



ECON HEALTHCARE (ASIA) LIMITED
(Company Registration Number: 200400965N)
(Incorporated in Singapore on 28 January 2004)

MINUTES OF ANNUAL GENERAL MEETING

PLACE : "Live" webcast

DATE : Thursday, 27 July 2023

TIME : 10.00 a.m.

PRESENT : As set out in the attendance records maintained by the Company.

IN ATTENDANCE : As set out in the attendance records maintained by the Company.

CHAIRMAN OF THE MEETING : Ms. Ong Hui Ming

CHAIRMAN

The Executive Chairman and Group Chief Executive Officer, Mr. Ong Chu Poh, has nominated the Executive Director and Chief Executive Officer, Singapore, Ms. Ong Hui Ming ("**Chairman of the Meeting**") to take the chairmanship for the Annual General Meeting ("**AGM**").

QUORUM

The Chairman of the Meeting declared that the AGM open at 10.00 a.m. upon confirmation by the Company Secretary that the quorum necessary for a general meeting was present.

INTRODUCTION

The Chairman of the Meeting introduced the Directors present.

NOTICE OF AGM

With the consent of the shareholders present, the notice of the AGM ("**Notice**") convening the meeting was taken as read.

SUBMISSION OF QUESTIONS FOR THE AGM

The Chairman informed that based on the information provided in the Notice, the shareholders and investors may raise substantial and relevant textual questions related to the resolutions to be tabled for approval for the AGM in advance of, or "live" at, the AGM. As at the cut-off date for the submission of questions, i.e. 18 July 2023 at 10.00 a.m., the Company has received shareholders' questions prior to the AGM and published its responses to the SGX-ST via SGXNet on 20 July 2023 ("**Company's AGM Responses**"). A copy of the Company's AGM Responses is annexed hereto as **Appendix 1**.

VOTING BY POLL

The Chairman of the Meeting informed that all resolutions to be tabled at the AGM would be voted upon by way of poll as required under the Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”) of Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Chairman of the Meeting further informed that based on the information provided in the Notice of the AGM dated 7 July 2023 (“**Notice**”), the shareholders who wish to exercise their voting rights at the AGM may through submission of instrument of appointing a proxy(ies) to vote, or vote “live” at the AGM. Proxy forms lodged have been checked and found to be in order.

The Chairman of the Meeting informed that Agile 8 Advisory Pte Ltd was appointed as scrutineers for the poll. Convene SG Pte. Ltd. was appointed as the polling agent.

The Chairman of the Meeting informed that the voting would be conducted via electronic poll and the voting will be open after Resolution 1 is tabled and will remain open until all Q&A have been addressed. The voting would close 2 minutes after the final resolution, Resolution 7 is tabled. The Meeting were shown with a short video on the voting process and test resolution for the shareholders to familiarise with the voting process on the voting platform.

ORDINARY BUSINESS:

1. DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 – RESOLUTION 1

The meeting proceeded to receive and consider the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 March 2023 and the Auditors’ Report thereon.

The Chairman of the Meeting invited shareholders to raise any questions in relation to the resolution. The Company’s response to the shareholders’ questions raised at the AGM are set out in **Appendix 2** of this minutes of AGM.

The Chairman of the Meeting proposed the following motion for the Resolution 1 to be put to vote:

RESOLVED:

“That the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2023 together with the Auditors’ Report thereon be received and adopted.”

2. FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 – RESOLUTION 2

The Meeting was informed that Resolution 2 on the Agenda was to approve the payment of a final dividend of 0.44 Singapore cent per share tax exempt (one-tier) for the financial year ended 31 March 2023.

The Chairman of the Meeting invited shareholders to raise any questions in relation to the resolution.

There being no questions from the shareholders, the Chairman of the Meeting proposed the following motion for the Resolution 2 to be put to vote:

RESOLVED:

“That the payment of a final dividend of 0.44 Singapore cent per share tax exempt (one-tier) for the financial year ended 31 March 2023 be and is hereby approved.”

3. DIRECTORS’ FEE FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024, TO BE PAID SEMI-ANNUALLY IN ARREARS – RESOLUTION 3

The Board has recommended Directors’ fees amounting to S\$161,000 for the financial year ending 31 March 2024, to be paid semi-annually in arrears.

The Chairman of the Meeting invited shareholders to raise any questions in relation to the resolution.

There being no questions from the shareholders, the Chairman of the Meeting proposed the following motion for the Resolution 3 to be put to vote:

“That the payment of the Directors’ fees of S\$161,000 for the financial year ending 31 March 2023, payable semi-annually in arrears, be approved for payment.”

4. RE-ELECTION OF MR. SIAU KAI BING AS A DIRECTOR – RESOLUTION 4

Mr. Siau Kai Bing (“**Mr. Siau**”) who was retiring as a Director of the Company in accordance with Regulation 94 of the Company’s Constitution, had signified his consent to continue in office.

Mr. Siau, upon re-election as a Director of the Company, remains as the Lead Independent Director, the Chairman of the Audit Committee, a member of the Nominating Committee and Remuneration Committee. The Board considers Mr. Siau to be independent for the purpose of Rule 704(7) of the Catalist Rules.

The Chairman of the Meeting invited shareholders to raise any questions in relation to the resolution.

There being no questions from the shareholders, the Chairman of the Meeting proposed the following motion for the Resolution 4 to be put to vote:

“That Mr. Siau, who retired from office in accordance with Regulation 94 of the Constitution of the Company and being eligible, offered himself for re-election, be and is hereby re-elected as a Director of the Company.”

5. RE-ELECTION OF DR. ONG SEH HONG AS A DIRECTOR – RESOLUTION 5

Dr. Ong Seh Hong (“**Dr. Ong**”) who was retiring as a Director of the Company in accordance with Regulation 94 of the Company’s Constitution, had signified his consent to continue in office.

Dr. Ong, upon re-election as a Director of the Company, remains as an Independent Director, the Chairman of the Remuneration Committee, a member of the Audit Committee and Nominating Committee. The Board considers Dr. Ong to be independent for the purpose of Rule 704(7) of the Catalist Rules.

The Chairman of the Meeting invited shareholders to raise any questions in relation to the resolution.

There being no questions from the shareholders, the Chairman of the Meeting proposed the following motion for the Resolution 5 to be put to vote:

“That Dr. Ong, who retired from office in accordance with Regulation 94 of the Constitution of the Company and being eligible, offered himself for re-election, be and is hereby re-elected as a Director of the Company.”

6. RE-APPOINTMENT OF MESSRS ERNST & YOUNG LLP AS AUDITORS OF THE COMPANY – RESOLUTION 6

The Meeting was informed that Resolution 6 on the Agenda was to re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

The Chairman of the Meeting invited shareholders to raise any questions in relation to the resolution.

There being no questions from the shareholders, the Chairman of the Meeting proposed the following motion for the Resolution 6 to be put to vote:

“That Messrs Ernst & Young LLP, who have expressed their willingness to continue in office, be and is hereby re-appointed as Auditors of the Company and to hold office until the conclusion of the next AGM and that the Directors be and are hereby authorised to fix their remuneration.”

7. ANY OTHER ORDINARY BUSINESS

There being no other ordinary business to transact, the Meeting proceeded to deal with the Special Business on the Agenda.

SPECIAL BUSINESS:

8. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 161 OF THE COMPANIES ACT 1967 OF SINGAPORE AND RULE 806 OF THE CATALIST RULES – RESOLUTION 7

The Meeting was informed that Resolution 6 on the Agenda was to authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Catalist Rules.

The Chairman of the Meeting invited shareholders to raise any questions in relation to the resolution.

There being no questions from the shareholders, the Chairman of the Meeting proposed the following motion for the Resolution 7 to be put to vote:

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and Rule 806 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

("Share Issue Mandate")

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred percent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under subparagraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time of passing of this Ordinary Resolution;

(b) (where applicable) new shares arising from exercising share options or vesting of share awards, provided that such share awards or share options (as the case may be) were granted in compliance with Part VIII of Chapter 8 the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of shares,

adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being in force; and
- (4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.”

CONDUCT OF POLL

The Chairman of the Meeting invited shareholders to cast their votes as the voting was closed at 10.50 a.m. for scrutineers to verify the final results.

RESULTS OF ANNUAL GENERAL MEETING

The Chairman of the Meeting announced the results of the poll as follows:

Resolution numbers and details	Total number of shares represented by votes for and against the relevant resolution	For		Against		Results
		Number of shares	As a percentage of total number of votes for and against the relevant resolution (%)	Number of shares	As a percentage of total number of votes for and against the relevant resolution (%)	
<u>Resolution 1</u> Audited Financial Statements for the financial year ended 31 March 2023	215,069,300	215,069,300	100.00	0	0.00	Carried
<u>Resolution 2</u> Approval of final dividend (one-tier tax exempt) of 0.44 Singapore cent for the financial year ended 31 March 2023	215,069,300	215,069,300	100.00	0	0.00	Carried

Ordinary Resolutions	Total number of shares represented by votes for and against the relevant resolution	For		Against		Results
		Number of Shares	As a percentage of total number of votes for and against the relevant resolution (%)	Number of Shares	As a percentage of total number of votes for and against the relevant resolution (%)	
<u>Resolution 3</u> Approval of Directors' fees amounting to S\$161,000 for the financial year ending 31 March 2024, to be paid semi-annually in arrears	8,069,300	8,064,100	99.94	5,200	0.06	Carried
<u>Resolution 4</u> Re-election of Mr. Siau Kai Bing as a Director	215,069,300	207,068,100	96.28	8,001,200	3.72	Carried
<u>Resolution 5</u> Re-election of Dr. Ong Seh Hong as a Director	215,069,300	215,068,100	100.00	1,200	0.00	Carried
<u>Resolution 6</u> Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise the Directors of the Company to fix their remuneration	215,069,300	215,069,300	100.00	0	0.00	Carried
<u>Resolution 7</u> Authority to allot and issue shares	215,069,300	207,068,100	96.28	8,001,200	3.72	Carried

Based on the above poll results, the Chairman declared that all resolutions have been passed at the AGM.

CONCLUSION

There being no other business, the Chairman of the Meeting declared the AGM of the Company closed at 10.57 a.m. and thanked everyone for their attendance.

CONFIRMED AS A TRUE RECORD OF PROCEEDINGS HELD

ONG HUI MING
CHAIRMAN OF THE MEETING



ECON HEALTHCARE (ASIA) LIMITED
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**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FOR
THE ANNUAL GENERAL MEETING TO BE HELD ON 26 JULY 2023**

The Board of Directors of Econ Healthcare (Asia) Limited (the “**Company**”) together with its subsidiaries (the “**Group**”) refers to:

- I. the annual report of the Company for the financial year ended 31 March 2023 (the “**2023 Annual Report**”); and
- II. the notice of annual general meeting (“**AGM**”) issued by the Company on 7 July 2023 informing shareholders that the Company’s AGM will be convened and held on Thursday, 27 July 2023 at 10.00 a.m. at 160 Changi Road #05-13 Hexacube Singapore 419728.

The Company wishes to thank shareholders for submitting their questions in advance of the AGM. Please refer to the annex of this announcement on the substantial and relevant questions received from shareholders relating to the resolutions to be tabled at the AGM, and Company’s responses to these substantial and relevant questions.

BY ORDER OF THE BOARD

Ong Chu Poh
Executive Chairman and Chief Executive Officer
20 July 2023

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes 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 persons of the Sponsor are Mr Goh Chyan Pit, Managing Director and Mr Kelvin Wong, Senior Vice President, who can be contacted at 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone +65 6878 8888.

ANNEX: Company's Responses to Substantial and Relevant Questions Received from Shareholders Relating to the Resolutions to be Tabled at the AGM

Question 1:

Page 19, what is the reason for a decline in bed occupancy to 67.4%. Previous FYs are always above 80% occupancy. Any mitigation plan going forward?

Company's Response:

The overall decline in bed occupancy during FY2023 is due to 2 medicare centre and nursing homes in Singapore and China ie. ECON Care Residence (Henderson), a 236-bed facility, and ECON Medicare Centre and Nursing Home – Changshou, a 280-bed facility, being in their first year of operations. ECON Care Residence (Henderson) commenced operations in April 2022, and ECON Medicare Centre and Nursing Home – Changshou soft launched in February 2023 with the official opening in May 2023

Question 2:

Page 18, our revenue, profit, net cash had all increased, why is the dividend payout only 35%? Can the Board consider a fixed dividend policy of say at least 50% when revenue, profit and net cash had increased?

Company's Response:

The Company does not have a fixed dividend policy. As disclosed in our offer document, Board intends to recommend and distribute dividends of at least 35% of our net profit after tax attributable to our Shareholders generated in each of FY2021, FY2022 and FY2023, as the Group wishes to reward its Shareholders for participating in our Group's growth.

Question 3:

Expansion into Malaysia. Is there plan to consider Johore which is very near to Singapore and tapping for the growing demands for nursing homes in Singapore?

Company's Response:

The Group currently has 2 nursing homes, ECON Medicare Centre and Nursing Home – Puchong and ECON Medicare Centre and Nursing Home – Taman Perling in Malaysia. ECON Medicare Centre and Nursing Home – Puchong, a 138-bed facility, is located in Kuala Lumpur, while ECON Medicare Centre and Nursing Home – Taman Perling, a 194-bed facility is located in Johor.

Question 4:

As Chairman mentioned – the company is expanding further into Malaysia and China, does the company have any hedging strategy against currency risks?

Company's Response:

There is little to minimal transaction exposure for the Group as each of the nursing homes mostly buy and sell goods and services in the country it operates in. For accounting purposes, the Group has translation exposure when translating the foreign operations report from the foreign currency to Singapore Dollar at the reporting date.

Question 5:

For expansion into foreign markets, does the government in these countries provide grants or concessions to overseas investors?

Company's Response:

Yes, both of our China Medicare Centre and Nursing Homes namely, ECON Medicare Centre and Nursing Home – Changshou, and ECON Medicare Centre and Nursing Home – Chongqing located in Chongqing, China, had received capital grants for the purpose of equipping and furnishing the new nursing home.

Question 6:

Lastly, as a pioneer shareholder of the company since IPO, can I request for a hard copy Annual Report?

Company's Response:

Yes, hard copies of the Annual Report will be delivered by post to shareholders.



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APPENDIX 2

QUESTIONS FROM SHAREHOLDERS AT THE ANNUAL GENERAL MEETING

Question 1:

The shareholder has raised the following questions at the AGM:

- a. The shareholder commented that the Company's share price has dropped since the initial public offering of the Company and asked about the action to be taken by the Board of Directors of the Company to enhance the Company's share price.
- b. Presentation on the Company's financial highlights to be presented during the AGM.
- c. An explanation from the Board in relation to the Company's investment in the securities of Crosstec Group Holding Limited ("**Crosstec Investment**")

Company's response:

The Chairman of the Meeting replied that the Company has provided summary of the Company's financial performance in pages 18 and 19 of the Company's Annual Report for the financial year ended 31 March 2023 ("**FY2023 AR**"). The Company has also noted the shareholder's feedback and would consider providing the presentation on the Company's financial highlights at the AGM moving forward.

Mr. Ong Chu Poh ("**Mr. Ong**") replied that the intention and decision for equity security investment is to enhance the value of shareholders. However, particularly on the stock counter – Crosstec, following the significant decline in the share price of Crosstec, the Company has taken immediate decision to sell all Crosstec shares.

Following the disposal of Crosstec Investment, Mr. Ong highlighted the importance for the Company to move forward for future growth and several discussions had been done with the Board of Directors and measures taken to strengthen the Company's investment policy.

Mr. Ong appreciates the contribution and the teamwork from the Company's core management team, management team and the Board of Directors towards a better future for the Company. Mr. Ong also thanked for the support from the shareholders

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Question 2:

The shareholder commented that the Company's net cash flow was reported as negative amount of S\$11,195,000 in page 18 of the FY2023 AR as compared with the positive amount of S\$1,977,00 in FY2022.

How is the Company going to improve the share price and increase shareholders' value and the performance of the Company's healthcare business in China.

Company's response:

The Group Chief Financial Officer ("CFO") clarified that the Company has reported a positive net cash flow from operating activities. The cash outflow of S\$11,195,000 was used in financing activities, comprises repayment of bank borrowings and repayment of operating leases. The inclusion of repayment of operating leases in financing activities was due to the change in accounting standard.

The CFO further explained that positive cash flow in financing activities may not be a good position for the Company as it means the borrowing has increased during the year.

The Chairman of the Meeting shared that the Company's FY2023 performance has shown a positive result which the revenue has increased by 11% from S\$38,905,000 to S\$43,508,000 and the EBITA margin has increased from 25% to 37.3% as compared with FY2022. She further shared that in Singapore, the Group has secured the tender to operate a new nursing home with 732 bed capacity between year 2026 and year 2027. New nursing home in Henderson, Singapore and 2nd nursing home in Chongqing, China was launched in year 2022 and year 2023 respectively.

Mr. Ong also shared that the Group is focusing on growing its core business and the business growth on senior care in Singapore, Malaysia and China.

Question 3:

The shareholder asked if the Crosstec Investment is recoverable from the pump and dump scam and what are the measures taken by the Company.

Company's response:

Mr. Ong replied that the Company have taken immediate decision to sell all Crosstec shares after observing the significant decline in the share price of Crosstec. Moving forward, the Company would focus on the Group's senior care business.

The CFO added that the amount invested in Crosstec Investment is not recoverable. The Company has engaged the Internal Auditors to review and revised the investment policy as well as forming of the Investment Committee to strengthen the control and reviewing process for the investment decision.

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Question 4:

The shareholder commented that the shares' trading volume is low and asked how the share trading volume could be improved. The shareholder suggested that the Company could consider to arrange analyst meetings for presentation of the Company's financial results performance to create more awareness to the shareholders.

Company's response:

The CFO replied that the Management and the Company believe that through the development of the upcoming projects and declaration of dividends, it would improve the shares' trading volume. The Company would also be considering issuing new shares to shareholders, if the opportunity arises. The Company noted the suggestion on the analyst meeting for the Company's financial results performance.