022 ("3Q2022"), and 9 months ended 30 September 2023 ("9M2023") and 30 September 2022 ("9M2022"), where applicable.

Revenue

3Q2023 vs 3Q2022

The Group's revenue in 3Q2023 increased by 3%, or S\$0.44 million, from 3Q2022 mainly due to the increase of revenue contributed from the Group's specialised health services segment.

9M2023 vs 9M2022

The Group recorded revenue of S\$52.50 million in 9M2023, an increase of S\$6.89 million or 15% from 9M2022.

The Group's increase in revenue was mainly from its specialised health services, which showed a total increase of S\$7.26 million to the Group's revenue. A significant increase in patient visits and business activities was seen with the lifting of international travel restrictions and easing of movement control measures in Singapore, Malaysia and Myanmar since second quarter of 2022. In addition, IE Centre and Kampar Eye which were acquired by the Group in 26 May 2022, contributed S\$7.00 million to the Group in 9M2023, compared to S\$3.55 million in 9M2022.

The revenue from general health services decreased by S\$0.37 million on 9M2023 as compared to 9M2022, with decreased number of COVID-19 swab tests performed by the Group's clinics.

Cost of sales

3Q2023 vs 3Q2022

Cost of sales increased by S\$0.45 million, to S\$10.01 million in 3Q2023, with increased business activities in the Group's operations as a whole.

9M2023 vs 9M2022

Cost of sales increased by 18%, or S\$4.44 million, in line with the increased revenue and business activities in the Group's operations in 9M2023.

Gross profit and gross profit margin

3Q2023 vs 3Q2022

Gross profit decreased by S\$0.01 million to S\$8.10 million in 3Q2023 with a decrease in gross profit margin of 1.2 percentage points, from 45.9% in 3Q2022 to 44.7% in 3Q2023, mainly due to greater increase in cost of sales than the increase in revenue, with increased operating costs.

9M2023 vs 9M2022

Gross profit increased by 12% to S\$23.39 million in 9M2023 with a decrease in gross profit margin of 1.3 percentage points recorded from 45.9% in 9M2022 to 44.6% in 9M2023, reflected by the higher

increases in the cost of sales compared to the increase in revenue, mainly due to the increasing cost of operations incurred during the first nine months of the year.

Profit after tax

3Q2023 vs 3Q2022

The Group reported a net profit of S\$3.85 million in 3Q2023 with an increase of S\$0.21 million mainly due to lower foreign exchange loss of S\$0.03 million in 3Q2023 as compared to S\$0.30 million in 3Q2022.

9M2023 vs 9M2022

Net profit of the Group in 9M2023 stood at S\$10.07 million, an increase of S\$0.86 million, from 9M2022, mainly attributed to the increase in revenue and gross profit as explained above.

Keeping up with the increased business activities of the Group, staff-related expenses (incorporated under Administrative Expenses) increased by S\$0.81 million in 9M2023 compared to that in 9M2022. Depreciation charge under Administrative Expenses increased by S\$0.22 million in 9M2023 compared to that in 9M2022 mainly due to increased fixed assets through the acquisition of subsidiaries in May 2022 (“Acquired Subsidiaries”) and the operation of new healthcare facilities in Penang and Kuching in December 2022 and March 2023 respectively. The higher depreciation charges incurred in 9M2023 was mainly due to the recognition of expenses from Acquired Subsidiaries for the nine months period as compared to a four months period recognised in 9M2022.

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.

Political situation in Myanmar

Myanmar’s military has further extended the country’s state of emergency by another six months until 31 January 2024. The latest extension further delays the country’s election, as it is known that election is prohibited to be held during the country’s current state of emergency. As at the date of this announcement, ISEC Myanmar’s clinic continues to be operational.

ISEC HEALTHCARE LTD.

(Company Registration No.201400185H)

BY ORDER OF THE BOARD

Dr Lee Hung Ming

Executive Vice Chairman

20 October 2023

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the 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.

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