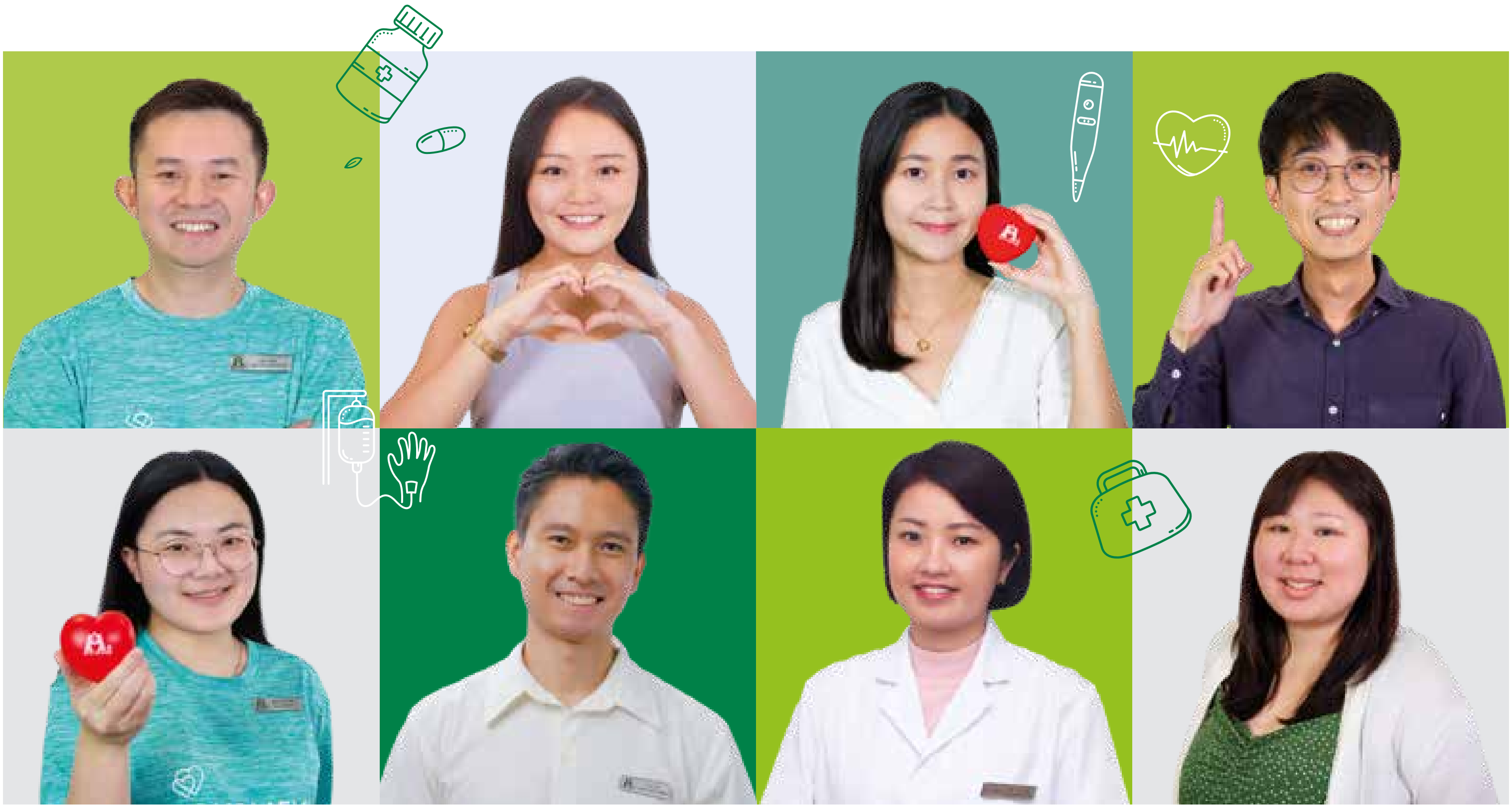
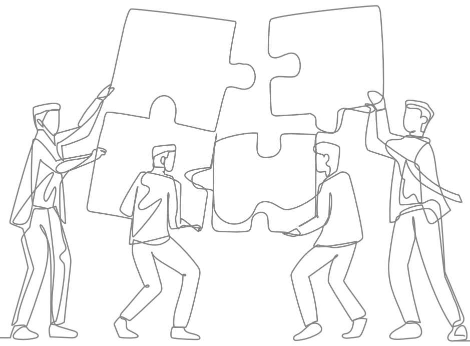
Our People, Our Future

ECON HEALTHCARE (ASIA) LIMITED

ANNUAL REPORT 2024



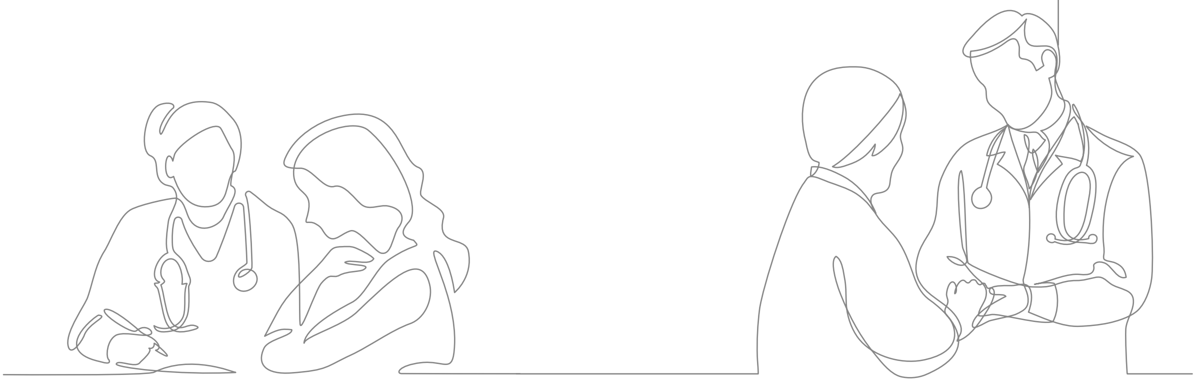
OUR PEOPLE,
OUR FUTURE



Since our founding days in 1987, ECON Healthcare has grown to a leading private eldercare services provider with strong presence in Singapore, Malaysia and China. We offer a comprehensive suite of complementary services, from residential care services to community-based care, offering a seamless care journey for our clients.

People are at the heart of our business and form the cornerstone of our strategy for building a resilient, sustainable future.

With a shared vision and collective effort, we look forward to a bright future, driven by the belief in our people and their limitless potential.



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OUR PHILOSOPHY

Our ECON Philosophy is symbolised by the caring of a Bonsai – an art requiring passion, dedication, patience and skill. With care, the Bonsai grows and blossoms beautifully. We believe that by caring from the heart, seniors will flourish as they age and live their fullest potential. We are here to journey together, uncover, celebrate and live out that potential with seniors and families.

OUR VISION

To be a premium and leading brand in healthcare services in the Asia-Pacific region, recognised by our customers for our holistic approach, personal touch and technological advancements.

OUR MISSION

We are dedicated to providing high quality and customer-focused healthcare services.

CUSTOMER NEEDS:
Being sensitive to our customers' needs

RESEARCH & DEVELOPMENT:
Improving our services through constant research and skills development

PEOPLE DEVELOPMENT:
Caring and grooming our people to set and achieve higher goals

NETWORKING:
Building up our local and international network with our partners in healthcare

QUALITY SYSTEM:
Continuing to be highly systematic and organised in our service delivery and quality control

CHAIRMAN'S MESSAGE

"Our people are our greatest assets, and we will continue to invest in developing our workforce, building capabilities to meet both current and future needs. By prioritising the development and wellbeing of our people, we empower them to realise their full potential."

Dear Shareholders,

On behalf of our Board of Directors and management team, I am pleased to present the Annual Report, highlighting the achievements of Econ Healthcare (Asia) Limited ("Econ Healthcare" or the "Group") for the financial year ended 31 March 2024 ("FY2024").

Our achievements would not have been possible without the dedication and hard work of our people, trust from our clients, and the unwavering support of our shareholders. I extend my heartfelt gratitude to all our stakeholders for their continued confidence in Econ Healthcare. Your confidence and belief in our vision have been instrumental in our success.

CELEBRATING A KEY MILESTONE

This year, we marked a significant milestone by welcoming Ambulance Medical Service Pte. Ltd. ("AMS") as a wholly-owned subsidiary of the Group. The acquisition, completed in March 2024, underscores Econ Healthcare's dedication to fostering synergies across the value chain, enhancing efficiencies and elevating the overall service experience for both clients and partners.

An emergency ambulance and medical transport operator with 17 years of industry experience and a fleet of 57 ambulances, AMS brings invaluable expertise to the Group.

This strategic move aligns with our long-term growth strategy, providing specialised healthcare transportation expertise, fortifying the Group's competitive advantage. With AMS, we aim to expand our reach in Singapore, Malaysia and the region, moving forward with a shared vision to create a comprehensive ecosystem of healthcare services.

FINANCIAL PERFORMANCE

We achieved a 18.1% growth in revenue, reaching S$50.8 million for the financial period ended 31 March 2024 ("FY2024") as compared to S$43.0 million in the same period last year. This robust performance reflects our commitment to grow through strategic initiatives.

Singapore, our largest market segment, contributed significantly to this growth, adding S$6.7 million to our revenue. The integration of AMS, along with our operations in Malaysia, further bolstered our financial results, collectively contributing to an additional S$1.1 million in revenue growth.

We are proud to report that our financial position remains strong with cash and cash equivalents of S$16.2 million as at 31 March 2024. In line with our commitment to delivering value to our shareholders, the Group proposed a final dividend of 0.63 Singapore cent per ordinary share, following an interim dividend of 0.23 Singapore cents per ordinary share paid in December 2023. This adds up to a dividend yield of 4.5% for FY2024.

OUR PEOPLE, OUR FUTURE

In today's rapidly evolving healthcare landscape, the key to sustainability lies not just in state-of-the-art facilities or cutting-edge technology, but in the heart of our operations: our people. Our people are an integral part of the ECON family, and this deep-seated belief shapes our approach to culture and talent development, emphasizing that the growth and success of our company are inextricably linked to the trust and dedication of our team.

At Econ Healthcare, we are committed to investing in our people, our greatest assets. Our comprehensive training and developmental programs are designed to equip our staff with the skills and competencies to excel in their roles and drive innovation in their fields. By nurturing and developing our workforce, we are building capabilities to meet both current and future needs.

We believe in fostering purpose driven and fulfilling careers, ensuring that our employees find meaning and satisfaction in their work. With a shared vision and collective effort, we look forward to a bright future, driven by our belief in our people and their limitless potential.

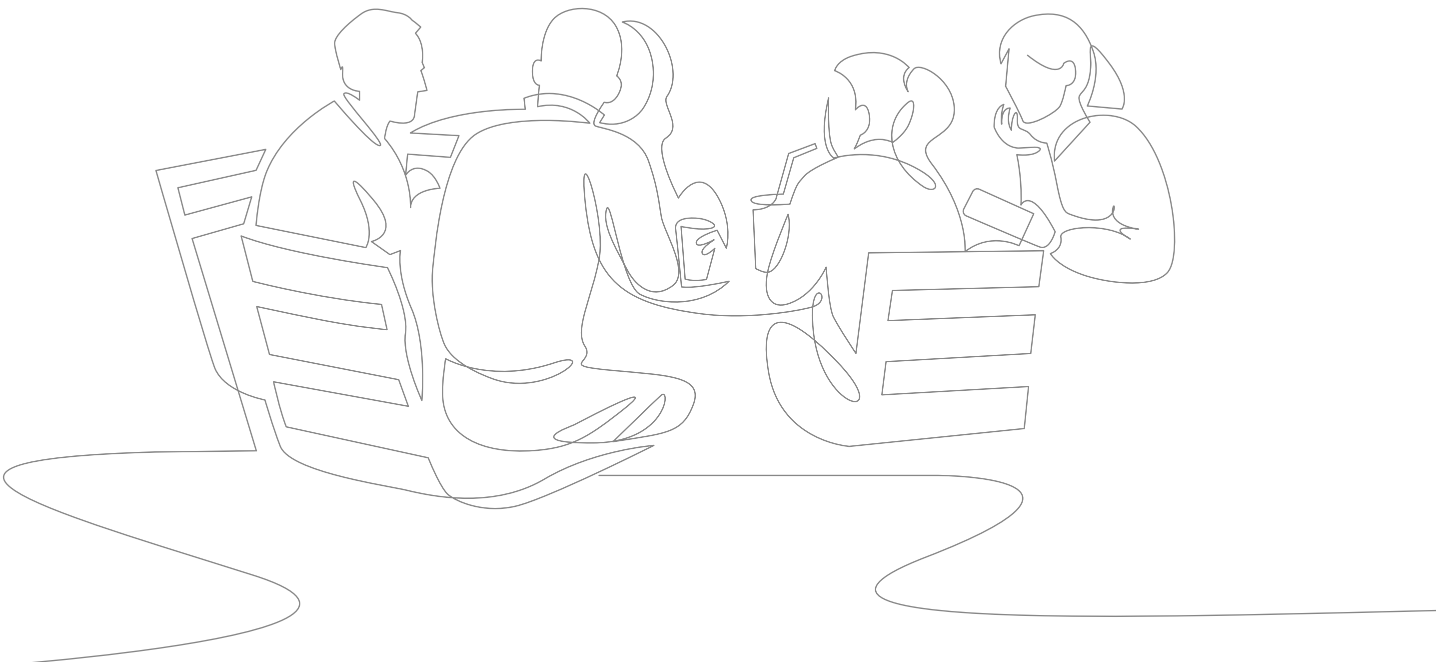
PROGRESSING AHEAD

We will continue to leverage innovation, technology, and strategic partnerships, and are committed to redefining standards of excellence in eldercare and senior living. As we look to the future, our focus will remain on strategic growth and innovation. Our commitment to excellence, supported by a strong financial foundation and a dedicated team, positions us well to navigate the challenges and opportunities that lie ahead. We will strive to continually enhance our services and expand our reach, always aiming to deliver the highest quality care to our clients.

In conclusion, I am confident that with our solid foundation, strategic vision and the collective effort of our people, we will continue to achieve new heights and create lasting value in the years to come.

Thank you for your ongoing support and trust in Econ Healthcare.

Sincerely,
Mr Ong Chu Poh, PBM, BBM
Executive Chairman and Group Chief Executive Officer



BOARD OF DIRECTORS

Mr Ong Chu Poh PBM, BBM
Executive Chairman and Group Chief Executive Officer

Ms Ong Hui Ming
Executive Director and Chief Executive Officer, Singapore

Mr Siau Kai Bing
Lead Independent Director

Mr Lim Yian Poh
Independent Director

Dr Ong Seh Hong
Independent Director

Mr Ong Chu Poh PBM, BBM
Executive Chairman and Group Chief Executive Officer

Mr Ong Chu Poh is our Founder, Executive Chairman and Group Chief Executive Officer.

He is responsible for the strategic direction and expansion plans of our Group. Mr Ong founded ECON in 1987 and under his leadership, he has successfully grown ECON from a single nursing home operator to established presence in Singapore, Malaysia and China. With a wealth of experience in the eldercare industry, Mr Ong played a key role in shaping our organisation's success and strategic direction.

Mr Ong received the Entrepreneur of The Year Award by Rotary-ASME in 2002.

He is also a recipient of the Public Service Medal (PBM – Pingat Bakti Masyarakat) conferred by the Prime Minister Office of the Republic of Singapore in 2002 and the Public Service Star (BBM – Bintang Bakti Masyarakat) in 2014 for his dedication to serving the community and contributions to Singapore.

Ms Ong Hui Ming
Executive Director and Chief Executive Officer, Singapore

Ms Ong Hui Ming joined our Group in 2006 and now serves as the Chief Executive Officer, Singapore. She is responsible for leading and managing the overall operations and performance of the Group's businesses in Singapore.

She supports the Group Chief Executive Officer in the development and execution of our Group's strategic plans and plays a crucial role in shaping the direction and driving the growth of our organisation. Ms Ong holds a Bachelor of Business Studies (Marketing) from Nanyang Technological University and a Master of Business (Marketing) with Distinction from RMIT University. She is a graduate of the SPRING Singapore: Executive Leadership Development Programme at The Wharton School of the University of Pennsylvania.

Mr Siau Kai Bing
Lead Independent Director

Mr Siau Kai Bing is our Lead Independent Director. He has more than 40 years of experience in the accounting and audit industry, having held various senior appointments in finance in the past, including as chief financial officer of a company listed on the SGX-ST.

Prior to his retirement in September 2020, he was the chief financial officer of DP Architects Pte. Ltd. Mr Siau is currently the non-executive, independent director of Nordic Group Ltd and Union Steel Holdings Ltd, both of which are companies listed on the SGX-ST.

Mr Siau holds an accountancy degree from the National University of Singapore and is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants of Singapore.

Mr Lim Yian Poh
Independent Director

Mr Lim Yian Poh is our Independent Director. Mr Lim Yian Poh has more than 20 years of experience in the banking and finance industry, having worked in major international banks including First National City Bank, Singapore (now known as Citibank), Banque Nationale de Paris (now known as BNP Paribas) and Arab Banking Corporation, where he held regional responsibilities.

Mr Lim possesses a wealth of experience and an extensive network of contacts both in Singapore and the region. In 1993, he left as General Manager of Arab Banking Corporation, Singapore Branch to set up Yian Poh Associates, a financial advisory firm in 1994.

Mr Lim is currently the independent director of Zicom Group Limited (a company listed on the Australian Stock Exchange.

Dr Ong Seh Hong
Independent Director

Dr Ong Seh Hong is our Independent Director. Dr Ong Seh Hong is currently a practising senior consultant psychiatrist at Khoo Teck Puat Hospital in Singapore. Prior to this, Dr Ong was with the Ren Ci Hospital & Medicare Centre and Ren Ci Community Hospital from 2000 to 2009, with his last held position being clinical director and chief operating officer.

Dr Ong was also with the Government of Singapore Investment Corporation Pte Ltd (now known as GIC Private Limited) from 1997 to 1999, with his last held position being Vice President (Corporate Services) of GIC Special Investments Pte Ltd (a direct investment and private equity arm of GIC Private Limited). He was a Member of Parliament from 2001 to 2011.

Dr Ong is currently serving Sheffield Green Limited as the independent non-executive director, a company listed on the SGX-ST. He was awarded the Public Service Medal (PBM – Pingat Bakti Masyarakat) conferred by the Prime Minister's Office of the Republic of Singapore in 2001.

KEY MANAGEMENT

Mr Ong Chu Poh PBM, BBM

Executive Chairman and Group Chief Executive Officer

Mr Ong Chu Poh is responsible for the strategic direction and development of our Group. He leads strategies to drive the Group forward towards its vision of being the premier eldercare services provider in the region. Since founding ECON in 1987, he has successfully grown ECON from a single nursing home operator to established presence in Singapore, Malaysia and China. With a wealth of experience in the eldercare industry, Mr Ong is instrumental in shaping ECON's success and strategic direction.

With a sharp focus on the future, Mr Ong is constantly exploring opportunities in regional markets to meet the needs of the ageing populations. He leads the Group's expansion overseas and the management consultancy for the planning and development of retirement living communities.

Mr Ong's visionary approach and extensive expertise in navigating new markets have positioned the Group for sustained success as it continues to explore further opportunities in regional markets.

Ms Ong Hui Ming

Executive Director and Chief Executive Officer, Singapore

Ms Ong Hui Ming has with her 18 years of experience in the Community Care Sector. She joined ECON in 2006 and contributed to management positions across portfolios including marketing, business development and operations. Ms Ong is responsible for leading and managing the overall operations and performance of the Group's businesses in Singapore.

As a key member of the second-generation leadership team, Ms Ong is deeply committed to ECON's mission of being a "Family caring for Families" and supporting families in their journey of caring for their senior loved ones.

She believes in developing a sustainable model for senior care that continues to be relevant and future-ready for the evolving needs of Singapore and the region. Mostly importantly, Ms Ong is a firm believer of being purpose-driven in all endeavours, bringing care that truly matters.

Ms Agnes Kang

Group Chief Financial Officer and Head, Overseas Development

Ms Agnes Kang is responsible for the Group matters such as corporate finance including mergers and acquisitions, and joint ventures, legal, risk and compliances, investor relations, full spectrum of finance accounting functions, procurement functions as well as overseas business development. Partnering with Mr Ong, Ms Kang in charge on Group wide expansion opportunity. Ms Kang is currently an Independent Director of Ouhua Energy Holdings Limited, a company listed on the mainboard SGX-ST.

Ms Kang brings with her almost 2 decades experience in management leadership in 3 SGX listed companies. Prior to joining the Group, she was the group financial controller in mainboard listed lifestyle F&B Group, Breadtalk Group Limited (now known as Breadtalk Group Pte. Ltd.).

Other than an anchor team member in driving the successful IPO for the Company and the recent AMS acquisition, Ms Kang has successful track records in process standardisation, system automation implementation, M&A integration and finance transformation.

Ms Kang is a qualified Chartered Accountant of Malaysia and an Associate of Institute of Singapore Chartered Accountants ("ISCA"). She holds a Bachelor of Accounting with Honours from National University of Malaysia.

KEY HIGHLIGHTS

37 years
Since 1987

8 Nursing Homes
Singapore

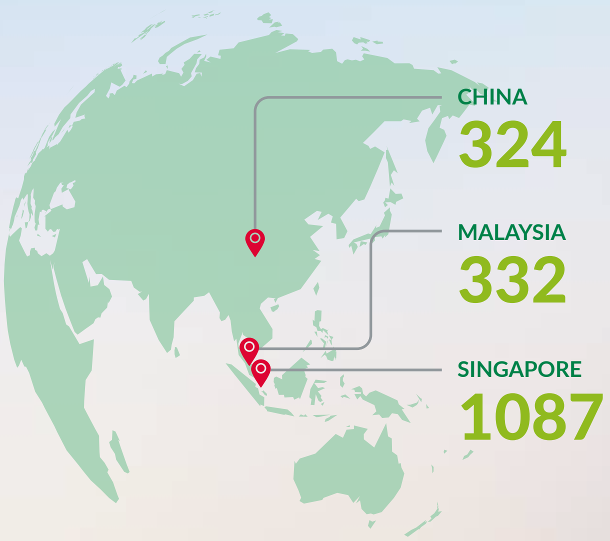
2 Nursing Homes
China

2 Nursing Homes
Malaysia

2 TCM Clinics
Singapore

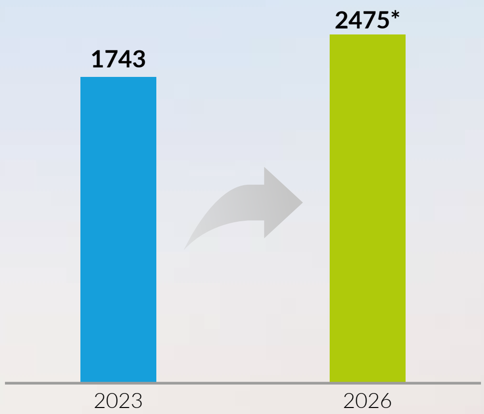
2 Active Ageing Centres
Singapore

NURSING HOME GEOGRAPHICAL BREAKDOWN



GROWTH IN NURSING HOME CAPACITY

Nursing home Capacity



*732
Nursing Home Beds in Singapore

SINGAPORE HEALTH QUALITY SERVICE AWARDS

Updated total number of Awards since 2011

391
Silver

60
Gold

18
Star

INTRODUCING AMBULANCE MEDICAL SERVICE (AMS)

ECON Board of Directors with Founders of AMS at the SPA Signing Ceremony on the 29th November 2023.

The merger between Econ Healthcare and AMS represents a strategic alignment of our values, expertise and resources. By joining forces, we aim to create a stronger, more integrated healthcare ecosystem that offers seamless solutions and quality care experiences to our clients.

We are excited about this significant milestone and new chapter for both ECON and AMS. AMS was founded with a vision to provide exceptional emergency ambulance and medical transport services, earning a reputation for quality, reliability and efficiency over the last 25 years. Econ Healthcare, with its commitment to excellence in eldercare since 1987, is a trusted heritage name in the healthcare industry, recognised by stakeholders for quality and accessible care, delivering personalised and thoughtful eldercare services, empowering families in the care of their senior loved ones.

Together, we bring together decades of experience, innovative approaches, and a shared commitment to excellence. This milestone strengthens our competitive position in the market and reinforces our dedication to serving the diverse needs of our community with compassion, integrity and professionalism.

As founders of Econ Healthcare and AMS, we are excited about the opportunities and look forward to leveraging our combined strengths to drive innovation, expand our reach, and deliver solutions that continue to make a difference. We extend our heartfelt thanks to our employees, clients and stakeholders for their continued support and trust as we embark on this new chapter together.

Mr Ong Chu Poh PBM, BBM
Founder, Executive Chairman and Group Chief Executive Officer, Econ Healthcare

Dr Sim Kah Ming
Founder, Ambulance Medical Service

About AMS

Providing quality emergency and medical transport services in Singapore since 2007, Ambulance medical Service Pte Ltd (AMS) has 17 years of experience in the medical transportation industry. An established provider with a fleet of 57 ambulances, AMS offers a 24/7 emergency response, medical standby services and event coverage. Notably, AMS was a key provider during the COVID-19 pandemic, providing essential transport services for COVID-19 patients, demonstrating its critical role in public health emergencies. The ambulance fleet are equipped to the highest standards of pre-hospital care and comfort. AMS has extensive experience in small to large scale events, complex evacuation both locally and overseas, emergency ambulance services and responding to 1777 (non-emergency public hotline) needs.

AWARDS & ACCOLADES

SINGAPORE HEALTH QUALITY SERVICE AWARD 2024

The Singapore Health Quality Service Awards (SHQSA) is a nationwide platform that honours outstanding healthcare professionals across the healthcare sector who have delivered quality care and excellent patient experiences. This year, we extend our warmest congratulations to our 78 well-deserving recipients of the Singapore Health Service Award. Since 2011, we have celebrated a total of 18 Star 42 Gold and 340 Silver award recipients. This is a testament to the dedication and commitment of our people to serve with heart, and to go the extra mile in caring. We congratulate all our past and present recipients, whose quest for excellence and service with heart truly make a difference in delivering care that matters.

COMMUNITY CARE EXCELLENCE AWARD

It was a proud moment for our Residential Care – Nursing home team who garnered the Team Gold Award for their Clinical Quality Improvement Project on Falls Prevention at the Community Care Excellence Award (CCEA) Ceremony held in September 2023. In addition, we are delighted to share that eleven of our care professionals across rehabilitation and nursing home services were Individual Silver Award winners. Graced by GOH, Mdm Rahayu Mahzam, Senior Parliamentary Secretary for Health, the CCEA honors the contributions of individuals and project teams who have demonstrated exemplary service and commitment in delivering quality care.

LONG SERVICE AWARD

Our ECON Long Service Award is our way of recognising and celebrating our valued employees who have dedicated the many years to our Organisation, contributing significantly to our mission of providing exceptional eldercare services. This year, we are proud to honor a remarkable group of 28 employees who have reached significant milestones in their careers with us. Their enduring commitment and steadfast service have been instrumental in driving our growth and ensuring the highest standards of care for our clients. The award ceremony took place during our annual dinner and dance celebration. We extend our heartfelt congratulations and gratitude to all awardees for their invaluable contributions and years of service.

PRESIDENT'S CERTIFICATE OF COMMENDATION (COVID-19)

ECON Healthcare Group was conferred the President's Certificate of Commendation (COVID-19) during the Investiture of the National Awards (COVID-19) held on the 18th June 2023. On behalf of the Organisation, our Chief Executive Officer, Singapore – Ms Ong Hui Ming received the award from then-President, Madam Halimah Yacob. The award recognises Organisations who have gone above and beyond what was expected of them in contributing expertise and resources and provided outstanding contributions to Singapore's battle during the COVID-19 pandemic. On behalf of our ECON family, we are deeply honoured to have received this acknowledgement and appreciation from Mdm President. Together, we are stronger and will achieve more for the society through our collective efforts.

GEMS AWARD

At Econ healthcare, we believe that exceptional care goes beyond standard duties and requires a heartfelt commitment to going the extra mile. The GEMS (Go the Extra Mile) Award is our way of recognising and celebrating the remarkable dedication and extraordinary efforts of our staff who consistently exceed expectations to deliver outstanding care and service excellence.

This year, we congratulate 42 employees who have demonstrated dedication, compassion and the relentless pursuit of excellence. Their unwavering commitment to our values and willingness to go above and beyond inspire all of us and reinforces our mission to provide quality care with a personal touch.

CULTIVATING CARE AND CELEBRATING LIFE

In ECON Healthcare, I've found purpose beyond measure. It's a place where every interaction, every small gesture of care, has the potential to brighten someone's day and make a lasting difference. That's why I'm proud to be part of this community

HENG LAI
Senior Executive, Nursing Home Services

Step into our Nursing Home in Yio Chu Kang, you'll be greeted by a lush oasis of greenery, where vibrant fruits and vegetables flourish in our organic farm—a testament to the dedication of our colleague, Heng Lai, and the Yio Chu Kang team.

Meet Heng Lai, a driving force behind our vibrant community. His passion for fostering joy and meaningful connections has transformed our nursing home into a true community. His dedication, compassion and zest for life remind us that caregiving lies in simple acts of kindness and nurturing connections. With a warm smile and a listening ear, he creates a space where everyone feels valued and heard.

Building Bonds, One Name at a Time

For Tay, every day at ECON Care Residences is a celebration of life. He believes in the power of active aging, where residents thrive physically, mentally, and emotionally. From lively garden sessions to invigorating exercises, Tay ensures activities are filled with laughter and camaraderie. His genuine connections and personalized interactions foster a sense of belonging among residents.

Growing Together: The Organic Farming Initiative

Heng Lai's passion extends beyond his duties through the Organic Farming initiative. He has cultivated not just plants, but pride and ownership among residents. Together, they've created a thriving oasis, where residents find solace, purpose, and a shared sense of accomplishment. From plump tomatoes, papayas to herbs and vegetables, every harvest becomes a celebration of shared accomplishment.

And it doesn't end there. The harvest cultivated in the organic farm finds its way into the kitchen, where it becomes nutritious treats prepared for residents—a true farm-to-table experience that nourishes both body and soul.

Scan QR code to catch the full story: The Organic Farming Initiative

Growing delights in Econ Care Residence at Yio Chu Kang. Residents beam with pride as flowers bloom and fruits & veggies ripen, celebrating the fruits of their labor.

Every Day is an Adventure:
The "Active Day at Econ" Initiative

The nursing home also rolled out the "Active Day at ECON" initiative, where residents embark on daily adventures that ignite their spirits and bring smiles to their faces. The "Active Day at ECON" initiative is more than just a series of activities—it's a journey of discovery and connection. Whether it's a lively exercise session led by enthusiastic staff members, a themed party celebrating a special occasion, or a friendly competition that sparks friendly rivalry, every moment is an opportunity to create cherished memories and forge lifelong friendships.

Under Heng Lai's guidance, residents are encouraged to embrace each day with a sense of wonder and enthusiasm,

approaching every activity with an open heart and a joyful spirit. From morning exercise sessions that invigorate the body to afternoon games and craft workshops that stimulate the mind, residents are encouraged to explore their interests and passions.

But perhaps the most impactful aspect of the "Active Day at ECON" initiative is the sense of camaraderie and belonging it fosters among residents. As they laugh, play, and share experiences together, barriers dissolve, and friendships blossom, creating a sense of community that transcends age, background, and circumstance.

Scan QR code to catch the full story: The "Active day at Econ" Initiative

EMPOWERING SENIORS THROUGH GENUINE CARE AND SUPPORT

> **Caring for seniors isn't just a job for me; it's a calling. Every smile I see and every milestone we achieve together reaffirms my purpose in making a difference in their lives**

HARIZ
Therapy Assistant,
Rehabilitation Services

Meet Hariz, our dedicated Rehabilitation Therapy Assistant whose passion for helping seniors shines brightly in his every interaction. A graduate from the Republic Polytechnic, Sports and Exercise Sciences, and the Community Care Traineeship Programme, Hariz brings a sincere approach to his role.

What sets Hariz apart is his genuine connection with seniors. He doesn't just see them as patients; he connects with them as individuals with unique stories and experiences. With each senior, Hariz takes a keen interest, getting to know them personally and tailoring his approach to meet their specific needs. Whether it's through gentle exercises, motivational conversations, or simply lending a listening ear, Hariz builds rapport and injects life into the therapy sessions.

Hariz's commitment to empowering seniors goes beyond the physical aspect of therapy. He understands the importance of fostering a supportive and uplifting environment where seniors feel valued and respected. Through his empathetic approach, he creates a space where seniors feel comfortable expressing themselves and participating actively in their rehabilitation journey.

In the journey of rehabilitation and care, Hariz's presence is not just felt; it's cherished. With his genuine care and support, he continues to uplift spirits and transform lives, one senior at a time.

Get to know him here!

Scan here to catch Hariz full interview

Scan here to know more about our comprehensive and holistic approach to Rehabilitation

CELEBRATING THE HEART OF ACTIVE AGEING

In the heartlands of Singapore, our ECONLife! Hubs are Active Ageing Centres and community-driven spaces, where seniors gather to bond, and thrive through a variety of activities. Programmes and initiatives are offered across five key domains of social, physical health, cognitive, learning and volunteerism. At the core of our ECONLife! Hub are our dedicated teams who are committed to curating programmes that are relevant and meaningful for seniors, to support their active and healthy living.

Let's shine a spotlight on two incredible individuals who truly bring life and warmth to our community at ECONLife! Hub—Florence and Li Li.

Grooving together! Our volunteer leads a packed house in chair Zumba, bringing joy to our members!

Florence and Li Li are more than just colleagues; they're the friendly faces and caring hands that make ECONLife! Hub feel like a second home. Their mission is simple but profound: to connect with our seniors, build strong relationships, and support them in living their best lives. Together, they are the dynamic duo that embodies what it means to be "In the Community, For the Community, and With the Community." They go above and beyond to make sure seniors in the community not only stay active but also feel a deep sense of belonging and purpose.

Thanks to Florence and Li Li, ECONLife! Hub isn't just a place—it's a vibrant, caring community where everyone feels welcome and empowered. Next time you see them, don't hesitate to join in the fun or share a chat. They're always eager to connect and make our community stronger, one smile at a time.

Meet them here!

Scan QR code to watch:
ECONLIFE! HUB- Strengthening Community Through Engagement

I find purpose in my role by creating an environment where seniors can thrive. Their smiles and stories remind me daily why this work is so important

LI LI
Centre Executive, ECONLife! Hub

The most rewarding part of my role is knowing that our initiatives make a tangible difference in the lives of seniors

FLORENCE
Assistant Manager, ECONLife! Hub

SUSTAINABILITY REPORT

CONTENTS

BOARD STATEMENT

(GRI 2-17, 2-22)

The Board of Directors ("Board") is delighted to share the sustainability report of ECON Healthcare (Asia) Limited ("ECON Healthcare" or the "Group") for the year ending 31 March 2024 ("**FY2024**")[1]. This report outlines our process of identifying, overseeing, and evaluating Environmental, Social, and Governance ("**ESG**") issues that are material to the organisation. ECON is dedicated to providing care for seniors, as we continue to expand our services in Singapore and beyond. As we approach the 3-year milestone since our listing on the Catalist Board of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), we understand the significance of maintaining sustainable growth in line with our commitment to deliver top-notch care for our clients. Our objective is to provide significant long-term value to all our stakeholders by incorporating sustainable principles into our business and operations.

The Board bears the responsibility for overseeing the management and monitoring of material sustainability matters within ECON and ensures that they are integrated into our business strategies.

In FY2024, we have reviewed the four key material topics identified last year, namely 1) Energy Efficiency and Emissions 2) Excellent Service and Patient Safety 3) Training and Development 4) Ethics and Integrity, and reaffirmed the relevance of these ESG factors in our current reporting year. Our sustainability framework encompasses three pillars that prioritise the integration of material ESG matters into our business operations. These pillars include 1) effective climate action to improve energy efficiency and promote environmental circularity, 2) a commitment to enhance service excellence and care for our people and communities, and 3) a focus on strengthening trust and integrity in our business relationships and operations. The material topics have been mapped to the relevant United Nations Sustainable Development Goals ("UN SDGs"). Our comprehensive sustainability strategy reflects our philosophy, which is exemplified by the nurturing of a Bonsai tree.

Our FY2024 reporting theme, "Our People, Our Future", underscores our commitment to service excellence, which is pivotal to our business. This also ties back to our people who play a crucial role in fostering sustainable development and resilience within our communities and our organisation. We aim to continue to deliver high-quality care and services to our clients. To achieve this, we enhance our Quality KPIs and develop strategies across four main areas: People, Care Culture, Training and Development, and Clinical Practices and Initiatives. By emphasising these key areas, we ensure our services uphold the highest standards, reflecting our dedication to offering the best care and attention to our clients through a highly motivated and competent workforce.

In FY2024, ECON continued our commitment to improving care and service offerings. We acquired a new ambulance and medical transport services company, expanding our reach and capabilities. Additionally, we prioritised employee development by setting a new target to enhance the clinical competencies of our AHP and Care teams.

Through a combination of external and in-house training programs, we achieved a 13% increase in total training hours for all employees. This investment in our workforce is expected to translate into improved client outcomes and overall operational efficiency.

Trust and integrity are core values in all our business dealings and activities. This year, no incidents of corruption was reported.

Our ongoing efforts to enhance energy efficiency and minimise greenhouse gas ("GHG") emissions reflect our dedication to environmental sustainability. We have installed energy-efficient equipment, optimised our air conditioning usage and retrofitted existing light fixtures. In FY2024, we replaced all fluorescent lights with LEDs and we aim to install solar panels across our properties from FY2025 onwards. This year, we have also enhanced our GHG reporting by including Scope 3 GHG emission calculations on two categories: 1) Purchased goods and services and 2) Capital goods.

Our climate-related disclosures were expanded to our second year of reporting. This is in compliance with the SGX's phased approach recommendations and aligned with the Task Force on Climate-related Financial Disclosure ("TCFD") recommendations, underscoring our proactive approach to enhance the resilience of our business against climate-related risks.

Our sustainability reporting has been subject to an internal review, affirming our commitment to transparency and accountability.

As ECON advances steadily, we remain cautious and prudent in light of rising inflation and economic uncertainties. Our commitment to sustainability is unwavering and we are dedicated to further integrating ESG factors at the core of our business. We strive to consistently provide outstanding care, service and attention, growing our reputation as a reliable healthcare services brand.

[1] This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**").

This document has not been examined or approved by the Exchange. 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 Mr. Howard Cheam Heng Haw (Telephone Number: +65 6232 0685), R & T Corporate Services Pte. Ltd., at 9 Straits View #06-07, Marina One West Tower, Singapore 018937."

ABOUT ECON HEALTHCARE

OUR PHILOSOPHY

Our ECON Philosophy is symbolised by the nurturing of a Bonsai – an art that requires passion, dedication, patience and skill. With care, the Bonsai grows and blossoms beautifully. We believe that by caring from the heart, seniors will flourish as they age and live to their fullest potential. We are here to journey together, uncover, celebrate and live out that potential with seniors and families.

WHO WE ARE

We are the leading private nursing home operator in Singapore and Malaysia, with a growing presence in China. Caring for seniors since 1987, ECON is a pioneer in senior care, recognised by our customers for our quality senior care services in Singapore and the Asia-Pacific Region. Leveraging our resilient business model, we are well positioned to capitalise on the growth opportunities brought about by increasing demand for senior care driven by Asia's aging populations. Committed to our social mission of caring for families and senior communities, we will continue to innovate and offer models of care that are relevant and future-ready, delivering care that truly matters.

OUR YEAR IN REVIEW

Key ESG Highlights

EFFECTIVE Climate action towards better energy efficiency and environmental circularity	**ENHANCE** Service excellence and care for our people and communities	**STRENGTHEN** Trust and integrity in our business relationships and operations
Efforts to promote utlisation of energy efficient equipment and effectively manage air conditioning usage to reduce Scope 2 emissions	Plans to assess the quality indicators we track monthly, such as a decrease in falls and zero medication errors	No whistle blowing case reported during the year
Reduction of electricity consumption of 12% per sqm in FY2024.	100% of our workforce received regular performance and career development reviews	Introduced two new policies, Conflict of interest and board diversity policy
Introduced Scope 3 GHG accounting with a purpose to track our overall carbon footprint	Plans to incorporate clinical audit checks every six months in conjunction with our nursing home audit	Zero confirmed reported incidents of corruption

ABOUT THIS REPORT

(GRI 2-1, 2-2, 2-3, 2-5, 2-6)

SCOPE AND BOUNDARY

ECON's sustainability report provides comprehensive coverage of our sustainability strategy, achievements, and initiatives pertaining to our identified ESG material topics for the reporting year from 1st April 2023 to 31st March 2024 ("FY2024"), reported on an annual basis.

The sustainability information presented in this Report only covers our nursing home operations in Singapore. The assets in Malaysia and China are presently excluded from the reporting scope due to inadequate data availability. However, we are committed to expanding our reporting scope and intend to include Malaysia's performance data from FY2025 onwards.

In March 2024, we finalised the acquisition of an ambulance and medical transport services company. Due to the limited timespan between the acquisition and the end of the reporting period, information relating to this new acquisition has not been included into this report. This Sustainability Report should be read in conjunction with the financial information provided in our 2024 Annual Report.

The table below provides an overview of the geographical locations of our operations and the specific activities in each location.

Location	Operations
Singapore	Residential care, home care, day care, Traditional Chinese Medicine ("TCM"), Ambulance and Medical Transport
Malaysia (Puchong, Johor Bahru)	Residential care, home care
China (Chongqing)	Residential care, home care, day care

REPORTING FRAMEWORK

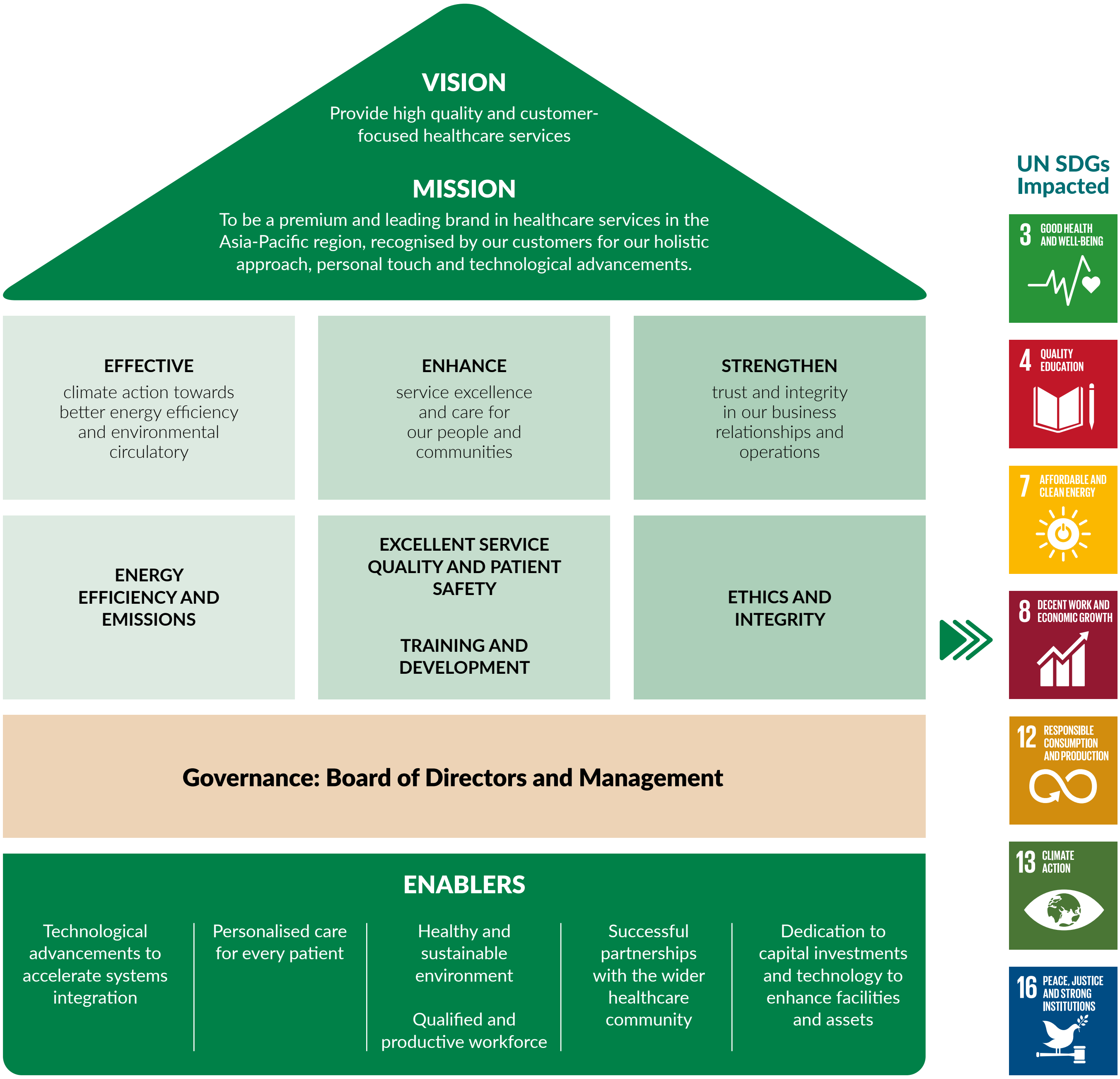
This report has been compiled in accordance with the Global Reporting Initiative ("GRI") Standards 2021. The GRI standards were chosen because they are the most widely accepted global standard for reporting on ESG matters. The United Nations Sustainable Development Goals (UN SDGs) have been integrated into the report, aligning with our material ESG issues to acknowledge and emphasise our obligations and pledges to global, societal goals. We have also implemented the Financial Stability Board's TCFD recommendations in our sustainability report and disclosed our assessment of climate risks in accordance with SGX's phased approach to climate reporting. Further information can be found under the Environmental pillar. This report complies with Rules (711A and 711B) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the SGX-ST and the Sustainability Reporting Guide outlined in Practice Note 7F of the Catalist Rules.

External assurance was not obtained for this report; however, we have conducted an internal review on the sustainability reporting process related to the preparation of this report in accordance with Rule 711B (3) of the Catalist Rules.

ECON highly values the input and inquiries from all stakeholders as they play a crucial role in shaping ECON's path towards sustainability. For any inquiries or feedback, feel free to reach out to enquiry@econhealthcare.com.

OUR SUSTAINABILITY FOCUS

ECON SUSTAINABILITY FRAMEWORK



INTEGRATING SUSTAINABILITY PRACTICES ACROSS OUR NURSING HOMES.

At ECON, we strive to become the top-tier brand within the healthcare service industry in the Asia-Pacific region. To accomplish this, we focus our sustainability approach on three core pillars – 1) effective climate action to improve energy efficiency and promote environmental circularity, 2) a commitment to enhance service excellence and care for our people and communities, and 3) a focus on strengthening trust and integrity in our business relationships and operations. We have identified four material ESG topics, namely 1) Energy Efficiency and Emissions 2) Excellent Service and Patient Safety 3) Training and Development 4) Ethics and Integrity, and mapped these topics to our three pillars and their corresponding UN SDGs. We have a governance framework that ensures effective implementation of our sustainability strategy and performance. Underpinning our sustainability framework are six enablers that form the foundation of our sustainability approach and are key in pushing our business towards continued success.

SUSTAINABILITY GOVERNANCE

(GRI 2-12, 2-13, 2-14, 2-17)

ECON has implemented a governance framework that clearly assigns responsibilities for overseeing the sustainability strategy throughout our entire business operations. The Board is responsible for supervising key management in the preparation of ECON's sustainability strategy and implementation of the strategy in business operations, monitoring and approving ESG material topics, reviewing the information disclosed in the sustainability report and setting of targets under the sustainability strategy. They also oversee the incorporation of ESG material topics into our overall business strategy.

The Management team, comprised of Heads of Department, oversees the execution of sustainability policies and practices, as well as tracks the performance and progress of ESG material topics and targets throughout the year. Bi-annually, the Management team provides the Board with updates on the overall sustainability progress.

The Sustainability Working Group ("SWG") at ECON consists of department staff members who assist the Management team in enforcing sustainability practices. The SWG is accountable for the coordination and compilation of performance data pertaining to ESG material matters. The working group convenes on a regular basis to review, monitor, and evaluate sustainability initiatives, processes, procedures, and performance.

Board of Directors

The Board of Directors are responsible for supervising the management, which includes monitoring and approving ESG material topics such as the information disclosed in the sustainability report and target-setting.

Management Team

The management team oversees the execution of sustainability policies and practices, as well as tracks the performance and progress of ESG material topics.

Sustainability Working Group

The SWG assists the Management team in enforcing sustainability practices. It is accountable for the coordination and compilation of performance data pertaining to ESG material matters.

ECON has put in place policies to uphold good governance practices within the company. Our Conflict of Interest Policy delineates clear protocols for Directors in situations where their personal or business interests may intersect with those of the company. Should a conflict arise, Directors are required to promptly disclose their personal or business interests at the Board meeting or submit a written notice to the Company detailing the nature of their interests and the conflict in question.

Our whistle-blowing policy allows stakeholders to confidentially report any concerns or observations, ranging from potential corporate misconduct to irregularities in financial reporting directly to the Chairman of the AC. Board Directors must participate in sustainability training from one of the eight approved training providers to meet SGX's updated sustainability reporting standards, which as disclosed previously was completed by the Board in FY2023.

The remuneration for Executive Directors and specific key management personnel consists of both a fixed and variable component. The variable component is tied to performance, reflecting the Group's overall performance as well as the individual performance of each Executive Director and key management personnel. The RC and the Board regularly assess the performance of Executive Directors (if any) and the Group CEO (along with other key management personnel).

STAKEHOLDER ENGAGEMENT

(GRI 2-29)

Regularly engaging with our stakeholders is crucial for fostering strong relationships. This practice enables us to gain valuable insights into their viewpoints on important matters and promptly address any concerns they may have. We proactively interact with our primary stakeholder groups via a wide range of engagement channels, as shown below.

Stakeholders	Areas of Concern	Our Approach	Channels of Engagement	Frequency of Engagement
Investors	• Clear communication on financial performance • Management of nursing homes	• All investors are informed of any updates or developments impacting ECON	• SGX announcements, press releases • Annual reports • Board Meetings • Updates on the company website	• Annually, as and when required
Employees	• Professional development • Fair employment practices	• Training opportunities for employees' development • Career advancement, remuneration and welfare	• Performance feedback • Staff meetings • Management meetings	• Annually, as and when required • Monthly • Monthly
Clients	• Access to quality care and services • Access to other healthcare providers	• Ensuring our clients received quality care and service	• Client engagement programmes and activities in Nursing Homes and Medicare Centres • Client feedback survey	• As and when required
Suppliers & Business Partners	• Fair procurement process • Compliance with contractual terms & conditions	• Ensure transparent business practices in the selection of suppliers • Whistle-blowing channel • Open communication channels	• Tenders, request for quotations and proposals • Meetings, interviews • Email correspondences or phone calls	• As and when required
Communities	• Valuable contribution and engagement with local communities • Local employment	• Committed to give back to local communities by supporting community programmes to contribute back to society	• Corporate website • Annual and Sustainability Reports • Corporate Social responsibility initiatives	• Annually, as and when required

MATERIALITY ASSESSMENT

(GRI 3-1, 3-2)

Enhancing our commitment to sustainability necessitates active engagement with our stakeholders to identify their concerns and prioritise addressing those that are most significant to them. In FY2023, we carried out our inaugural materiality assessment exercise after conducting a benchmarking analysis of relevant peers in the elderly care industry. Through extensive desktop research on sustainability trends and best practices, four material topics were concluded after internal discussion. These were classified under three pillars of our sustainability framework and mapped to the relevant UN SDGs. Upon review this reporting year and validation from the Board, the four material topics continue to remain relevant this year.

ECON HEALTHCARE MATERIALITY MATRIX

No.	Pillar	Materiality Matter	GRI Topic Disclosure	Contribution to the SDGs
1.	**EFFECTIVE** climate action towards better energy efficiency and environmental circularity	**Energy Efficiency & Emissions**	GRI 302 – Energy 2016 GRI 305 – Emissions 2016	7, 12, 13
2.	**ENHANCE** service excellence and care for our people/communities	**Excellent Service Quality and Patient Safety**	GRI 403 – Occupational Health & Safety GRI 416: Customer Health and Safety 2016	3, 4, 8
		Training & Development	GRI 404 – Training & Development	
3.	**STRENGTHEN** trust and integrity in our business relationships and operations.	**Ethics & Integrity**	GRI 205: Anti-Corruption	16

SUSTAINABILITY PILLARS
ENVIRONMENT

EFFECTIVE
climate action towards better energy efficiency and environmental circularity

Climate change has significant and extensive impacts that reach every corner of the globe and affect ecosystems, economies, and societies on a large scale. The rise in temperatures, changes in weather patterns, and occurrence of extreme weather events are causing erratic changes to the structure of our planet. It is imperative to take immediate climate action by reducing greenhouse gases (GHG) emissions, shifting towards renewable energy sources, and implementing adaptation strategies to build resilience.

To support Singapore's goal of reducing GHG emissions and achieving net zero emissions by 2050, ECON is implementing effective climate initiatives to improve energy efficiency and encourages environmental preservation.

Covered within this pillar
- Energy Efficiency and Emissions
- Climate-Risk Assessment (TCFD)

Targets
- Reduce electricity consumption per square metre by 3% from FY2024

Our Performance in FY2024
- Reduction of electricity consumption by 12% per sqm

Energy Efficiency and Emissions

WHY IS THIS TOPIC IMPORTANT?

(GRI 3-3)

ECON prioritises the well-being of individuals and recognises our responsibility to minimise our environmental footprint. We understand the consequences of climate change and extreme weather events, which can result in physical harm or sickness, along with declining air quality that can exacerbate respiratory problems and impact human health and well-being. We also acknowledge the crucial role of energy in the healthcare sector. With a deep understanding of these factors, we prioritise this material issue as a primary objective in our sustainability reporting.

SHORT, MEDIUM AND LONG-TERM TARGETS	FY2024 PROGRESS AND PERFORMANCE
Reduce electricity consumption per square metre by 3% from FY2024	Reduction of electricity consumption by 12% per sqm

ENVIRONMENT

Policies, Practices and Performance

(GRI 2-4, 2-23, 2-24, 302-1, 302-3, 305-1, 305-2, 305-3, 305-4)

The rise in average temperatures in Southeast Asia, where our operations are primarily located demonstrates the effects of climate change. ECON acknowledges that a substantial portion of our operational emissions is attributed to the electricity consumption by ACMV systems, ceiling lights, and medical machinery. Therefore, it is crucial for ECON to implement resilient energy management strategies and invest in energy efficient technologies. This approach aims to enhance the quality of life for clients and ensure the long-term sustainability of our operations.

The ECON environmental committee, comprising Centre Managers, operations, and facilities team members, work together to track monthly energy usage in different business divisions. This group is instrumental in advancing our GHG accounting and monitoring efforts. Centre Managers analyse utility consumption data during monthly nursing department meetings to identify key drivers of consumption trends. Through this process, the team has successfully outlined the most efficient strategies to reduce energy usage by analysing consumption patterns.

We track our energy usage against our baseline year FY2022 to analyse trends and improve energy efficiency while reducing greenhouse gas emissions. Monitoring emissions helps us understand potential climate change risks and opportunities. While ECON has implemented several sustainability initiatives, no formalised environmental policy is currently in place.

In this reporting year, although our electricity consumption remains high, we have taken steps towards improving our energy efficiency. We incorporated energy-efficient equipment and established protocols for controlling air conditioning usage. Our AC units are now programmed to operate at 24 degrees Celsius with reduced air flow, and their usage is restricted to 8 hours per day. In FY2023, we launched an initiative to replace all fluorescent light fixtures with LED lights in existing and new nursing homes upon malfunction, which has concluded. In FY2024, we have begun installing motion sensors in toilets and staircase lights which is slated for completion by FY2025. Pushing forward our energy saving strategies, we plan to install solar panels at Braddell, Choa Chu Kang, and Upper East Coast nursing homes in FY2025, as well as to begin upgrading passenger lifts at Braddell and Upper East Coast nursing branches.

Although our existing energy consumption and GHG emissions disclosure only cover our nursing home operations in Singapore, we aim to expand our scope beyond Singapore in subsequent reportings. In FY2024, ECON consumed a total of 9.34TJ of energy, with purchased energy (electricity) making up approximately 98% of the total energy consumption. The organisation's Scope 1 (direct) GHG emissions amounted to 8.86 tCO_2e, whereas the Scope 2 (indirect) GHG emissions were 1,067.90 tCO_2e. Between FY2023 and FY2024, there was a 30.06% increase in emissions due to higher occupancy levels at our Henderson facility. The remaining facilities collectively accounted for 7% of the total energy consumption, primarily as a result of extended use of air conditioning. As shown in the table below, our total emissions intensity decreased by 22%, indicative of improved energy efficiently.

The table below illustrate our energy consumption and GHG emissions[2], with FY2022 as the baseline year for calculations.

	Singapore		
Energy Consumption	**FY2022**	**FY2023**	**FY2024**
Fuel consumption (TJ)[3]	0.22	0.24	0.12
Electricity consumption (kWh)	1,430,960.60	1,943,467.07	2,562,148.4
Electricity consumption (TJ)	5.15	7.00	9.22
Total energy consumption within ECON (TJ)	5.37	7.24	9.34
Energy intensity (TJ/m2)	0.00035	0.00024	0.00030
GHG Emissions[4]	**FY2022**	**FY2023**	**FY2024**
Scope 1 emissions (tCO_2e)[5]	16.61	17.86	8.86
Scope 2 emissions (tCO_2e)[6]	583.55	810.04	1,067.90
Total emissions intensity (tCO_2e/m^2)	0.039	0.028	0.034

2 GHG emissions are reported in line with guidance from the GHG Protocol Corporate Accounting and Reporting Standards. Scope 1 emission factors are sourced from the 2006 IPCC Guidelines for Greenhouse Gas Inventories. Scope 2 emission factors are sourced from relevant official documents from the Singapore government.

3 The fuel consumption for FY2023 was calculated by taking into account the actual usage of 2 months and adjusting it for a full 12 month period. For FY2024, the calculation was based on 10 months of actual usage and adjustment is made for remaining months of the year.

4 FY2022 and FY2023's Scope 1 & 2 and emission intensity numbers have been restated due to calculations errors.

5 Scope 1 fugitive emissions are reported in line with GHG protocol, GHG inventory Guidance, utilizing the screening method for quantifying fugitive emissions from refrigeration and air conditioning equipment.

6 Scope 2 emission factors are sourced from relevant official documents from the Singapore government.

Scope 3

In FY2024, we embarked on developing an inventory for our Scope 3 GHG emissions, in line with the recommendations of the TCFD. Scope 3 emissions include all indirect emissions occurring in a company's value chain, and account for both upstream and downstream activities.

This is essential for us and our stakeholders to understand the extent of the Group's overall environmental impact, which will help us in refining our emissions reduction targets.

We conducted a workshop session with ECON Healthcare team where we discussed the 15 categories of Scope 3, which the team then internally rated the relevance of the 15 categories based on the four key parameters: Magnitude, Influence, Stakeholder Considerations and Completeness. Based on the results from this prioritisation exercise as well as from our benchmarking analysis of relevant peers who have reported on Scope 3, we concluded that Category 1 (Purchased goods and services) and Category 2 (Capital Goods) are the most material to ECON. We have selected the two categories for disclosure in this year's report and intend to include more categories in future years' reporting.

Our two categories for this reporting year includes:

Category 1 Purchased goods and services: All upstream emissions from the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).	**Reporting boundary:** Limited to products and services procured for ECON Healthcare	**Methodologies used and assumptions made:** Procurement allocated emissions from ECON Healthcare
Category 2 Capital Goods: All upstream goods from the production and transportation of capital goods purchased or acquired by the reporting company in the reporting year.	**Reporting boundary:** Limited to products and services procured for ECON Healthcare	**Methodologies used and assumptions made:** Procurement allocated emissions from ECON Healthcare.

We will continue to progressively enhance our emissions accounting and data collection process over the years through a phased approach. As we expand the quality, scope and depth of our analysis, we aim to present a more comprehensive representation of our Scope 3 emissions in future reports.

Scope 3[7] comprises of the following:	
Category 1 – Purchased goods and services	1,190.31 tCO_2e
Category 2 – Capital Goods	159.05 tCO_2e
Total	**1,349.36 tCO_2e**

[7] ECON's Scope 3 emissions are calculated according to the recommendations of Greenhouse Gas (GHG) Protocols "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" as well as "GHG Protocol Corporate Accounting and Reporting Standard" by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

ENVIRONMENT

Climate Risk Assessment (TCFD)

ECON continues to be committed to meet SGX RegCo's climate reporting requirements by incorporating TCFD recommendations in our sustainability report, following the phased approach outlined by SGX. In our second year of climate-risk reporting, we built upon the foundations of FY2023 by conducting an initial scenario analysis and compiled a more comprehensive assessment of risks that could potentially impact ECON Healthcare.

Our approach to managing material climate-related risks is based on the four key pillars of TCFD: Governance, Strategy, Risk Management, and Metrics and Targets, which include a total of 11 disclosure recommendations. Recognising the dynamic landscape of climate risk, we will continue to review our plans, risks assessment and opportunities on an ongoing basis. Our objective is to continue to build resilience against all material risks of the Group.

Governance

Board Oversight

The Board sets the overall strategy and policies for the Group, providing oversight of the Management and overseeing the effective management of the business. The Board works closely with the Management and the Management remains accountable to the Board for the performance. To fulfil this role, the Board sets strategic direction, establishes goals for the Management and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group.

The Board is responsible for overseeing climate-related risks and opportunities, as well as conducting annual assessments of sustainability and climate performance. The Board, in collaboration with Management, assesses the potential and actual effects of climate factors on ECON's strategic, business, and operational strategies.

The Board is assisted by an experienced and qualified management team which is responsible for implementing and overseeing internal controls and risk management systems, in addition to developing tools and metrics for evaluating environmental risks. They are also accountable for identifying, evaluating and reporting environmental risks to the Board.

Detailed information about ECON's governance structure is available in the Sustainability Governance section.

Strategy

In FY2024, we refreshed our climate risk evaluation for our operations in Singapore, Malaysia and China. Our process included evaluating potential risks and opportunities against climate scenarios to evaluate our resilience against future climate-related risks, and the potential opportunities for ECON to capitalise on in the shift towards a low-carbon future.

Taking into account ECON's operations in Singapore, Malaysia and China, we have identified transition and physical climate-related risks of medium, high and extreme levels. Transition risks such as enhanced reporting obligations, costs to implement lower emission technologies and demand for green buildings are anticipated to be high over the medium and long terms, especially under the net zero scenario. On the contrary, extreme weather events (i.e. storms), changes in temperature, changes in precipitation, water stress and sea level rise were identified as key physical risks, set to be more apparent under BAU particularly over the long-term horizon.

Physical and transition risks can disrupt business operations and present challenges to maintaining sustainable growth. Therefore, ECON is currently evaluating our mitigation strategies as part of ongoing efforts to enhance and optimise operations. We are committed to minimise the effects of increased energy costs associated with greenhouse gas emissions. We also continue to invest in sustainable solutions to reduce energy consumption.

Scenario Analysis

In FY2024, ECON conducted a climate-related qualitative scenario analysis covering all of ECON's operations in Singapore, Malaysia and China. Two scenarios were selected: Net Zero Representative Concentration Pathway (RCP) 2.6 and the Business-as-usual RCP 8.5 scenario. We examined these scenarios for physical and transition risks against three time horizons; short-term (1 – 3 years), medium-term (by 2030), and long-term (by 2050), as detailed in the table below:

Physical and Transition Climate Change Risk Assessment Scope				
Assessment Scope	Physical Risk: More likely to manifest from extreme weather events and longer-term shifts in climate		Transitional Risk: More likely to manifest from shift towards a low-carbon economy	
Time Horizons	Short Term (2025)	Medium Term (2030)		Long Term (2050)
Scenarios	**Net-Zero**		**BAU**	
For Physical risks and key assumptions	**Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6**		**IPCC RCP 8.5**	
	• GHG emissions are strongly reduced, resulting in global average temperature increase of no greater than 2°C in an organised transition[8].		• Minimal policies or actions are in place to support decarbonization, GHG emissions continue to rise with continued high fossil fuel usage. Depicting implications of a future with higher physical risks.	
For Transition risk and key assumptions	**Network for Greening the Financial System (NGFS) Net Zero**		**NGFS Nationally Determined Contributions (NDCS)**	
	Assumes ambitious climate policies are introduced immediately. Net Carbon Dioxide ("CO_2") emissions to reach net zero around 2050, with a chance of limiting global warming to below 1.5 °C by the end of the century, with transition risks expected to be high[9].		Assumes that the moderate and heterogeneous climate ambition reflected in the conditional NDCs at the beginning of 2021 continues over the 21st century, with transition risks expected to be relatively low.[9]	

[8] For more information please visit: Intergovernmental Panel on Climate Change, Topic 2 - Future Climate Changes, Risks and Impacts, https://ar5-syr.ipcc.ch/topic_futurechanges.php

[9] For more information please visit: Network for Greening the Financial System Scenarios Portal, https://www.ngfs.net/ngfs-scenarios-portal/explore/

ENVIRONMENT

ECON's Climate-Related Risks

Using ECON's existing enterprise risk management framework (ERM) as a guide, the physical and transition risks were assessed by considering both the "Likelihood" and "Impact" of the identified risks on ECON's portfolio. The "Likelihood" assesses the probability of a particular risk occurring, while the "Impact" evaluates the severity of its consequences on ECON's operations if the risk materialises. Combining the Likelihood and Impact ratings of each risk provides an overall expected risk rating which is then used in the analysis, prioritisation and mitigation of each risk.

In the table below, we have outlined the results and key risks of the scenario analysis, considering short-term, BAU and Net-Zero over medium- and long-term. ECON focuses on disclosing our medium-high-extreme risks while continuously monitoring and improving our climate risk assessment and management approach.

As we move forward in enhancing our disclosures in accordance with TCFD recommendations, we will explore disclosing our analysis on a more quantitative basis. This will enable us to better assess the financial implications of relevant climate risks and more holistically consider the actions required for ECON to address them effectively.

Risk Type	Risk Category	Possible Impacts to ECON
Physical Risks		
Acute	Change in Precipitation - Increased intensity, frequency and/or duration of flooding	• Projected increase in frequency and intensity of extreme weather events in the medium and long term across Singapore, Malaysia and China, where ECON's operations are situated. • Potential damage and operational expenses can be expected as well as costs associated to weatherproof our facilities.
Acute	Change in Temperature - Extreme temperature spells	• Rising global temperatures can lead to extreme heat events, posing health risks to vulnerable groups such as the elderly and sick. This will lead to an escalation in cooling requirements in all our operations, raising our operational costs for air conditioning needs across all our operations.
Acute	Extreme weather - Storms - Increased intensity, frequency and/or duration of storms and wind speed	• Impacts of floods, storms and extreme weather events are predicted to occur more often with greater severity particularly in Singapore and Malaysia. • To avoid significant interruptions to ECON's business operations from floods or infrastructure damage, costs associated to weatherproofing the assets and business against increasingly severe weather and climate events will be necessary.
Acute	Droughts/water stress	• Climate change is projected to increase the probability of droughts particularly in water stress areas including in locations where ECON operates such as Singapore and China. Warmer average temperatures leading to heatwaves can further exacerbate the situation. • Increased demand and costs for water and cooling requirements.
Chronic	Sea Level rise	• Some of ECON's operations In Singapore and Malaysia are located in low-lying areas or by the coast and are more susceptible to the rising sea levels. • The properties can face potential damage and operational costs including higher insurance premiums and retrofitting costs.
Transition Risks		
Reputation	Demand for green buildings	• Consumer preferences are shifting towards green buildings, with an increase in demand for rental spaces in such buildings. The growing awareness of greenhouse gas emissions' environmental impact is driving the need for low-carbon electricity, propelling the global green technology and sustainability market. Companies unprepared for this shift or the transition to green technology may face competitiveness loss and increased costs.
Policy and Legal	Enhanced reporting obligations	• Increased regulations requiring companies to disclose their climate-related risks aligning with TCFD requirements and reporting their GHG emissions. There is also a growing demand from investors for transparent information related to carbon emissions. Therefore, these reporting requirements may lead to increased costs and potential monetary penalties if failure to meet these requirements.
Technology	Costs to transition to lower emissions technology	• As countries commit to a low-carbon economy, local policies will require companies to transition to more energy-efficient solutions, leading to increased operational costs associated with implementing the lower emissions energy efficient solutions.

Mitigation Measures

ECON will continue to monitor and improve our energy consumption and efficiency throughout our operations. As we push ahead in our energy saving strategies, we will be investing in renewable energy with the installation of solar panels at some of our nursing facilities. We will also look into integrating climate risks in our Business Continuity Plan ("BCP") in the future to minimise the impact of potential disruptions to our operations. We will continue to stay updated of the latest reporting obligations and requirements.

Risk Management

ECON has in place an Enterprise Risk Management (ERM) Framework to ensure that key risks are properly and systematically addressed. Our risk assessment process ensures that all potential risks are identified and addressed effectively, including climate-related risks.

We are committed to the ongoing monitoring and improvement of our climate risk assessment and management approach and including them in our decision-making processes. This ensures that climate-related risks remain integral to our strategic and financial planning.

We will continue to manage the risks associated with climate change, review our mitigation measures and initiatives to improve the environmental sustainability of our operations. More information on the ERM framework and governance thereof can be found in our Corporate Governance Report on pages 49 to 76 in our FY2024 Annual Report.

Metrics and Targets

The Group tracks energy consumption and GHG emissions from the FY2022 baseline to analyse trends and identify energy-saving opportunities within our operations.

We continue to disclose our Scope 1 and 2 GHG emissions according to the GHG Protocol's Corporate Accounting and Reporting Standard, detailed in the Energy Efficiency and Emissions section on page 26 of our report.

As part of our continuous improvement, we have also initiated the process of identifying material Scope 3 categories that are significant to ECON. This year, we are reporting on two material Scope 3 categories; Category 1: Purchased Goods & Services and Category 2: Capital Goods, and plan to expand our emissions inventory and reporting in subsequent reporting.

We currently disclose our energy efficiency and emissions targets and aim to reduce electricity consumption per square metre by 3% from FY2024. We are currently working on establishing net zero and Scope 1,2,3 targets across various timeframes. As we move forward in our climate reporting journey, we are in the process of setting targets in line with the requirements of TCFD and SGX guidelines.

SOCIAL

ENHANCE
service excellence and care for our people and communities

At the heart of our brand is a deep commitment to comprehensive and personalised care, which drives our dedication to delivering outstanding healthcare services. We take great pride in centering our operations around our valued clients, who are essential to our success. Ensuring their well-being and safety is fundamental to our mission of excellence in service.

This commitment to exceptional care is a collaborative endeavour. We work closely with our employees, recognising that their engagement and development are crucial to achieving our goals. We foster their success by providing opportunities for both personal and professional growth. Together, we strive to create a supportive and thriving environment that upholds our commitment to exceptional care.

Covered within this pillar

- Material Topic: Excellent Service Quality and Patient Safety
- Material Topic: Training and Development
- (Non-material topic) Our Workforce

Targets

- Achieve zero medication errors annually
- Ensure that annual fall rate is less than 1% per 1000 resident days
- Increase employee training hours by 5% every year

Our Performance in FY2024

- Zero medication errors in FY2024
- Average training hours for all staff levels increased by 12% for FY2024
- Achieved a fall rate of 0.402 per 1000 days as the profile of the residents are more of dementia and behaviour issues. At the same time, we strive to minimise the use of restraints

Excellent Service Quality and Patient Safety

WHY IS THIS TOPIC IMPORTANT?

(GRI 3-3)

ECON is dedicated to providing exceptional care and personalised attention to each and every client. Our aim is to foster a deep connection with every family member, collaborating closely with them to offer comprehensive support for their elderly loved ones. Together, we achieve the desired care objectives and ensure the well-being of those we serve.

We are committed to upholding rigorous standards of care and building lasting trust with our clients, ensuring their satisfaction and loyalty. Recognising the vital role of client feedback, we are committed to addressing client concerns promptly and implementing the necessary actions to enhance our services continually.

To achieve this, we have established a robust feedback system. Each month, we engage our clients via the customer satisfaction surveys to gather their insights and experiences. Additionally, clients may also provide feedback via other communication channels such as email and call, which are all responded to and logged by our Corporate and Regulatory Affairs department. Feedback forms and e-feedback survey access are also available in each of our site to encourage feedback. This comprehensive approach allows us to stay responsive to our clients' needs and continuously refine our operations to meet their expectations.

The Agency of Integrated Care (AIC), an independent corporate entity under MOH Holdings, who coordinates and supports efforts in integrating care to achieve best care outcomes for clients, conducted a customer satisfaction survey from November 2022 to February 2023. During this time, they interviewed family members of residents at nursing homes, including ECON Nursing homes. The results were released in November 2023 with all areas showing satisfactory improvements.

SHORT, MEDIUM, LONG-TERM TARGETS	CY2023 PROGRESS AND PERFORMANCE
Achieve zero medication errors	Achieve zero medication errors
Fall Rate should not be more than 1% per 1000 resident days	Group average fall rate is reported at 0.402 per 1000 days.

Management of Quality Care and Service for Clients

(2-23, 2-24, 2-25, 2-26, 416-1)

Placing clients' needs at the forefront, our focus on quality services enables us to provide attentive and responsive care in all our Nursing Homes and Medicare Centres. A quality indicator report tracks the level of quality attained in our business activities. The quality indicator reports are circulated to the senior management team on a monthly basis, and are reviewed and deliberated upon during the monthly nursing meetings and management meetings. All incidents are promptly dealt with through a root cause analysis, and the quality assurance committee follows through on the effective implementation of corrective and preventive actions to avoid similar incidents in the future. Case presentations on incidents are discussed during our safety huddles at our nursing homes to facilitate learning and continuous improvement. To monitor our improvement efforts, the quality indicators are assessed monthly. On a 6 monthly basis, our nursing home audit team will conduct a clinical audit inspection.

Quality Framework

Our Quality Framework is the foundation of our quality practices and initiatives. It is bolstered by the dedication of our nursing and rehabilitation teams, whose collaboration is vital to continually enhancing and elevating our care standards. Our updated Quality Framework provides clear direction for maintaining and improving quality standards in our nursing home facilities. We enhanced the current Quality KPIs and formulate quality strategies for the four essential pillars that have been identified, namely: (i) People, (ii) Care Culture, (iii) Training and Development, and (iv) Clinical Practices and Initiatives.

Our Quality Framework embraces a holistic strategy in handling risks and safety, aiming to achieve high standards of clinical and service outcomes for our clients, while also minimising waste and fostering positive staff morale. This framework serves as a guiding principle for delivering our services to clients. The diagram below illustrates the four fundamental pillars of our Quality Framework.

People

- Vision & Mission
- Philosophy of Care
- Core Values
- Leadership & Governance
- Team Work

Training and Development

- Building Competency & Capabilities
- Professional Growth & Development
- Learning Needs Analysis/ Individual Development Plan

Care Culture

- PCC Care Model
- Making every contact counts
- Knowing & Supporting Resident choices, Autonomy & Dignity
- Interdisciplinary Team (IDT)
- Dementia Friendly Environment

Clinical Practice and Initiative

- Clinical Quality Indicators
- Risk Management
- Quality Management & Research
- Evidence based Practice
- Partnership & Collaboration

SOCIAL

The main objectives of the Quality Framework include:

1. To ensure that a coordinated and integrated approach is defined for managing clients' safety, quality assurance and improvement activities to reduce risks to clients and improve clinical processes and outcomes.

2. To achieve the highest level of quality care, quality of life and person-centeredness of care for our clients.

3. To measure the quality indicators as critical elements for assessing the success of quality care, quality of life and person-centeredness of care.

4. To establish various committees and taskforces that support the commitment to deliver these aims in an environment that strives to reduce or eliminate risks and to establish this as organisation-wide priority.

5. To develop quality measures for new and modified processes and systems through clinical audits and evidence-base practice.

6. To provide education and training on risk management, patient safety, effective communication skills, quality improvement tools and methodology.

Policies, Practices and Performance

We have implemented a comprehensive set of guidelines and policies that our business operations strictly adhere to, with the aim of establishing comprehensive and precise guidelines for our employees to abide by.

01 Continuous Improvement and Clinical Governance

The Quality Assurance Committee will meet quarterly to review incidents in nursing homes, ensure protocols are in place for safe care, and plan for future measures.

02 Falls Prevention and Mobility

The policy outlines standard procedures for evaluating fall risks, preventing and addressing falls, reviewing post-fall incidents, and reporting falls. Nurses are required to undergo training and adhere to care standards. Any falls must be promptly reported to the Nursing home centre manager and Director of Nursing within 24 hours.

03 Medication Management

This policy outlines approved medication administration protocols for nurses in Nursing Homes. Non-compliance with Medication Management Guidelines and the five rights of medication management may lead to adverse outcomes for residents.

Categories	Practices
Continuous Improvement and Clinical Governance	We possess a robust framework that aids in the identification of gaps and potential risks. Additionally, it enables continuous evaluations of our processes and care giving outcomes, allowing us to effectively oversee the safety, quality assurance, and enhancement efforts for our clients in a structured and comprehensive manner. This aligns with our objective of minimising risks and improving clinical procedures and outcomes.
Fall Prevention	Given that our business primarily serves the elderly, preventing falls is a key focus area for us. ECON has put in place various safety measures, including identifying and removing environmental hazards, organising residents' belongings to prevent clutter, performing regular housekeeping, displaying signs during cleaning activities, installing side railings, and strategically placing call bells for easy access. We make sure that our employees are well-trained in fall prevention practices. Our governance function is dedicated to promoting transparency in sharing and improving post-event processes, with the overall objective of minimising future incidents.
Medication Management	Our management system outlines the processes followed by the nursing home for obtaining, storing, prescribing, packaging, administering, and monitoring medication usage. This prevents errors such as missed doses or incorrect medication that can have serious health implications for our elderly residents. Our nurses provide round-the-clock routine care and ensure that medications are delivered promptly and accurately to the designated resident, as per the prescription from hospitals or physicians.
24 Hours Care Facility	We provide 24/7 inpatient care services to our elderly residents, guaranteeing uninterrupted nursing care delivered by our committed nurses. Our nurses are accessible round the clock to aid with daily tasks like toileting and showering, while also ensuring our residents receive nourishing meals prepared by our in-house kitchen.
Operational Excellence	Our ISO quality objectives, policy, and manual establish the standard operating procedures for different areas such as documentation, quality control, quality audit, care management, human resources management, facilities management, and operations management. These guidelines are fundamental to achieving operational excellence.
Customer Service Excellence	We prioritise customer satisfaction by implementing a comprehensive feedback management system. Monthly customer satisfaction surveys are sent out to our customer database, allowing them to provide feedback on our service quality and overall satisfaction. We analyse feedback to pinpoint areas for improvement and allocate resources accordingly to enhance our service standards. This process helps us to identify key priorities and focus on areas that require enhancement. In addition, feedback channels are easily accessible at all our nursing homes and medicare centres to encourage customers to share their feedback. Furthermore, we participate in industry customer satisfaction surveys conducted by the AIC every 2 years to evaluate our performance against industry benchmarks.

SOCIAL

Providing Enhanced Care through Technology Innovation

At ECON, we consistently strive to develop new initiatives that improve care and enhance the overall satisfaction of our clients. Here are a few key highlights from our strategies.

Virtual Reality Therapy Platforms

Our latest progress includes offering virtual rehabilitation services that combine evidence-based therapies, virtual games, and motion-tracking sensors. Simulators that use virtual images, sensory technologies, and props are used in group therapy sessions to engage clients actively. This method is beneficial for individuals with varying levels of functional abilities, including those with moderate to severe dementia.

Cognitive Training and Rehabilitation

We introduced SilverPad, a cutting-edge tablet designed to stimulate clients' cognitive abilities and promote mental well-being. With a variety of digital games and activities that progressively challenge users, SilverPad engages seniors in routine cognitive exercises. The user-friendly interface ensures that seniors can easily navigate the tablet with minimal supervision, making it an ideal tool for enhancing mental abilities and maintaining a healthy mind.

Circuit-based Pneumatic Strength Training

We have successfully integrated a holistic rehabilitation program that leverages cloud-based data collection and storage systems. This program is built upon integrated circuits and encompasses a range of activities aimed at enhancing strength, endurance, balance, and mobility. Our dedicated therapists diligently oversee and customise the program to cater to the unique needs and progress of each client.

Gait and Standing Training

After installing ceiling hoists in our Nursing Homes, we observed a significant decrease in falls among clients who were at moderate to high risk of falling during therapy sessions. This enhancement in safety not only reduced the incidence of falls but also allowed us to streamline our staffing requirements, reducing the number of staff members needed per client from two to one and thereby optimising manpower utilisation.

Robotic Animal Therapy

We have expanded our services to include robotic animal therapy with the introduction of PARO, an advanced automated robot designed to engage with clients facing Behavioural and Psychological symptoms of dementia in various ways. PARO represents a remarkable advancement in the realm of robotic animal therapy, offering sensory stimulation, companionship, and fostering interaction.

Payment Digitalisation

ECON has implemented electronic invoicing, or paperless invoicing, for our monthly billing to customers. This move is part of our ongoing digitalisation efforts to enhance efficiency and simplify billing procedures. By adopting digital payments, we aim to reduce administrative tasks and provide seamless payment experiences for our customers.

Being Compliant is the Foundation of our Quality and Safety Standards

(GRI 416-2)

We are committed to providing quality and providing excellent care to our clients and their loved ones. Our focus is on ensuring the highest standards of patient health and safety, as well as delivering exceptional service. We strictly comply with the Healthcare Services Act (HCSA) set by Ministry of Health ("MOH") to ensure patient safety and maintain high standards of care. Our nursing homes are re-evaluated every two years to ensure compliance with these regulations. No significant external audit findings have been found, demonstrating our commitment to maintaining high health and safety standards.

The Nursing Home Standards Workgroup has established the Enhanced Nursing Home Standards in Singapore, mandated by MOH, to determine the level of care expected in Nursing Homes. MOH conducts inspections at ECON's Nursing Homes and Medicare Centres to ensure compliance with these standards, which ECON consistently meets during each renewal process.

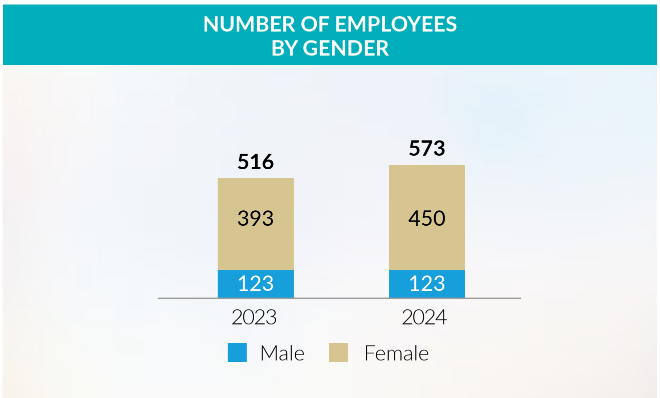
In FY2024, there were no reportable incidents impacting the health and safety of our services which resulted in monetary fines. This was made possible by enhancing staff training and awareness of best practices as outlined in policies. We will continue to exercise prudent measures and continous improvements to maintain our zero accident record in the short, medium and long term.

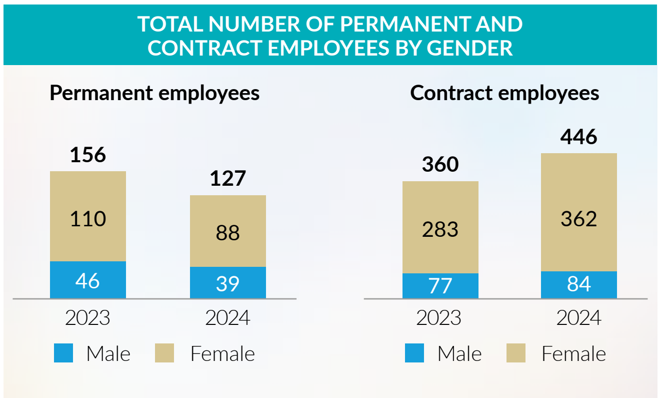
Our Workforce

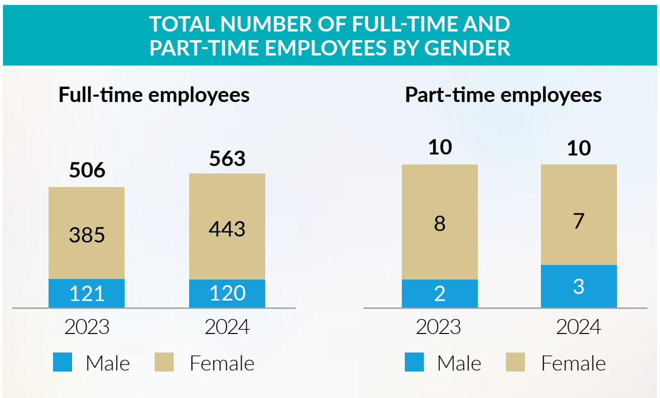
(GRI 2-7, 2-8)

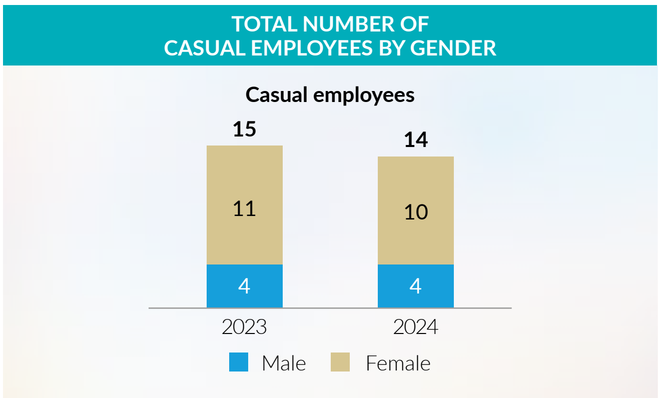
Our workforce is crucial to our company's growth and success. We take pride in our people and are dedicated to fostering an inclusive and supportive work environment that promotes ongoing learning and development. Central to this commitment are our company's culture, values and philosophy which guide our employees in upholding professional workplace standards and quality care.

Our employee profile for FY2024 is provided below.









SOCIAL

Training and Development

WHY IS THIS TOPIC IMPORTANT?

(GRI 3-3)

We prioritise a team of skilled professionals dedicated to exceptional care by offering tailored training for our employees' personal and professional growth to stay competitive in the evolving healthcare industry, especially in elderly care. The Human Resource Management System ("HRMS"), implemented in 2023, aims to enhance employee learning by automating procedures, simplifying training applications, and promoting collaboration in identifying educational requirements.

SHORT, MEDIUM AND LONG-TERM TARGETS	FY2024 PROGRESS AND PERFORMANCE
Employee training hours increase by 5% every year	Average training hours for all staff levels increased by 13% for FY2024

Ensuring Development Opportunities for our Employees

At ECON, we prioritise the growth and progress of our employees through dedicated investments in their personal and professional development. We offer a variety of training opportunities, including courses in care skills, professional skills, and soft skills. We also encourage our employees to take external trainings conducted by reputable instructors. Our goal is to equip our workforce with the skills needed to adapt to industry changes. In FY2024, we sponsored 23 Nursing Aides for certification courses and offered our healthcare staff the chance to enrol in our in-house ITE Skills Certificate Healthcare (Homecare) program.

HRMS System

In FY2024, ECON implemented a new Human Resource Management System (HRMS) system to further enhance ECON's sustainability efforts. By streamlining HR processes, such as training, performance evaluation, claims and payroll management, the HRMS significantly reduces administrative hassles, allowing our HR team to focus more on strategic initiatives that promote employee well-being and organisational growth. Moreover, the centralised data storage and analytics capabilities of HRMS will enable us to make data-driven decisions, optimise resource allocation, and identify areas for improvement, ultimately fostering a more efficient and agile workforce.

The HRMS also facilitates compliance with internal policies and external regulations. Additionally, the system maintains records and audit trails transactions, ensuring transparency and accountability.

Embracing HRMS not only enhances our operational efficiency but also reinforces our commitment to sustainability by minimising paper usage, reducing carbon footprint, and promoting a culture of innovation and continuous improvement.

We will continue to enhance our HRMS, and introduce best practices to further improve efficiency, enhance employee experiences, and advance our sustainability goals.

Improving Learning Experiences for our Employees

Our HRMS also empowers employees and managers to take charge of their own HR tasks through automation, including our learning and performance management. Using this system, employees can choose their preferred training programs and set learning objectives with supervisors to address their needs. We aim to integrate training solutions into our learning experience programmes to cater to various learning styles and utilise e-learning content from the AIC Learning Network. Training initiatives have been implemented at all levels to equip our workforce with necessary skills.

Types of Programmes	Scope (i.e. Who are included?)	Description of Programme
Leadership Programmes	Management Team	IMPACT Leadership programmes, AIC Insight Leadership programmes, IGNITE Leadership programme, HCS-LSG Leadership & Innovation Masterclass, 3rd Leaders for Singapore Healthcare (LSH), WSQ People Management
Nursing & AHP Programmes	Nursing/AHP Team	Nursing Induction Programme (Wound Care, Stoma Case, Blood Glucose Monitoring etc), Advance Care Planning (ACP), Dementia-Care, Safe Manual Handling, Person-Centred Care (PCC), ECON Nursing Competency Framework, Falls Prevention Project in ECON Sunnyville Nursing Home (Yio Chu Kang), Nursing Assessment and Managing of Delirium, Male Catheterization Workshop, AIC LI Tracheostomy Care
Functional Skills Programmes	Functional Staff	Basic to Intermediate Excel Skills, Finance for Non-Finance Managers, Contract Law for Non-Legal Professionals, Health Ethics and Law, Root Cause Analysis & Quality Improvement Tools

Policies, Practices and Performance

(GRI 2-23, 2-24,404-2, 404-3)

At ECON, we prioritise the ongoing growth and lifelong education of our staff through our learning and professional development approach. Our approach includes:

01

Learning and Development

This policy outlines the structure and operational protocols for employee training and development, ensuring that our staff's training aligns with ECON's corporate goals.

02

Training Bond

To provide a training bond policy for company-sponsored training/education programmes

SOCIAL

01

Inducting new hires at ECON

- New hires kickstart their career at ECON by attending the monthly-held orientation conducted by our CEO and key members of the management team. In addition, nursing staff will attend the Nursing Induction Programme. A specially designed programme for newly hired foreign staff is also conducted by the in-house team to help induct them to Singapore and the local way of working.
- ECON is constantly reviewing the courses offered to serve ECON's organisation's needs better.

02

People development opportunity at ECON

- We continually offer our care staff upgrading opportunities e.g., the ITE (Institute of Technical Education) Skills Certificate in Healthcare (Home care). Achieving this certification allows them to uplift their skills in caring for our residents. Plans are underway to advance our care skills in dementia care, and safe manual handling.
- We work closely with AIC to build leadership capabilty in sending identified staff for Community Care Nursing Leadership Programme (CCNLP) and Community Care Manpower Development Award (CCMDA).

03

Learning in the new economy

- We introduced the use of education technology in our in-house programmes, e.g., Kahoot and Mentimeter at learning checkpoints, which improves their overall learning experience.
- As part of the move to help support our care staff in upgrading their professional skills. We encourage our staff to use the AIC Learning Management system to access online materials specific to nursing home settings e.g., dysphagia issues among our clients.

Our HR department leads the transition assistance program, working with employees aged 63 to 68 and their supervisors. The process begins six months before retirement, with HR conducting pre-retirement planning sessions to review job duties and responsibilities.

People Management Programme

In FY2023, ECON launched the internal People Management Programme for mid-level supervisors. Pre-reading materials were provided to participants to accommodate their varying backgrounds in personnel management. This shortened the in-person training to four hours, maximising time efficiency. The classroom sessions focused on analysing real-life case studies and discussing effective strategies to align individuals with ECON's protocols.

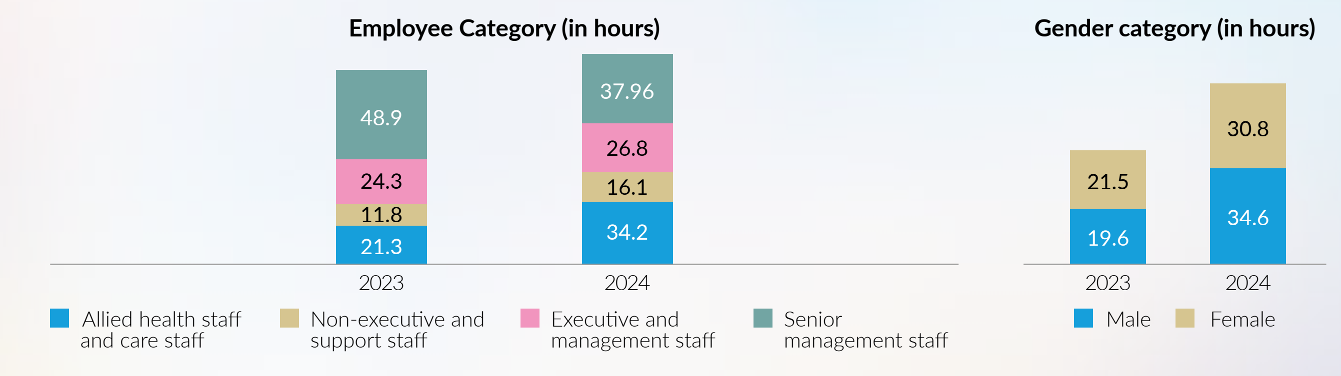
Employee Training Hours

(GRI 404-1)

At ECON, we place a strong emphasis on training and developing our workforce to ensure they grow in their capacity and possess future-ready skills and knowledge. Our commitment to this endeavour is reflected in our ISO quality objectives, where training hours serve as a key metric. Annually, we track and report the training hours to review our progress. Training hours[10] for FY2024 are disclosed below.

In FY2024, 100% of our workforce received regular performance and career development reviews.

AVERAGE TRAINING HOURS



Employee Engagement

Fostering a culture of employee engagement is not only integral to ECON's success but also a cornerstone of our sustainability initiatives. We acknowledge and appreciate our employees' hard work through various internal celebrations and events, including Nurses Day, Allied Health Day, our Year-End D&D, Community Care Day and festive celebrations such as Christmas and Chinese New Year. These gatherings are key to fostering team spirit and camaraderie, while also reinforcing our commitment to support and appreciate our diverse workforce.

Additionally, initiatives like our Long Service Awards and GEMs Awards recognise and celebrate the dedication and excellence of our employees, fostering a sense of belonging and pride within our organisation. The GEMS Award recognises service role models, rewarding their exemplary efforts and inspiring others to excel in service delivery. In 2023, 41 employees were awarded the GEMS award.

Complementing these efforts, we introduce our Staff Welfare Fund, where each department head is allocated a budget to plan team bonding activities. This approach not only encourages ownership and creativity at the department level but also fosters stronger connections among team members. Moreover, departments can collaborate and pool funds to organise joint activities, promoting cross-departmental collaboration and teamwork.

By prioritising employee engagement and recognition, we not only cultivate a positive work environment but also ensure the long-term sustainability of our company by retaining talent, inspiring loyalty, and driving continuous improvement.

LONG SERVICE AWARD

10 Training hours at ECON refers to time spent for external and in-house courses, workshops, and seminars, learning activities, small group work sessions, demonstration and hands-on experiential internal sharing (in-service training) as well as interdisciplinary group meetings.

GOVERNANCE

STRENGTHEN
trust and integrity in our business relationships and operations.

Effective corporate governance plays a vital role in the longevity of our company. Through promoting transparency, accountability, and ethical conduct, sound corporate governance principles guarantee that our company is able to secure investments, mitigate risks, enhance performance, and uphold a positive reputation. Consequently, this results in the generation of sustainable value for shareholders and advantages for all stakeholders with a vested interest.

Covered within this pillar

- Material Topic: Ethics & Integrity

Targets

- All new employees to undergo onboarding program which includes professional ethics & standards
- All suppliers to self-declare Interested Party Transactions (IPT) during their onboarding process as vendor
- Educating relevant internal stakeholders (centre managers and HQ employees only) on procurement processes and mandatory supplier declaration form to manage suppliers' performance.

Our Performance in FY2024

- 100% of new employees attended onboarding programme including professional ethics & standards.
- 100% suppliers self-declared Interested Party Transactions (IPT) during their onboarding process
- 100% of all relevant internal stakeholder have attended training on procurement processes.

Ethics & Integrity

(GRI 2-16, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3)

WHY IS THIS TOPIC IMPORTANT?

(GRI 3-3)

ECON firmly believes that fostering good governance and upholding high standards of ethical conduct and integrity are crucial in instilling confidence and trust among our key stakeholders. Our unwavering commitment lies in ensuring that our business operations are carried out with utmost honesty, fairness, and transparency, with zero tolerance for corruption, extortion, or bribery. We acknowledge that corruption can lead to substantial financial losses, legal complications, and detrimental harm to our brand reputation.

In FY2024, ECON reported zero confirmed incidents of corruption and no reported whistle blowing cases. We will continue to exercise good governance to maintain our zero corruption cases in the short, medium and long term.

SHORT, MEDIUM AND LONG-TERM TARGETS	FY2024 PROGRESS AND PERFORMANCE
All new employees to undergo onboarding program which includes a segment on professional ethics and standards.	100% of new employees attended onboarding programme including professional ethics & standards.
All suppliers to self-declare Interested Party Transactions (IPT) during their onboarding process as vendor.	100% suppliers self-declared Interested Party Transactions (IPT) during their onboarding process.
Tighten our vendor selection process, declaration of Interested Party Transactions ("IPT") & whistle blowing procedures.	
Educating relevant internal stakeholders (centre managers and HQ employees only) on procurement processes and mandatory supplier declaration form to manage suppliers' performance.	100% of all relevant internal stakeholder have attended training on procurement processes.

Policies, Practices and Performance

(GRI 2-23, 2-24, 205-1)

Compliance with all relevant local laws and regulations is fundamental at ECON. We have established a number of key corporate governance policies such as our Code of Business Conduct, Anti-Corruption measures, and Whistle-blowing policies to serve as guiding principles for our business operations. Two new policies, Conflict of Interest and Board Diversity have also been introduced and approved by the Board in May 2024. All other policies have been approved by the Board previously and are reviewed on an ongoing basis for any changes or updates to be made.

In May 2024, the Group CFO participated in anti-bribery and corruption training, and the future heads of departments will also undergo similar training sessions in the future.

All our policies can be easily accessed through our employee and investor relation portals. Any concerns raised via our whistle blowing channels will be promptly forwarded to our independent directors.

Whistle Blowing Policy	This policy provides a clear framework for reporting any suspicions of misconduct or unethical behaviour through a designated channel, ensuring anonymity and protection from reprisals.
Anti-Corruption Policy	This policy outlines the suitable measures, procedures, and guidelines to be followed in order to combat corruption in all business endeavours. All business activities and decisions that are susceptible to corruption are handled and executed with utmost caution.
Investment Policy	This policy aims to outline the goals, rationale, and fundamental principles and procedures that govern the allocation of ECON's surplus funds. It encompasses the identification, supervision, and assessment of investment alternatives and approaches.
Interested Person Transaction Policy	This policy serves to emphasise ECON's commitment to: • Ethics and compliance with the law • Foster a culture of honesty and accountability • Focus the Board and each of its directors and employees on areas of ethical risk • Provide guidance to the Directors and employees to help them recognise and deal with ethical issues
Conflict of Interest Policy	The policy sets out the guideline to guide the Director in instances of actual or potential conflicts of interest. All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Company.
Board Diversity Policy	The objectives of the board diversity policy are, among others to: a. Enhance board effectiveness through diverse perspectives and experiences. b. Reflect the diverse communities and stakeholders we serve. c. Support a culture of inclusivity and fairness. The board diversity initiatives are guided by principles of meritocracy, equal opportunity, and transparency in recruitment and selection processes. The Board has taken in consideration the definition and importance of board diversity policy includes the range of skills, business and industry experience, gender, age, ethnicity, geographic background, length of service, and other distinctive qualities of the board members.

Ensuring Ethical Procurement Processes

Our procurement process follows ethical business policies to ensure fair selection of suppliers and vendors. We maintain transparent communication and avoid bias or preferential treatment. Our policy outlines our procedures clearly.

We prioritise strong partnerships with suppliers and vendors through transparent communication, ensuring smooth operations and supply chain. We support local vendors, promoting job growth and benefiting from faster turnaround times and reliable deliveries for increased efficiency.

Prospective vendors must submit business documentation, audited financial records, and disclose any personal connections with our employees using our vendor application form. This is necessary to ensure transparency, ethical practices, and eligibility for our approved vendors list. Any violations or complaints will result in contract termination. All purchase requisitions require three quotations or a detailed explanation if not quotations are not obtainable, as outlined in our Delegation of Authority (DOA) mandate.

GRI CONTENT INDEX

Statement of use	ECON Healthcare has reported the information cited in this GRI content index for the period 1 April 2023 to 31 March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI 2021 Standards	Description	Section of Report / Reasons for Omission	Page Reference
GRI 2: General Disclosures (2021)			
1. The organization and its reporting practices			
2-1	Organisational details	About this report	20
2-2	Entities included in the organization's sustainability reporting	About this report	20
2-3	Reporting period, frequency and contact point	About this report	20
2-4	Restatements of information	Energy Efficiency and Emissions	26
2-5	External assurance	External assurance was not sought for this year's Sustainability Report.	N.A.
2. Activities and workers			
2-6	Activities, value chain and other business relationships	About this report	20
2-7	Employees	Our Workforce	37
2-8	Workers who are not employees	Our Workforce	37
3. Governance			
2-9	Governance structure and composition	Annual Report – Corporate Governance Report	51-52
2-10	Nomination and selection of the highest governance body	Annual Report– Corporate Governance Report	55-57
2-11	Chair of the highest governance body	Annual Report – Corporate Governance Report	55
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	22
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	22
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	22
2-15	Conflicts of interest	Annual Report – Corporate Governance Report	50
2-16	Communication of critical concerns	Ethics & Integrity	42
2-17	Collective knowledge of the highest governance body	Board Statement Sustainability Governance	17 22
2-18	Evaluation of the performance of the highest governance body	Annual Report – Corporate Governance Report	58
2-19	Remuneration policies	Annual Report – Corporate Governance Report	59 - 61
2-20	Process to determine remuneration	Annual Report – Corporate Governance Report	59 - 61
2-21	Annual total compensation ratio	This disclosure is omitted due to confidentiality constraints.	N.A.
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Board Statement	17
2-23	Policy commitments	Energy Efficiency and Emissions Excellent Patient Quality and Safety Training and Development Ethics and Integrity	26 33 39 43
2-24	Embedding policy commitments	Energy Efficiency and Emissions Excellent Patient Quality and Safety - Management of Quality Care and Service for Clients Training and Development Ethics and Integrity	26 33 39 42-43
2-25	Processes to remediate negative impacts	Ethics & Integrity Excellent Service Quality and Patient Safety	42 33
2-26	Mechanisms for seeking advice and raising concerns	Ethics & Integrity Excellent Service Quality and Patient Safety	42 33
2-27	Compliance with laws and regulations	Ethics & Integrity	42
2-28	Membership associations	ECON Healthcare is a normal member of the Singapore Business Federation and the Singapore Chinese Chamber of Commerce & Industry. ECON Healthcare does not hold a significant role in any industry association or any other membership organisation.	N.A.

GRI 2021 Standards	Description	Section of Report / Reasons for Omission	Page Reference
GRI 2: General Disclosures (2021)			
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	23
2-30	Collective bargaining agreements	This disclosure is not applicable as there are no collective bargaining agreements in place at ECON.	N.A.
GRI 3 (2021): Material Topics			
3-1	Process to determine material topics	Materiality Assessment	24
3-2	List of material topics	Materiality Assessment	24
Material Topic: Energy Efficiency and Emissions			
3-3	Management of material topics	Energy Efficiency and Emissions	25
302-1	Energy consumption within the organisation	Energy Efficiency and Emissions	26
302-3	Energy intensity	Energy Efficiency and Emissions	26
305-1	Direct (Scope 1) GHG emissions	Energy Efficiency and Emissions	26
305-2	Energy indirect (Scope 2) GHG emissions	Energy Efficiency and Emissions	26
305-3	Other indirect (Scope 3) GHG emissions	Energy Efficiency and Emissions	27
305-4	GHG emissions intensity	Energy Efficiency and Emissions	26
Material Topic: Excellent Service Quality and Patient Safety			
3-3	Management of material topics	Excellent Service Quality and Patient Safety	32
416-1	Assessment of the health and safety impacts of product and service categories	Excellent Service Quality and Patient Safety - Management of Quality Care and Service for Clients	33
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Excellent Service Quality and Patient Safety	37
Material Topic: Training and Development			
3-3	Management of material topics	Training and Development	38
404-1	Average hours of training per year per employee	Training and Development	41
404-2	Programmes for upgrading employee skills and transition assistance programme	Training and Development	39
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development	39
Material Topic: Ethics and Integrity			
3-3	Management of material topics	Ethics & Integrity	42
205-1	Operations assessed for risks related to corruption	Ethics & Integrity	43
205-2	Communication and training about anti-corruption policies and procedures	ECON is looking to progressively collect the required information and will be reporting on this disclosure in subsequent reports.	42
205-3	Confirmed incidents of corruption and actions taken	Ethics & Integrity	42

TCFD INDEX

TCFD Pillar	TCFD Recommendations	Econ's response
Governance	Board oversight	Please refer to Climate Risk Assessment (TCFD) from pages 28-31.
	Management's role	
Strategy	Climate-related risks and opportunities	
	Impact on the organisation's business, strategy, and financial planning	
	Resilience of the organisation's strategy	
Risk Management	Risk identification and assessment processes	
	Risk management process	
	Integration in overall risk management	
Metrics and Targets	Climate-related metrics in line with strategy and risk management process	
	Scope 1,2,3 GHG metrics and the related risks	
	Climate-related targets and performance against targets	

FINANCIAL PERFORMANCE SUMMARY

Financial year ended 31 March

	FY2020*	FY2021*	FY2022*	FY2023*	FY2024
Profit and Loss (S$'000)					
Revenue from continuing operations	37,040	37,660	38,540	43,012	**50,786**
Profit before tax from continuing operations	4,391	7,159	1,459	7,217	**6,584**
PATMI from continuing operations	4,056	5,899	744	5,862	**6,295**
Cash flows (S$'000)					
Net cash flow from operating activities	10,585	15,614	12,559	11,730	**12,658**
Capital expenditure	(1,890)	(2,441)	(2,630)	(3,631)	**(1,785)**
Net cash flow used in investing activities	(2,881)	(2,557)	(4,507)	(2,160)	**(7,841)**
Net (decrease)/increase in loans and borrowings	(301)	806	(3,176)	(1,733)	**(1,252)**
Net cash flow (used in)/generated from financing activities	(8,111)	(4,346)	1,977	(11,195)	**(11,889)**
Balance sheet (S$'000)					
Total assets	66,425	72,654	100,739	99,271	**105,374**
Cash and short-term deposits	7,334	16,095	26,102	24,621	**16,181**
Current assets	12,735	19,692	31,916	31,778	**38,773**
Property, plant and equipment	15,114	16,476	17,930	18,328	**16,578**
Total liabilities	47,288	47,424	64,798	60,746	**60,887**
Current liabilities	14,303	18,067	23,308	19,143	**26,636**
Loans and borrowings	9,638	10,361	7,145	5,083	**3,624**
Net (debt)/cash	(2,304)	5,734	18,957	19,538	**12,558**
Key ratios					
Profitability (%)					
EBITDA margin	32.2	38.9	24.5	39.3	**32.3**
PATMI from continuing operations margin	11.0	15.7	1.9	13.6	**12.4**
Return on equity&	21.0	23.9	2.1	15.1	**14.2**
Dividend payout ratio#	71.8	35.2	161.5	35.5	**35.3**
Turnover days					
Trade receivables turnover days	40.6	24.1	26.5	29.0	**38.9**
Trade payables turnover days	105.0	50.5	57.4	63.3	**68.6**
Liquidity ratios (x)					
Current ratio	0.90	1.10	1.40	1.70	**1.50**
Debt ratios (x)					
Net (cash) or debt/shareholders equity	0.10	0.20	0.50	0.50	**0.30**
Gearing^	0.50	0.40	0.20	0.10	**0.10**
EBITDA/interest expense	25.4	39.9	35.4	61.4	**74.2**
Per share info (S$'cents)					
Earning per share from continuing operations~	1.96	2.85	0.29	2.28	**2.44**
Net asset per share	9.31	11.94	14.02	15.08	**16.70**
Dividend per share	1.13	0.78	0.22	0.67	**0.86**

* The comparative figures have been re-presented to report profit and loss items separately for continuing and discontinued operations pursuant to the partial disposal of subsidiaries stake and complete disposal of associate

& Return on equity is defined as PATMI from continuing operations divided by shareholder equity for the year

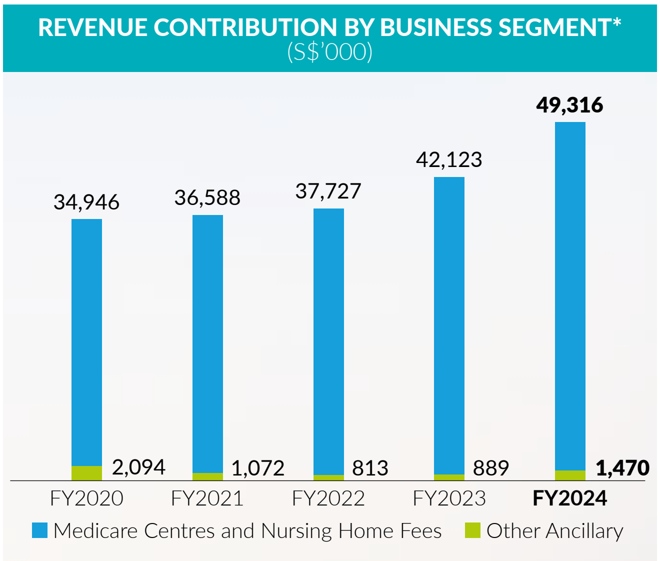
\# Dividend payout ratio is defined as dividend declare divided by PATMI

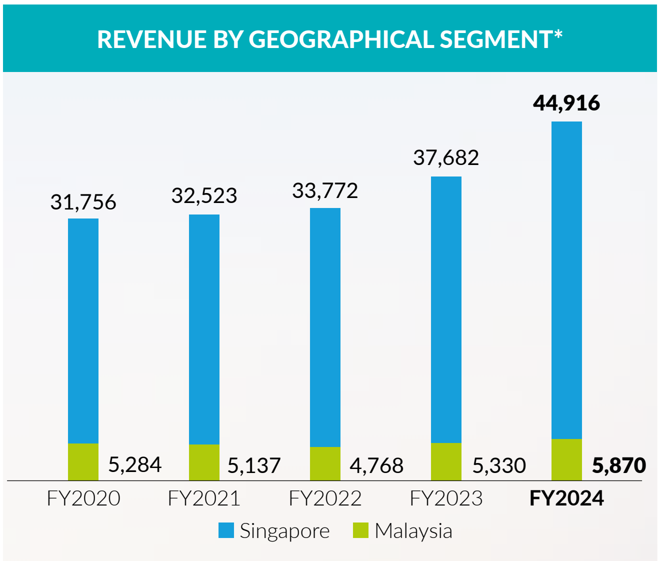
^ Gearing is defined as total loan and borrowings divided by net asset

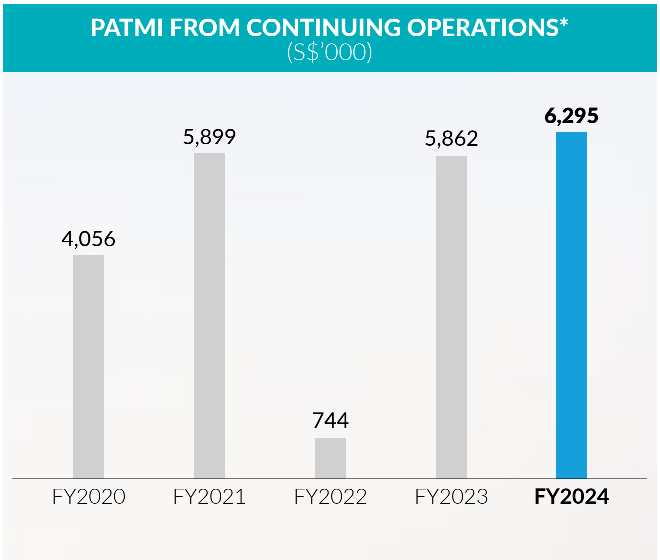
~ For illustrative purposes, the issued and paid-up share capital of the Company of 207,000,000 shares as at 31 March 2021 is assumed to have been issued as at FY2020. The ordinary shares of 254,397,260 for FY2022 was derived from the weightage of its number of shares since the Company listed on 19 April 2021. The total number of ordinary shares of the Company is 257,000,000 subsequent to its listing. For FY2024, the ordinary shares of 257,659,162 was derived from the weightage of its number of shares since the issuance of new shares on 5th March 2024 for the acquisition of a subsidiary, Ambulance Medical Service Pte. Ltd.

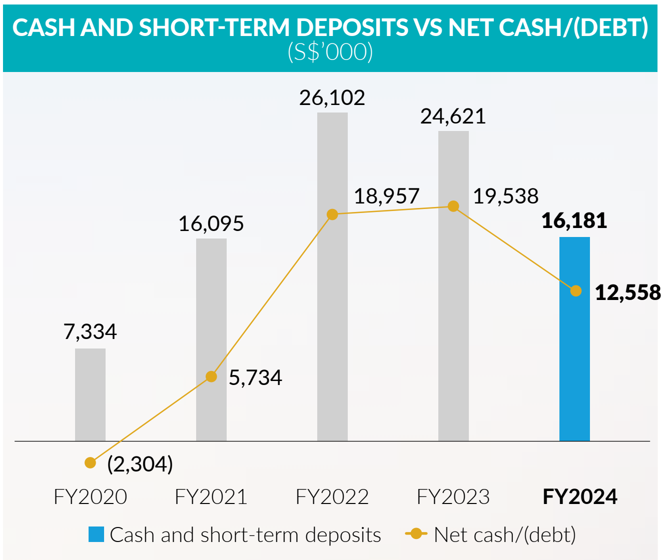
Certain numerical figures set out in this annual report, including financial data presented in thousands or millions and percentages, have been subject to rounding adjustment, and as a result, the total of the data of this annual report may vary slightly from the actual arithmetic total of such information.

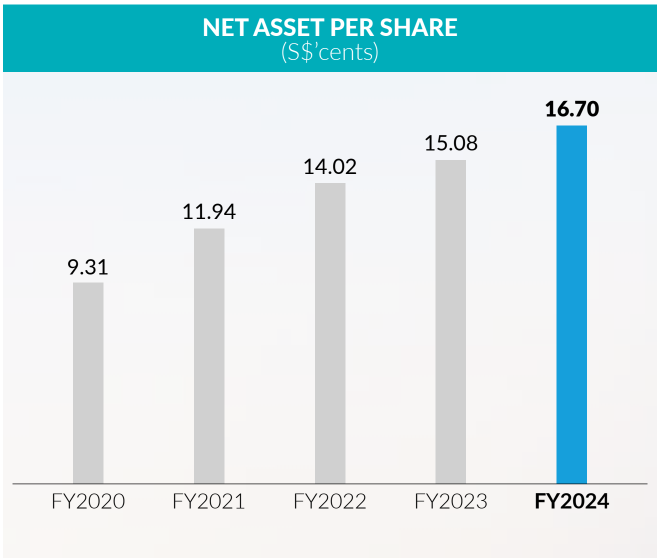
FINANCIAL HIGHLIGHTS

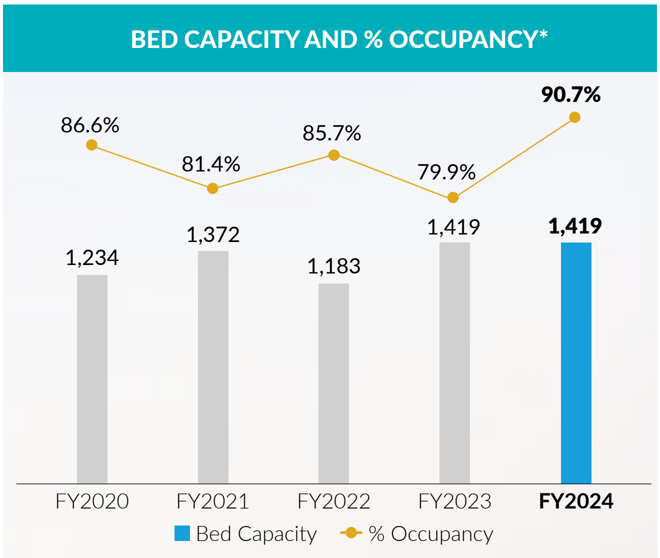






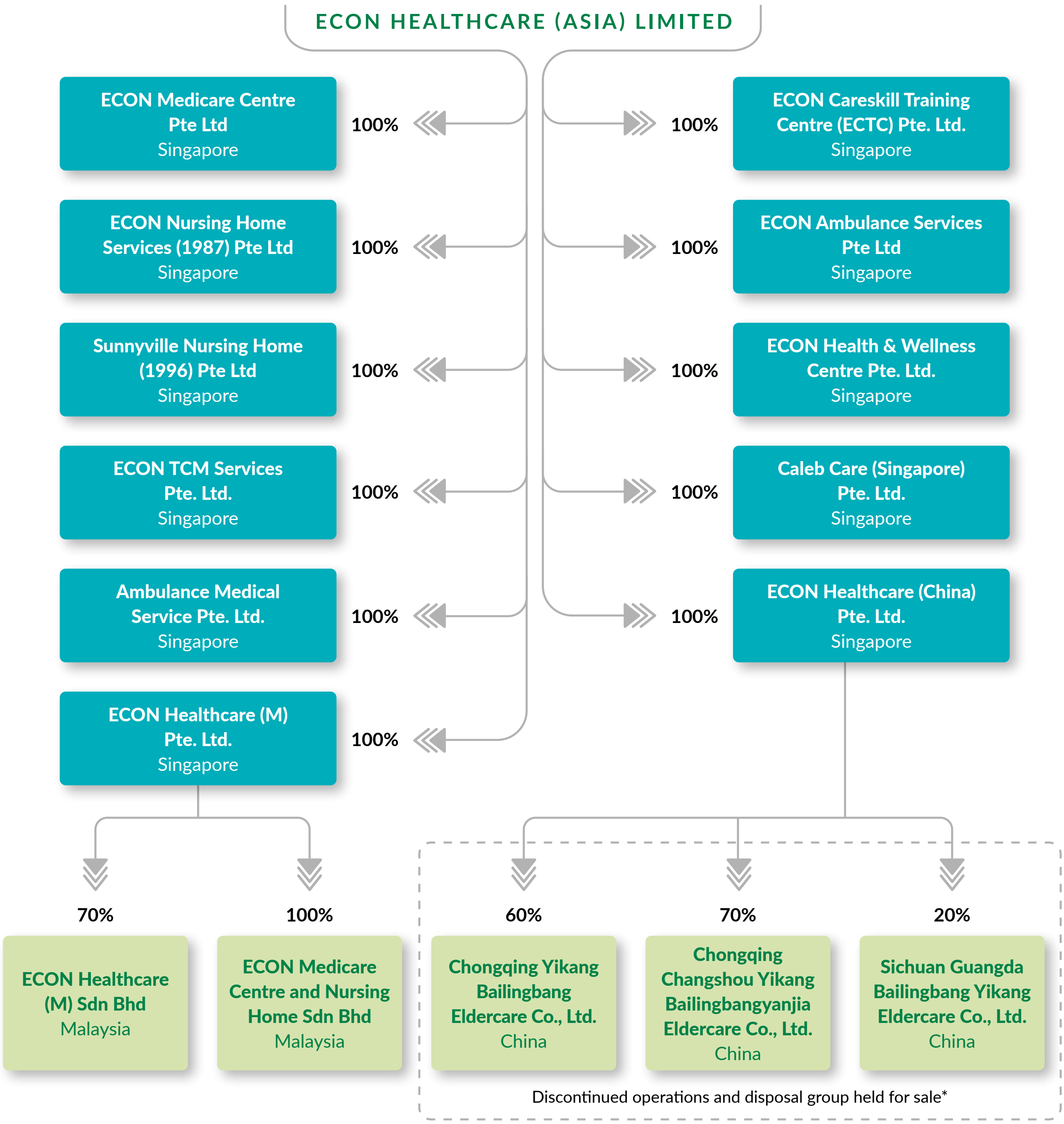






* The comparative figures have been re-presented to report profit and loss items separately for continuing and discontinued operations pursuant to the partial disposal of subsidiaries stake and complete disposal of associate

ORGANISATION CHART



* Discontinued operations and disposal group held for sale refer to the Group's disposal plan of its interest in its China subsidiaries, Chongqing Yikang Bailingbang Eldercare Co., Ltd. and Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd, and full interest in its associate, Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. Upon completion of the disposal, the Group retains a non-controlling interest of 49% for both of its China subsidiaries.

CORPORATE GOVERNANCE REPORT

The board of directors ("**Board**") of Econ Healthcare (Asia) Limited ("**Company**") and together with its subsidiaries ("**Group**"), is committed to ensuring high standards of corporate governance and places importance on its corporate governance processes and systems for greater transparency, accountability and the maximisation of long-term shareholder value.

The Listing Manual - Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") requires an issuer to comply with and describe in its annual report its corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 ("**Code**") in its annual report.

The Company has complied in all material respects with the principles and provisions of the Code. This corporate governance report outlines the Company's corporate governance structures and practices that were in place for the financial year ended 31 March 2024 ("**FY2024**"). Where the Company's practices vary from any provisions of the Code, the Company has stated herein the provision of the Code from which it has varied, the reasons for the variation, and how the practices adopted by the Company are consistent with the intent of the relevant principle of the Code.

1. BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the Company.

The Role of the Board and Matters Requiring Board Approval

The Board's primary role is to protect and enhance long-term shareholder value. Its responsibilities are distinct from the management of the Group ("**Management**"), and includes:

(1) setting the strategic direction of the Group;
(2) establishing goals for Management and monitoring the achievement of these goals;
(3) overall corporate governance of the Group;
(4) supervising the Management;
(5) overseeing the effective management of the Group's business;
(6) providing entrepreneurial leadership and setting the overall strategy and direction of the Group;
(7) reviewing and overseeing the management of the Group's business affairs, financial controls, performance and resource allocation;
(8) approving the Group's strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions as well as major corporate policies;
(9) overseeing the processes of risk management, financial reporting and compliance and evaluating the adequacy and effectiveness of internal controls;
(10) approving the release of the Group's half-year and full-year financial results, and reviewing related party transactions of material nature;
(11) appointing new Directors and key Management staff, including the review of performance and remuneration packages;
(12) ensuring transparency and accountability to key stakeholder groups;
(13) setting the Group's approach to corporate governance, including the establishment of the Company's ethical values and standards; and
(14) reviewing sustainability and climate change issues.

The Board is assisted by an experienced and qualified team of key management personnel[1]. The particulars of each member of the Management are set out on page 6 of this Annual Report. The Board works closely with the Management and holds Management accountable for the performance of the Group.

[1] Pursuant to the Code, "key management personnel" means the Chief Executive Officer and other persons having authority and responsibility for planning, directing and controlling the activities of the Company.

CORPORATE GOVERNANCE REPORT

Notwithstanding that the daily operations and management of the Company is delegated to the Executive Directors, Group Chief Executive Officer ("**Group CEO**") and Chief Executive Officer, Singapore ("**CEO SG**"), the Board has adopted a set of internal guidelines, which has been communicated to Management, setting forth matters that requires its approval. Such matters include, but are not limited to, the following:

(1) major investments and/or divestments and funding decisions. When proposing to undertake future investments, the "Investment Thresholds" refer to a Future Opportunity (as described in the Company's offer document dated 9 April 2021 ("**Offer Document**"), that is (i) of a value equivalent to 10% or more of the latest audited consolidated net tangible assets of the Company; (ii) in a geographic market outside Singapore and Malaysia (where the Group has an existing operational track record); or (iii) in a new area of business outside of the Relevant Business (as defined in the section entitled "Interested Person Transactions and Potential Conflicts of Interest – Potential Conflicts of Interest") of the Offer Document. In the event that the consolidated net tangible assets of the Company is negative in value, all Future Opportunities would be deemed to cross the Investment Thresholds and hence require an enhanced level of due diligence;
(2) announcements or press releases, including financial result announcements;
(3) transactions which are not in the ordinary course of business of the Company;
(4) major borrowings or corporate guarantees in relation to borrowings;
(5) new banking facilities and corporate guarantees;
(6) profit-sharing arrangements;
(7) incorporation or dissolution of any subsidiary;
(8) allotment and issuance of shares or declaration of dividends;
(9) operating budgets, annual report, Directors' statement and audited financial statements;
(10) change in corporate business strategy, direction, budget and forecasts;
(11) material acquisitions and disposal of assets. The thresholds are the same as major investment and/or divestment; and
(12) matters which require Board's approval as specified in the Company's Interested Person Transactions policy.

Fiduciary Duties and Conflicts of Interest

The directors of the Company ("**Directors**") are fiduciaries who act objectively in the best interests of the Company and in good faith by exercising due care in discharging their responsibilities, and form their own independent views when making decisions.

The Company has in place a formal conflict of interest policy which sets out principles to guide the Directors and employees in instances of actual or potential conflicts of interest. All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Company. Where it appears that a Director has, or may have, a conflict of interest in relation to any matter involving the interests of the Company, the Director must immediately declare his personal or business interests at the Board meeting or send a written notice to the Company containing details of his personal or business interests in the matter and the actual or potential conflict of interest. Further, a Director will recuse himself/herself from meetings, discussions and decisions involving the matter and/or the conflict, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion but shall in any event recuse himself/herself from voting on any resolutions relating to the conflict and/or the matter giving rise to the conflict.

Orientation, Development and Training for Directors

Each Director will, upon his/her appointment, receive a formal letter of appointment from the Company setting out among other matters, his/her roles, obligations, duties and responsibilities as a member of the Board as well as a director of a public-listed company in Singapore. The Independent Directors have each received a formal letter of appointment setting out his duties and responsibilities. Details of the duties and responsibilities of each of the Independent Directors (including their duties and responsibilities as members of Board Committees) are set out under Principles 4, 6 and 10 of this report. Each of the Executive Directors also has an existing service agreement with the Company which sets out their roles, obligations, duties and responsibilities.

All newly appointed Directors will undergo orientation training covering background information about the Group's history, business activities, strategic direction and industry-specific knowledge, as well as a director's duties, responsibilities, disclosure and statutory obligations, governance policies, policies on disclosure of interests in securities as well as conflicts of interests, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information.

The Company will also arrange, at its expense, for Directors who do not have any prior experience as a director of an issuer listed on the Singapore Exchange, if any, to attend training in relation to the roles and responsibilities of a director of a listed company in accordance with Practice Note 4D of the Catalist Rules, as well as any other areas such as accounting, legal and industry specific knowledge, as appropriate.

CORPORATE GOVERNANCE REPORT

To keep abreast with developments in relevant sectors, relevant new laws and regulations, the Company, at its own expense, encourages its Directors to attend training courses organised by the Singapore Institute of Directors and/or any other training institutions which are aimed at providing them with the latest updates on changes in relevant rules and regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST, and changing commercial risks that affect the Group and/or the Directors in connection with their duties and responsibilities as a director of a public-listed company in Singapore. The Company Secretary would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company.

The table below set out the training sessions attended by the Directors:

Training	Ong Chu Poh	Ong Hui Ming	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
Prior FY2024					
LED 1 - Listed Entity Director Essentials	-	✔	-	-	-
LED 2 - Board Dynamics	-	✔	-	-	-
LED 3 - Board Performance	-	✔	-	-	-
LED 4 - Stakeholder Engagement	-	✔	-	-	-
LED 5 - Audit Committee Essentials	-	✔	-	-	-
LED 6 - Board Risk Committee Essentials	-	✔	-	-	-
LED 7 - Nominating Committee Essentials	-	✔	-	-	-
LED 8 - Remuneration Committee Essentials	-	✔	-	-	-
LED – Environmental, Social and Governance Essentials	-	-	✔	✔	✔
FY2024					
LED – Environmental, Social and Governance Essentials	✔	✔	-	-	-

News releases, directives and/or guidelines issued by the SGX-ST, Accounting and Corporate Regulatory Authority ("**ACRA**") or any other regulatory authority which are relevant to the Directors are circulated to the Board promptly by Management and/or the Company Secretary. The Directors are also updated regularly on changes to the Catalist Rules, risk management, corporate governance, insider trading, as well as the key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations, to facilitate effective discharge of their fiduciary duties as the member of the Board or Board Committees.

Changes to regulations and accounting standards are monitored closely by the Management. Annually, the external auditors update the Audit Committee and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

Board and Board Committees

To assist in discharging its responsibilities, the Board has established the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively "**Board Committees**"). The Board Committees operate within clearly defined terms of reference (as detailed under Principles 4, 6 and 10 of this report) which are reviewed on a regular basis to ensure their continued relevance, efficacy and to reflect any changes in corporate governance or legal practices. The composition, and summary of activities, of each Board Committee is also set out in Principles 4, 6 and 10 of this report. While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all decision-making remains with the Board as a whole.

As at the date of this report, the Board comprises five (5) members and the composition of the Board and the Board Committees is as follows:

		Board Committee Membership		
Name of Director	**Designation**	**AC**	**NC**	**RC**
Mr Ong Chu Poh	Executive Chairman and Group CEO	-	-	-
Ms Ong Hui Ming	Executive Director and CEO SG	-	Member	-
Mr Siau Kai Bing	Lead Independent Director	Chairman	Member	Member
Mr Lim Yian Poh	Independent Director	Member	Chairman	Member
Dr Ong Seh Hong	Independent Director	Member	Member	Chairman

CORPORATE GOVERNANCE REPORT

There are no alternate Directors on the Board.

The Board meets regularly on a bi-annual basis and ad-hoc Board Committee and/or Board meetings (physically or via electronic means) are convened as warranted by circumstances as deemed appropriate by the Board members. In accordance with the Company's Constitution, a Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference or similar communication means whereby all persons participating can hear each other. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of circular resolutions in accordance with the Company's Constitution.

All Directors are required to declare their other board representations and other principal commitments. Annually, the NC reviews the multiple board representations held by the Directors and considers whether the Director is able to adequately carry out his duties as a Director, to ensure that sufficient time and attention is given to the affairs of the Group. All Directors attended and participated in the Board and their respective Board Committee meetings during FY2024. Please refer to Principle 4 of this report for the assessment of the NC on the participation of the Directors at the Board meetings, as well as Directors who have multiple board representations.

The table below sets out the number of Board and Board Committees meetings as well as general meetings of the Company held during FY2024 and the attendance of each Director at these meetings:

	Board	AC	NC	RC	AGM	EGM
Number of meetings held	2	2	1	1	1	1
Directors	**Attendance**					
Mr Ong Chu Poh	2	2*	1*	1*	1	1
Ms Ong Hui Ming	2	2*	1	-	1	1
Mr Siau Kai Bing	2	2	1	1	1	1
Mr Lim Yian Poh	2	2	1	1	1	1
Dr Ong Seh Hong	2	2	1	1	1	1

* By invitation

Access to Information

The Management provides Directors with complete, adequate and timely information prior to the Board and Board Committee meetings and regularly updates and familiarises the Directors on the business activities of the Group on an on-going basis and during Board meetings, to enable the Directors to make informed decisions and discharge their duties and responsibilities. Directors will also be given opportunities to visit the Group's operational facilities and meet face-to-face with the Management so as to gain a better understanding of the Group's business. All materials for the Board and Board Committees meetings are uploaded onto a secure online portal which can be readily accessed by Directors using electronic devices.

Company Secretary

The Company Secretary and/or her representative administers, attends and prepares minutes of the Board and Board Committees meetings, and assists the Chairman and/or Board Committees in ensuring that proceedings are conducted according to meeting procedures so that the Board and/or Board Committees can function effectively and discharge its obligations in compliance with the relevant requirements of the Companies Act 1967 ("**Companies Act**") and the Catalist Rules. At the direction of the Chairman, the Company Secretary's responsibilities also include the complete, adequate and timely provision of information between the Board, the Board Committees, the Independent Directors and Management, advising the Board on all corporate governance matters. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Access to Management

All Directors have separate and independent access to the Management, the Company Secretary, external auditors, internal auditors and external advisers (where necessary) at the Company's expense. During FY2024, save as disclosed in Section 10 entitled "Non-Sponsor Fees" and the appointment of Rajah & Tann Singapore LLP as the legal adviser to the Company in relation to the proposed diversification of the Group's business to include the new business and proposed acquisition of the entire issued share capital of Ambulance Medical Service Pte. Ltd. approved by the Shareholders at the EGM held on 21 December 2023, the Company did not engage any other external advisers.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Independent Directors

As at the date of this report, the Board comprises three (3) Independent Non-Executive Directors and two (2) Executive Non-Independent Directors (of whom one of the Executive Non-Independent Directors is also the Chairman of the Board). Please refer to the section titled "Board of Directors" of this Annual Report for further information on each of the Directors. Independent Directors constitute the majority of the Board and this enables the Board to exercise objective independent judgement on corporate affairs and provide the Management with a diverse and objective perspective on issues.

Although all Directors bear equal responsibility for the performance of the Group, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and rigorously examined and take into account the long-term interests of not only the shareholders of the Company ("**Shareholders**"), but also of the employees, customers, suppliers and the communities in which the Group conducts its business. The Independent Directors also review and monitor the performance of the Management on a periodic basis, to ensure that it meets the agreed goals and objectives of the Group.

Each Director is required to disclose their and their immediate family's interests, including any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company, to the Board annually in line with the Companies Act, and are required to inform the Board immediately upon becoming aware of changes to such interests. Further, Non-Executive Directors provide declarations of independence annually to confirm their independence in accordance with the provisions of the Code and the Catalist Rules. The NC conducts an annual review to determine the independence of the Directors before tabling its findings and recommendations to the Board. In determining whether a Director is independent, the NC considers whether a Director has:

(i) any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company;
(ii) been directly associated with a substantial shareholder of the Company, or is a substantial shareholder of the Company;
(iii) been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years;
(iv) immediate family member(s) who is/are employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is determined by the RC;
(v) served as a Director for an aggregate period of more than nine years since the date of his first appointment;
(vi) (or their immediate family member has) in the current or immediate past financial year provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$50,000 for services other than compensation for board service;
(vii) (or their immediate family member has) been, in the current or immediate past financial year, a substantial shareholder, partner, executive officer or a director of any organisation which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$200,000 for services rendered; and
(viii) any other applicable circumstances.

The Independent Directors, namely Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong have submitted their declarations of independence for FY2024. The Board with the input of the NC, having considered the above and reviewed the declarations of the Independent Directors, have determined that Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong are each independent. Each such Director had abstained from the review and determination of their independence by the NC and the Board.

The Independent Directors, led by the Lead Independent Director ("**Lead ID**"), meet on a regular basis without the presence of the Management and the Chairman to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Directors (if any). The Lead ID (or the chairman of such meetings) provides feedback and recommendations to the Board and/or the Chairman as appropriate.

CORPORATE GOVERNANCE REPORT

Skills and Diversity

The composition, size and diversity of the Board and the Board Committees is reviewed annually by the NC to ensure that there is an appropriate mix of skills, knowledge, expertise and experience so as to foster effective and balanced discussions and provide a balanced perspective on issues that are presented to the Board.

Pursuant to Rule 710A of the Catalist Rules, the Board has adopted a board diversity policy which provides, *inter alia*, that when reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NC will consider all aspects of diversity to arrive at an optimal balanced composition of the Board, including skills, business and industry experience, gender, age, ethnicity, geographic background, length of service, and other relevant aspects of diversity. In determining the optimum composition and size of the Board and each Board Committee, the NC has considered each Director's business acumen, management expertise, eldercare and industrial experience, as well as other professional experience relating to finance and accounting, legal, audit and governance to be core competencies and key skills relevant for the Director to carry out their duties and serve effectively on the Board and Board Committees, having regard to the nature and scope of the Group's operations as well as the current regulatory environment.

The current Board is made up of members with diverse educational and occupational backgrounds, skillsets and experience (including corporate experience involving listed companies), ranging from accounting, finance, regulatory and legal expertise, industry and regional knowledge which the Board considers relevant for the existing scope of needs and the nature of operations of the Company. A breakdown of the diversity, knowledge and experience of the existing Directors is set out below based on the aforementioned key skills identified by the Board and NC as preferred for the Group's business needs:

Directors' Skills Matrix	
Business and Management	2 Directors
Accounting and Finance	3 Directors
Industry	3 Directors
Human Resources Management	1 Director
Customer-based and Marketing	2 Directors
Gender Diversity	
Male	4 Directors
Female	1 Director
Directors' Age Group	
40 – 49	1 Director
50 - 59	-
60 - 69	2 Directors
70 and above	2 Directors
Directors' Length of Service	
9 years & above	1 Director
5 to 8 years	1 Director
0 to 4 years	3 Directors
Independence	
Executive	2 Directors
Independent	3 Directors

The NC has reviewed the size, diversity and composition of the Board. The Board with the concurrence of the NC is satisfied that the current size and composition of the Board is to be of sufficient calibre, appropriate, effective and facilitates effective decision-making. No individual or small group of individuals dominate the Board's decision making.

The Company recognises the significance of diversity in various areas including, professional qualifications, skills, business experience, industry knowledge, gender, nationalities, tenure of service, seniority and other qualities, which drives the performance of the Board as a whole. While the Board acknowledges that gender and age are aspects of board diversity, the Board's priority is to ensure that the

CORPORATE GOVERNANCE REPORT

composition of the Board is made up of such composite of qualities that will ultimately contribute to the growth and long-term success to the Group. In terms of gender diversity, the Board has one female director, namely Ms Ong Hui Ming, as Executive Director and CEO SG, representing 20% of the Board. The Company's diversity plan over the next 3 to 5 years includes achieving the target set by the Council for Board Diversity for the top 100 companies to have at least 25% of Board seats held by female directors by 2025 as well as seeking candidates with eldercare industry experience in key geographic locations the Group intends to strengthen its presence in and to deepen the Board's knowledge in this area. Suitable candidates will be identified, including through external search firms if required. The NC will shortlist suitable candidates and make its recommendations to the Board.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.

Notwithstanding Provision 3.1 of the Code which requires that the chairman and chief executive officer are separate persons, the Executive Chairman, Mr Ong Chu Poh, is also the Group CEO. In compliance with Provision 3.2 of the Code, the roles and responsibilities of Chairman and Group CEO are clearly defined and distinct. As the Chairman of the Board, Mr Ong Chu Poh is responsible for:

(1) leading the Board in an effective, strategic manner;
(2) ensuring effective and comprehensive discussions on matters brought to the Board;
(3) scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
(4) setting the agenda (with the assistance of the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
(5) ensuring that all Directors receive accurate, timely and clear information, and ensuring effective communication Shareholders;
(6) ensuring the Group's compliance with the Code;
(7) promoting active engagement and open dialogue amongst the Directors as well as between the Board and the Management; and
(8) acting in the best interest of the Group and of the Shareholders.

The Company Secretary may be called to assist the Chairman in any of the above.

As the Group CEO, Mr Ong Chu Poh is responsible for charting the Group's corporate direction and strategies, business planning, providing executive leadership and supervision to the Management, including spearheading expansion plans in overseas markets. He is also responsible for the businesses in Malaysia and China and is supported by the Group CFO & Head, Development, Ms Agnes Kang. Mr Ong Chu Poh's extensive years of experience in the industry, enables him to maximise the growth potential of the Group. The Group CEO attends the AC meetings at the invitation of the AC, where appropriate, to provide input/clarifications on specific matters.

Notwithstanding that the Group CEO and Chairman of the Board are the same person, the Board believes that despite deviating from Provision 3.1 of the Code, the following practices and safeguards of the Company are consistent with the intent of Principle 3 of the Code as there exists a clear division of responsibilities between the leadership of the Board and Management and no one individual of the Board has unfettered powers of decision-making:

(a) In line with Provision 3.3 of the Code and in view of the Chairman not being independent, Mr Siau Kai Bing has been appointed as the Lead ID to co-ordinate and to lead the Independent Directors in situations where the Chairman is conflicted which strengthens the independent element on the Board. The Lead ID is the main liaison on Board issues between the Independent Directors and the Chairman and is generally available to Shareholders where they have concerns and for which contact through the normal channels of the Chairman and Group CEO, Group CFO or the Management are inappropriate or inadequate. The Lead ID may be contacted via whistleblow@econhealthcare.com.

(b) The Board comprises a majority of independent directors and the process of decision-making by the Board is based on collective decisions by the Directors without any excessive or unrestricted concentration of power or influence residing in any one individual.

(c) The AC, NC and RC are each chaired by Independent Directors. In FY2024, the AC and RC comprised entirely of Independent Directors and the majority membership of the NC comprised Independent Directors including the Lead ID.

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(d) As disclosed above, Ms Ong Hui Ming is the daughter of Mr Ong Chu Poh as well as an Executive Director and CEO SG. She is responsible for overseeing the growth and management of the Group's in Singapore, being the Group's largest revenue contributor and the region where the Group has a greater foothold. She also represents the Company in various sector committees and work groups, shaping sector policies and initiatives relevant to the Company and its industry. This is distinct from the role of the Group CEO, who is responsible for matters relating to the Group's broader global business strategy. Accordingly, there is an appropriate balance of power as there is no concentration of authority in one individual. Together with the Group CFO & Head, Development, the CEO SG supports the Group CEO in the development and execution of the Group's corporate strategies.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC Members

The NC comprises four (4) members, three of whom including the NC Chairman, are Independent Directors. The Lead ID is also a member of the NC. The NC comprises the following members:

Mr Lim Yian Poh (Chairman)
Mr Siau Kai Bing
Dr Ong Seh Hong
Ms Ong Hui Ming

Terms of Reference

The NC has its terms of reference, setting out their duties and responsibilities, which include, *inter alia*, the following:

(1) making recommendations to the Board on relevant matters relating to:

- the review of Board succession plans for the Directors, in particular, the appointment and/or replacement of the Chairman, the Group CEO and key management personnel; and

- the review of training and professional development programmes for the Directors, in particular, ensuring that new Directors are aware of their duties and obligations;

(2) identifying and recommending to the Board suitable candidates as new Directors possessing the relevant experience, competencies, knowledge and expertise critical to the Group's business, reviewing, making recommendations and approving nominations for the positions of Director and membership of Board committees (including AC, NC and RC), as well as appraising the qualifications and experience of any proposed new appointments to the Board and recommending to the Board whether the nomination should be supported;

(3) reviewing the re-nomination of directors who retire by rotation, taking into consideration the director's integrity, independence, contribution and performance (such as attendance, participation at meetings, time and effort accorded to the Group's business and affairs, preparedness and candour), other board representations, and any other factors as may be deemed relevant by the NC and any other factors as may be determined by the NC;

(4) reviewing succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(5) ensuring that each Director submits himself for re-nomination and re-election at least once every three (3) years;

(6) ensuring that the Board and Board committees comprise Directors who, as a group, provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate;

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(7) undertaking a formal annual assessment of the performance and effectiveness of the Board as a whole and that of each of the Board Committees and each individual Director;

(8) reviewing and determining on an annual basis, and as and when circumstances require, if a Director is independent, taking into account the circumstances set forth in the Code, the Practice Guidance to the Code, the Catalist Rules and any other salient factors;

(9) determining whether the Director is able to and has been adequately carrying out his duties as a Director, taking into account the Director's other directorships and other principal commitments, the time and resources committed by such Director to the affairs of the Company (including their attendance, contribution and conduct at the Board and Board Committees), and the results of the annual evaluation of the Directors and Board; and

(10) where necessary, establishing guidelines on what a reasonable and maximum number of such directorships and principal commitments for each director (or type of director) should be. The NC is of the view that in FY2024, all Directors were able to devote sufficient time to the Company's affairs in light of their other commitments and as such, the Board has not established any guidelines to cap the maximum number of other board representations each Director is allowed to hold. The NC and the Board will continue to review on an ongoing basis whether there is a need to fix the maximum number of listed Board representations from time to time.

Selection and Appointment of Directors

The process for nominating and selecting new Directors, led by the NC, include the following:

(1) seek to identify the competencies required as well as evaluate the profession, knowledge, experience, commitment ability of the candidate to contribute to the Board process and such other qualities and attributes that may be required by the Board of the candidate to enable the Board to fulfil its responsibilities.

(2) After endorsement by the Board of the key attributes required (which will include minimally the core competencies described under Principle 2 of this Annual Report), the NC taps on the networking resources of the existing Directors and seeks recommendations from them in relation to the potential candidates, and goes through a shortlisting process.

(3) The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities.

(4) The NC meets with the shortlisted candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.

(5) Recommendations for new Directors are put to the Board for its consideration and/or approval.

Re-appointment of Directors

In accordance with Rule 720(4) of the Catalist Rules, all Directors need to submit themselves for re-nomination and re-appointment at least once every three (3) years. Further, the Company's Constitution requires one-third of the Board to retire by rotation at every AGM. Pursuant to Regulation 94 of the Company's Constitution, at each AGM, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Regulation 100 of the Company's Constitution provides the Directors' power to fill casual vacancy and appoint additional Director, any Director so appointed shall hold office until the next AGM. He/She shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at the AGM.

At the forthcoming AGM, Mr Ong Chu Poh and Mr Lim Yian Poh will be retiring pursuant to Regulation 94 of the Company's Constitution (the aforesaid Directors are referred herein as, the "**Retiring Directors**"). The NC has recommended and the Board has agreed that the Retiring Directors be nominated for re-election at the forthcoming AGM. In making the recommendations, the NC takes into consideration, amongst others, the Retiring Directors' attendance record at meetings of the Board and Board Committees, preparedness, participation and candour at such meetings as well as quality of input and contributions. Each of the Retiring Directors has abstained from the NC's deliberation in respect of their respective performance assessment and renomination as a Director. Please refer to the section entitled "Additional Information on Director Nominated for Re-election – Appendix 7F to the Catalist Rules" at pages 73 to 76 of this Annual Report for the information required under Appendix 7F to the Catalist Rules relating to the Retiring Directors.

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Independence

The Company has put in place a process to ensure the continuous monitoring of the independence of the Directors whereby the Directors must immediately report any changes in their external appointments that could affect their independence on the Board. As described under Principle 2 above, the NC reviews the independence of each Director annually and presents its recommendations to the Board. The Board is of the view that each of the current Independent Directors, namely Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong, are independent, taking into account the factors described under Principle 2 above.

Annual Evaluation of the Board

In evaluating the performance of the Directors in FY2024, notwithstanding that some of the Directors have multiple board representations, the NC was satisfied that where Directors had other listed company board representations and/or other principal commitments, all Directors were able to carry out and had been adequately carrying out their duties as Directors. Other than the key information regarding the Directors set out below, information pertaining to the Directors' interests in shares, options and other convertible securities are set out in the "Directors' Statement" section of this Annual Report, and information in relation to the background and principal commitments of the Directors are set out in the "Board of Directors" section of this Annual Report.

Name of Director	Academic/Professional qualifications	Board appointment	Board Committee served	Date of first appointment	Directorships in Other Listed Companies
Ong Chu Poh	• Bachelor of Arts from the then Nanyang University, Singapore • Diploma in Marketing Management from Ngee Ann Polytechnic • Graduate of the Singapore Command and Staff College	Executive Chairman and Group CEO	Chairman of the Board	28 January 2004	Nil
Ong Hui Ming	• Bachelor of Business Studies (Marketing) from Nanyang Technological University • Master of Business (Marketing) with Distinction from RMIT University • Graduate of the SPRING Singapore; Executive Leadership Development Programme at The Wharton School of the University of Pennsylvania	Executive Director and CEO SG	Member of the NC	22 May 2018	Nil
Siau Kai Bing	• Accountancy degree from the National University of Singapore • Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants of Singapore	Lead Independent Director	Chairman of the AC and member of the NC and the RC	22 March 2021	• Nordic Group Limited • Union Steel Holdings Limited
Lim Yian Poh	• Bachelor of Science degree from the then Nanyang University, Singapore • Master of Science degree from the University of Hull, England • Completed the Standford-NUS Executive Program offered by Standford University and the National University of Singapore and the Senior Management Development Program organized by Harvard Business School Alumni Club of Malaysia	Independent Director	Chairman of the NC and member of the AC and the RC	22 March 2021	• Zicom Group Limited
Ong Seh Hong	• MBBS degree from National University of Singapore • MRCPsyh from The Royal College of Psychiatrist (UK) • FAMS from the Academy of Medicine, Singapore • Master of Science (Applied Finance) degree from the National University of Singapore	Independent Director	Chairman of the RC and member of the AC and the NC	22 March 2021	• Sheffield Green Ltd.

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Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

In line with the principles of the Code, the NC has established a review process to assess:

(a) the performance and effectiveness of the Board as a whole;
(b) the effectiveness of the Board Committees; and
(c) the contribution by each Director to the effectiveness of the Board.

The Board has implemented a process to evaluate the performance of each individual Director as well as the Board and Board Committees as a whole through the adoption of a formal evaluation form to be completed by the Directors on an annual basis ("**Evaluation Forms**"). The NC is responsible for assessing the effectiveness of the Board, the Board Committees and each individual Director.

Each Director is required to complete the Evaluation Forms adopted by the NC, which would then be collated by the Company Secretary and shared with the NC for review or discussion. The performance criteria evaluated under the Evaluation Forms cover financial targets of the Group and the progress made towards achieving such targets, the contribution by Directors to the Board and Board Committees, attendance at the Board and Board Committee meetings, experience and expertise, independence and industry knowledge. This encourages constructive feedback from the Board and Board Committees which leads to an enhancement of its performance over time. Following the review for FY2024, the Board is of the view that the Board and Board Committees each operate effectively and each Director is actively participating and contributing during each meeting. The NC did not engage any external facilitator in FY2024 to assist in the assessment of the performance of the Board and Board Committees. The NC will evaluate and consider such engagement on an ongoing basis, where relevant and the need arises.

2. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

RC Members

The RC comprises three (3) members, all of whom including the RC Chairman, are Independent and Non-Executive Directors. The RC comprises the following members:

Dr Ong Seh Hong (Chairman)
Mr Siau Kai Bing
Mr Lim Yian Poh

Terms of Reference

The RC has its terms of reference, setting out its duties and responsibilities, which include the following:

(1) reviewing and recommending to the Board, in consultation with the Chairman of the Board and based on the performance of the Group, for endorsement:

- a comprehensive remuneration policy, and general framework and guidelines for remuneration for the Board, Group CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company ("**Key Management Personnel**"); and

- the specific remuneration packages for each of the Directors and Key Management Personnel to ensure that their compensation is commensurate with the responsibilities and risks involved in being a Director or Key Management Personnel and that their remuneration packages are comparable within the industry and include a performance-related element with appropriate and meaningful measures of assessing performance;

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(2) ensuring the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies, and are consistently administered and being adhered to within the Group;

(3) considering all aspects of remuneration (including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments) and termination terms of the service agreements of Executive Directors and key management personnel of the Company, to ensure they contain fair and reasonable termination clauses which are not overly generous to avoid rewarding poor performance, and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the Group's strategic objectives;

(4) in the case of service contracts, reviewing the Company's obligations arising in the event of termination of an Executive Director or Key Management Personnel's service contract, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous;

(5) in the case of the Profit Sharing Scheme (as defined herein), reviewing the terms of such Profit Sharing Scheme and determining the eligibility criteria of the employees who can participate in such scheme; and

(6) proposing, for adoption by the Board, measurable, appropriate and meaningful performance targets for assessing the performance of the Key Management Personnel, individual Directors and of the Board as a whole.

The recommendations of the RC shall be submitted for endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him. The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. For FY2024, the Board has not engaged any external remuneration consultants to advice on remuneration matters.

Level and Mix of Remuneration and Disclosure on Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company's remuneration policy is to reward performance and attract, retain and motivate Directors and key management personnel. The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director when determining remuneration packages. The RC will review the remuneration of the Directors and key management personnel from time to time.

Remuneration of Executive Directors and Management

The remuneration for the Executive Directors and certain key management personnel comprises a fixed component as well as a variable component. The variable component is performance-related such that it is linked to the Group's performance as well as the performance of each individual Executive Director (if applicable) and the key management personnel. The performance of the Executive Directors (if any) and the Group CEO (together with other key management personnel) is reviewed periodically by the RC and the Board.

The service agreements of each of the Company's Executive Chairman and Group CEO, Mr Ong Chu Poh, and the Executive Director and CEO SG, Ms Ong Hui Ming, provides for compensation in the form of a fixed monthly salary and an annual wage supplement, with any annual increment as may be recommended by the RC and approved by the Board. The service agreements do not contain contractual provisions to allow the Company to reclaim incentive components of remuneration from the Group CEO, the CEO SG, and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company as the Company is of the view that it would be able to avail itself of other legal remedies for any breach of fiduciary duties on the part of the Group CEO and CEO SG in the event such circumstances arise.

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Each of Mr Ong Chu Poh and Ms Ong Hui Ming are entitled to participate in the Company's profit sharing scheme ("**Profit Sharing Scheme**"), pursuant to which he/she is entitled to receive a sum equal to the higher of (a) a stipulated percentage of the audited profit of the Group before tax and extraordinary items and after minority interests and exceptional items and (b) a stipulated number of months' bonus. Please refer to the section entitled "Remuneration of Directors and Executive Officers" in the Company's Offer Document for further details on the Profit-Sharing Scheme.

Directors' Fees

All Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors in providing good stewardship of the Company and key management personnel and to successfully manage the Company for the long term. The Directors' fees are recommended by the RC and endorsed by the Board, and subject to Shareholders' approval at AGM. The Independent Directors are not entitled to any other remuneration from the Company and their fees are structured such that they shall not be over-compensated to the extent that their independence may be compromised.

Directors' fees are reviewed and endorsed by the RC and recommended by the Board for Shareholders' approval at an AGM. The RC has recommended to the Board the Directors' fees of S$161,000 for the financial year ending 31 March 2025 ("**FY2025**") to be paid semi-annually in arrears. The recommendations would be tabled at the forthcoming AGM for Shareholders' approval.

No member of the RC is involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him. The Board concurred with the RC that the proposed Directors' fees for FY2025 is appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees as well as the responsibilities and obligations of the Directors.

Breakdown of Directors' Fees and Remuneration of Group CEO, CEO SG and Executive Directors

The details of the level and mix of remuneration of the Directors and key management personnel for FY2024 are as follows:

Director	Remuneration Band[(1)]	Breakdown in Percentage (%)				
		Director Fees	Fixed Salary	Bonus	Others[(2)]	Total
Mr Ong Chu Poh (Chairman and Group CEO)	C	4	60	24	12	100
Ms Ong Hui Ming (CEO SG)[(3)]	B	7	57	19	17	100
Mr Siau Kai Bing (Lead ID)	A	100	-	-	-	100
Mr Lim Yian Poh (Independent Director)	A	100	-	-	-	100
Dr Ong Seh Hong (Independent Director)	A	100	-	-	-	100

Breakdown of Remuneration of Top Five Key Management Personnel

The Group has only identified one key management personnel who is not a Director or the CEO during FY2024. The details of the remuneration of key management personnel of the Group (who are not Directors or the CEO) for FY2024 are as follows:

Key Management Personnel	Remuneration Band[(1)]	Breakdown in Percentage (%)			
		Fixed Salary	Bonus	Others[(2)]	Total
Kang Shwu Huey	B	77	17	6	100

For FY2024 the aggregate total remuneration paid/payable to the relevant key management personnel (who are not Directors or the CEO) amounted to S$274,548.

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Breakdown of Remuneration of Employees who are Immediate Family Members of a Director, the Group CEO, the CEO SG or a Substantial Shareholder

The remuneration of immediate family members of a Director, the Group CEO, the CEO SG or a substantial shareholder of the Company for FY2024 exceeding S$100,000 is set out below:

Key Management Personnel	Designation	Remuneration Band(1)	Breakdown in Percentage (%)			
			Fixed Salary	Bonus	Others(2)	Total
Dr Koh Hin Ling(4)	Director TCM	A	84	10	6	100

Save as disclosed above, there are no employees who are immediate family members of a Director, the Group CEO, the CEO SG or a substantial shareholder of the Company and whose remuneration exceeded S$100,000 during FY2024.

Notes:
(1) Remuneration bands: "A" refers to remuneration of up to S$250,000 per annum. "B" refers to remuneration from S$250,001 and up to S$500,000 per annum. "C" refers to remuneration from S$500,001 and up to S$750,000 per annum.
(2) Others include employer's CPF contributions, post-employment benefits, and non-monetary benefits.
(3) Ms Ong Hui Ming is the daughter of the Executive Chairman and Group CEO, Mr Ong Chu Poh.
(4) Dr Koh Hin Ling is the wife of the Executive Chairman and Group CEO, Mr Ong Chu Poh and the mother of Ms Ong Hui Ming, Executive Director and CEO SG.

Given the commercially sensitive and confidential nature of remuneration matters within the eldercare industry, the Board has determined that it would be in the best interests of the Company not to disclose the exact remuneration of each Director and the key management personnel, and to disclose such remuneration as a percentage breakdown instead.

For FY2024, there were no termination, retirement or post-employment benefits granted to Directors and relevant key management personnel other than the standard contractual notice period termination payment in lieu of service. The Company does not have any share-based compensation schemes in place.

3. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that the Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board is ultimately responsible for the governance of risk and ensures that the Management maintains a sound system of internal controls and effective risk management policies to not only identify the nature and extent of the risks the Company is willing to take in order to achieve its strategic objectives, but also to safeguard the Shareholders' interests and the Company's assets.

The Management is responsible for designing, implementing and monitoring the risk management and internal control systems within the Group. This includes introducing a structured Enterprise Risk Management ("**ERM**") programme to the Group, management reviews of key transactions, and the assistance of independent consultants such as the Group's external and internal auditors to review financial statements and internal controls covering key risk areas. The Group compiles a report on its risk profile which summarises the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the AC and the Board annually. The report provides an overview of the Group's key risks, the appropriate risk tolerance limits set for the respective risks, the key personnel responsible for each key risk identified, and the corresponding mitigating measures in place. The internal audit ("**IA**") function takes into consideration the respective risk profiles of each business unit when preparing the annual IA plan for the approval of the AC. Any significant matters are highlighted to the Board and the AC for their deliberation. To further review the adequacy and effectiveness of internal controls, the AC is assisted by various independent professional service providers.

ERM Programme

The Group has established an ERM framework in accordance with the ISO 31000 standards to apply a systematic approach to effectively identify, assess, manage, monitor and review the Group's risks. Such risks include Strategic, Financial, Operational, Compliance, Environmental Social and Governance ("**ESG**") and Information Technology risks.

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The ERM framework helps to institutionalise a standard and consistent approach to risk management in the culture and strategic planning processes, which supports the Group in setting priorities and making decisions. In addition, it ensures that information about risk derived from the risk management process is adequately reported and used as a basis for decision making and accountability at all relevant organisational levels.

In May 2023, Management conducted a risk management exercise to formalise the Group Risk Register, where individual risk owners are required to identify the relevant risks and assess the effectiveness of the Group's risk responses, including mitigating controls implemented. The key risks identified by the Group may be broadly categorised into the following:

Category	**Description**
Strategic and Sustainability Risk	The Group evaluated risks associated to business, for instance overseas growth, human capital challenges, regulatory and sustainability risks. The Group's approach to sustainability risk and the material ESG factors are covered in the Sustainability Report
Financial Risk	The Group's activities are affected by various financial risks, including interest rate risk, profitability of the nursing home operations, and investments in security risk.
Operational Risk	The operational risks facing the Group include changes in external market conditions such as shortage of care staff, ensuring residents' safety and well-being in the nursing homes. Other risks include increase in operating costs and the necessity for capital expenditure from time to time.
Compliance Risk	The Group's operations are governed by regulatory frameworks in Singapore, Malaysia, and China, potentially influencing its ability to adapt to shifting market dynamics, competitive pressures, and regulatory changes.
Information Technology Risk	Poor controls over critical Information Technology (IT) or malicious and deliberate hackers' attempts could cause undesirable service disruptions. This risk could breach the IT systems, adversely impacting the Group's business continuity and reputation, especially as a healthcare service provider which handles a high volume of confidential data (residents and patients). The Group continuously reviews its IT security and processes, and makes necessary enhancements to mitigate IT risks.

By identifying and managing risks through this ERM programme, the Group should be able to make more informed and collective decisions and benefit from a better balance between risk and reward. This can help protect and also create shareholder value. As part of the programme, Management will also have more structured review processes as new risks emerge and will be better poised to identify the potential impact from such new risks as well as meaningful measures that may be undertaken to address them.

The Board has outsourced its IA function to RSM SG Risk Advisory Pte Ltd ("**RSM**") to carry out the review of the Group's internal control system on an at least annual basis to ensure the adequacy and effectiveness of the internal controls within the Group. Any material non-compliance or lapses in internal controls identified by RSM, together with recommendations for improvement are presented to the AC for its consideration. The recommendations arising from weaknesses in the internal controls and the Management's action plans undertaken to address the weakness are also reported to the AC. The AC closely monitors the timely and proper implementation of all required corrective, preventive or improvement measures recommended.

During FY2024, there were no material weaknesses in internal controls highlighted by both the IA and external auditors. Based on the review by RSM and internal reviews performed by the Management, the Board with the concurrence of the AC, is of the opinion that the risk management and internal control systems maintained by the Group, addressing the financial, operational, compliance and information technology risks of the Group, indicate no material weaknesses in the Group's internal controls as at 31 March 2024. The Group has adopted the recommendations of RSM and will continue its risk assessment process, which is an on-going process, with a view to improve the Group's internal control system.

Based on the reports from both the internal auditors and external auditors, nothing material has come to the attention of the AC and the Board that indicated the internal controls of the Company are inadequate and ineffective based on the current size and nature of the Company's business.

The Board and the AC note that all internal control systems contain inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities. The Board notes that the ERM is designed to manage rather than eliminate risks of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

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Assurance in respect of Financial Records and ERM Programme

The Directors have received and considered the representation letters from the Group CEO, CEO SG and Group CFO in relation to the financial information for FY2024. The Group CEO, CEO SG, and Group CFO have also assured the Board that:

(1) the financial records of the Group have been properly maintained and the financial statements for FY2024 give a true and fair view in all material respects, of the Company's operations and finances; and

(2) the Group's internal controls and risk management systems are adequate and operating effectively in all material respects given its current business environment.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

AC Members

The AC comprises three (3) members, all of whom are Non-Executive Independent Directors. The AC comprises the following members:

Mr Siau Kai Bing (Chairman)
Mr Lim Yian Poh
Dr Ong Seh Hong

Terms of Reference and Activities in FY2024

The AC has its terms of reference, setting out its duties and responsibilities, which include the following:

(1) assisting the Board in fulfilling its responsibility for overseeing the integrity of the Company's system of accounting and financial report and in maintaining a high standard of transparency and reliability in its corporate disclosures;

(2) reviewing with the Group CFO and the external auditors and recommending to the Board significant financial reporting issues and judgments to ensure the integrity of the financial statements and any announcements relating to financial performance;

(3) reviewing the half-yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements and monitoring the cash flows;

(4) reviewing and reporting to the Board, at least annually, the adequacy and effectiveness of the internal control systems, including financial, operational, compliance and information technology controls, and risk management policies and systems;

(5) discussing with the external auditors if it becomes aware of any suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or Catalist Rules, which has or is likely to have a material impact on the operating results or financial position, and at appropriate times, reporting the matter to the Board and to the Sponsor;

(6) monitoring and reviewing the implementation of the external auditors' and internal auditors' recommendations for internal control weaknesses (if any); reviewing the adequacy and effectiveness, independence, scope and results of the external audit (including the audit plan and the audit reports as well as the external auditors' evaluation of the system of internal accounting controls, with the external auditors, as well as the assistance given by the Management to the external auditors) and the internal audit function;

(7) reviewing the statements to be included in the Annual Report by the Board concerning the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;

(8) meeting with the external auditors, and with the internal auditors, in each case without the presence of the Management, at least annually and reviewing the co-operation extended to the internal auditors and the external auditors;

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(9) reviewing and approving all hedging policies and types of hedging instruments to be implemented by us, if any;

(10) assessing whether appropriate legal advice should be sought if the New Equity Policy and/or the MOH Guidelines are enacted into law. Please refer to section entitled “Risk Factors” in the Company’s Offer Document for further details on the New Equity Policy and/or the MOH Guidelines;

(11) reviewing any interested person transactions as defined in the Catalist Rules;

(12) deciding on the appointment, termination and remuneration of the outsourced IA function or the head of the IA function (as the case may be);

(13) approving the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the IA function is outsourced (if any) or ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies, where applicable;

(14) where applicable, ensuring that the internal audit function has unfettered access to all the Group’s documents, records, properties and personnel, including AC, and has appropriate standing within the Group;

(15) making recommendations to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors, subject always to Shareholders' approval being obtained for such proposals;

(16) reviewing any actual or potential conflicts of interest as described in the section entitled “Interested Person Transactions and Potential Conflicts of Interest – Potential Conflicts of Interest – Mitigation” of the Company's Offer Document dated 9 April 2021 as well as any other such conflicts that may involve the Directors as disclosed by them to the Board, exercising directors’ fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interest by a Director, AC will consider whether a conflict of interest does in fact exist. A Director who is a member of AC will not participate in any proceedings of AC in relation to the review of a conflict of interest relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as AC may deem reasonably necessary;

(17) reviewing and assessing from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with the Controlling Shareholders and propose, where appropriate, the relevant measures for Management of such conflicts;

(18) reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Group, including criminal offences involving the Group or its employees, questionable, accounting, auditing, business, safety or other matters that impact negatively on the Group and ensuring that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;

(19) reviewing the policy and arrangements for concern about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(20) ensuring that we publicly disclose, and clearly communicates to the employees the existence of a whistle-blowing policy and the procedures for raising concerns about possible improprieties in financial reporting or other matters to be safely raised;

(21) reviewing the assurance from the Executive Chairman and Group CEO and the Group CFO on the financial records and financial statements of the Group;

(22) monitoring and reviewing the adequacy and implementation of measures to safeguard the corporate seals of the subsidiaries in China;

(23) if necessary, commissioning an investigation by the external auditors into matters where there is suspected fraud or irregularity, or failure of internal control or infringement of any law, rule or regulation which has or likely to have a material impact on the Company’s operating results or financial position, and reviewing the findings of the external auditors; and

(24) reviewing annually the independence, adequacy and effectiveness of the IA function of the Company.

CORPORATE GOVERNANCE REPORT

The AC members, including the AC Chairman, possess experience in finance, legal and business management which are appropriately qualified, having the relevant accounting or related financial management expertise to discharge their responsibilities. No former partner or director of the Company's existing auditing firm has acted as a member of the AC (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

In the course of FY2024, the AC carried out the following activities:

(a) reviewed full-year financial statements (unaudited and audited), and recommended such reports to the Board for approval;

(b) reviewed the assurance from the Group CEO, CEO SG and Group CFO on the financial records and financial statements;

(c) reviewed the adequacy and effectiveness of the Group's risk management and internal control systems;

(d) reviewed interested person transactions;

(e) reviewed that no whistle-blowing reports were received;

(f) reviewed and approved the annual external audit plan of the external auditors;

(g) reviewed and approved the internal audit plan of the internal auditors;

(h) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for Board approval; and

(i) met with the external auditors and the internal auditors once without the presence of the Management.

In discharging the above duties, the AC confirms that it has full access to and co-operation from the Management and is given full discretion to invite any Director or executive officer to attend its meetings. In addition, the AC has also been given reasonable resources to enable it to perform its function properly.

External Audit Function

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The external auditors have unrestricted access to the AC.

Annually, the AC conducts a review of all non-audit services provided by the external auditors. The AC will receive an audit report from the external auditors setting out the non-audit services provided and fees charged, and review the nature and extent of such services, to ensure that the non-audit services will not prejudice the independence and objectivity of the external auditors. The aggregate amount of fees paid and payable to the external auditors and a breakdown of the fees paid in total for audit and non-audit services respectively are stated below:

External audit fee FY2024	S$
Audit Fees	296,500
Non-Audit Fees	169,088
Total Fees	465,588

The AC had reviewed the non-audit services provided by the external auditors and of the opinion that the provision of such services does not affect their independence.

CORPORATE GOVERNANCE REPORT

In October 2015, the ACRA introduced the Audit Quality Indicators ("**AQIs**") Disclosure Framework ("**Framework**"), which aims, to equip the AC with information that allows the AC to exercise their professional judgements on elements that contribute to or are indicative of audit quality. The AQIs were further enhanced in August 2016 which ACRA introduced six targets on selected AQIs to provide the AC with a common yardstick for comparison and to facilitate meaningful audit quality conversations with the auditors. As part of ongoing efforts to raise audit quality, ACRA has on 7 February 2020 introduced the AQIs Disclosure Framework that revised in January 2020 ("**Revised AQIs Framework**"). The Revised AQIs Framework comprises audit quality indicators to provide relevant and useful information to help the AC in their evaluation of statutory auditors. Accordingly, the AC had evaluated the performance of the external auditors as well as the resolution for reappointment of the external auditors based on the AQIs set out in the Revised AQIs Framework. In reviewing the nomination of external auditors for re-appointment for the financial year ended 31 March 2024, the AC has considered the adequacy of the resources, experience and competence of the external auditors, and has taken into account the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members handling the audit. The Board also considered the audit team's ability to work in a cooperative manner with the Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

For the audit of the financial year ending 31 March 2024, the AC has recommended to the Board, and the Board has accepted the re-appointment of Ernst & Young LLP at the forthcoming AGM.

Ernst & Young LLP is an audit firm registered with the Accounting and Corporate Regulatory Authority. For FY2024, the Group has complied with Rules 712 and 715 of the Catalist Rules which, respectively, require that a suitable auditing firm be appointed by the Company, taking into consideration the factors set out the said rule, and that the same firm auditing the Group also audit the Group's Singapore-incorporated subsidiaries and significant associated companies and a suitable auditing firm be engaged for the Group's significant foreign incorporated subsidiaries and associated companies. The AC and the Board are satisfied with the standards and the effectiveness of the audits performed by the external auditors of the significant subsidiaries of the Group.

Financial Reporting Matters

The AC reviews the financial statements, SGXNet announcements and all related disclosures to Shareholders before submission to the Board for approval. In this process, the AC reviews the key areas of Management judgement applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the Group's financial performance to ensure the integrity and fairness of the financial statements.

The AC considered the report from the external auditors, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with Management and the external auditors have been included as Key Audit Matters ("**KAM**") in the Independent Auditors' Report for FY2024 from pages 81 to 84 of this Annual Report. In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of estimates and key assumptions used. The AC concluded that Management's accounting treatment and estimates in the KAM were appropriate. The Board has approved the audited financial statements for FY2024, which is tabled for Shareholders' approval at the forthcoming AGM.

IA Function

The IA function is currently outsourced to RSM, which is staffed by suitably qualified and experienced professionals with the relevant experience. RSM reports directly to the AC on audit matters and the Group CEO, on administrative matters.

RSM, as the internal auditor, reports primarily to the AC and has unfettered access to all the Company's documents, records, properties and personnel, including access to AC and has appropriate standing within the Company. RSM has adopted and complied with the Standards for the Professional Practice of Internal Auditing by The Institute of Internal Auditors. It adopts a risk-based audit methodology to develop its audit plans which aligns its activities to key risks across the Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities and material internal controls, including compliance with the Group's policies, procedures and regulatory responsibilities. The IA plans are reviewed and approved by the AC.

The AC is satisfied with the outsourced IA function is independent, adequately staffed with persons with the relevant qualification and experience, effective, has the appropriate standing within the Group and adheres to professional standards including those promulgated by The Institute of Internal Auditors. Having reviewed the IA reports and remedial actions implemented by the Management in FY2024, the AC is satisfied that the Group's internal control and risk management systems are adequate and effective.

CORPORATE GOVERNANCE REPORT

Whistle-blowing Policy

The Group has implemented a whistle-blowing policy whereby accessible channels are provided for stakeholders to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware of and to ensure that:

(a) independent investigations are carried out in an appropriate and timely manner;

(b) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(c) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

The whistle-blowing policy provides the mechanisms where stakeholders may, in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to the Chairman of the AC. Details of the whistle-blowing policies, together with the dedicated whistle-blowing communication channels have been made available to all stakeholders. Identity of the whistleblower is kept confidential at all times, and the whistleblower will not be subject to detrimental or unfair treatment. A copy of the whistle-blowing policy has disseminated to all employees of the Group which is also available at the Company's corporate website.

The whistle-blowing policy and procedures are reviewed by the AC from time to time to ensure they remain relevant. The AC reports to the Board on such matters at the Board meetings. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

As of the date of this Annual Report, there were no reports received through the whistle-blowing mechanism.

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights, Conduct of General Meetings and Engagement with Shareholders

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Company is committed to maintaining high standards of corporate disclosure by providing Shareholders with equal and timely access to material information concerning the Group through its corporate website and SGXNet. Prompt and relevant information with regard to the Company's corporate development and financial performance is disseminated in compliance with the continuing disclosure obligations of the Code and the Catalist Rules. For example:

- Annual reports together with any accompanying letters to shareholders and/or circulars are prepared and made available via SGXNet and the Company's corporate website to all Shareholders (including overseas Shareholders) in accordance with the timelines prescribed in the Company's constitution, the Catalist Rules and the Companies Act 1967 of Singapore, providing Shareholders with adequate time to review the documents. The Board ensures that the annual report contains all relevant and material information about the Company and the Group, including future developments and other disclosures required by applicable laws, rules and regulations;

- Financial statements are announced on a half-yearly basis in compliance with the timelines prescribed under the Catalist Rules and contains the information required under the Catalist Rules, including a summary of the financial information and affairs of the Group for that period including a graphic slide presentation on the Group's financial performance for that period;

CORPORATE GOVERNANCE REPORT

- Notices of AGMs and extraordinary general meetings of the Company ("**EGM**") are given promptly and in accordance with the timelines prescribed under the Company's constitution, the Companies Act and the Catalist Rules. Such notices are also advertised in a national newspaper in compliance with the Company's constitution and the Catalist Rules; and

- Press and news releases on major developments of the Company and the Group are released promptly via SGXNET and the Company's corporate website.

The Company does not practice selective disclosure. In the event of any inadvertent disclosure to a selected group, the Company will make the same disclosure publicly as soon as practicable. All material information is released publicly prior to the Company's meetings with any investors or analysts.

By making timely and accurate disclosures of material information to the SGX-ST, Shareholders, analysts and the public, the Company is able to strengthen its relationship with such stakeholders.

All Shareholders are entitled to attend the general meetings and are provided the opportunity to participate in and vote at the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting. A proxy need not be a shareholder of the Company.

The Company encourages active Shareholders' participation at general meetings in order to receive key updates on the Group's performance and future strategies. In addition to the Company providing notice of all general meetings in accordance with the timelines prescribed by applicable law, rules and regulations, Shareholders are also encouraged to submit their questions pertaining to the resolutions to be tabled ahead of the general meetings and the Company provides responses to the same by no later than 48 hours prior to the cut-off time for lodgement of the proxy forms for the general meetings.

All resolutions at the Company's general meetings are put to vote by poll. The poll voting procedures are clearly explained by the scrutineers at such general meeting. The resolutions tabled at the general meetings are on each substantially separate issue, unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are bundled, an explanation for the reasons and material implications are set out in the accompanying notice of the meeting. The Company typically ensures that there are separate resolutions at general meetings on each distinct issue. Detailed information on each resolution is set out in the notice of the general meeting. The results of each resolution are announced via SGXNet after the meetings.

Currently, Shareholders can vote by proxy but not in absentia. The Company will consider amending its constitution if the Board is of the view that there is justifiable demand for in absentia voting, and after the Company has evaluated and put in place the necessary measures and safeguards to facilitate such voting methods.

Minutes of all general meetings are published via SGXNet and the Company's corporate website as soon as practicable after the general meeting and in any event by no later than one month after the date of the AGM. The minutes and include all substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting and the responses from the Board and the Management.

The Shareholders are able to attend the Company's AGM for FY2024 ("**2024 AGM**") physically. The details of the 2024 AGM including the appointment of proxy(ies) and submission of question(s) in advance of the 2024 AGM will be provided in the Company's notice of AGM. The responses to the questions would be provided via announcement on SGXNet and the Company's corporate website.

All Directors will endeavour to be present at the general meetings of the Company to interact with Shareholders. Minimally, the Lead ID and the respective chairpersons of each of the AC, NC and RC will attend the general meetings in order to address Shareholders' queries relating to the work of their respective Board Committees. The external auditors are present to address queries from Shareholders relating to the conduct of audit and the preparation and content of the auditors' report.

The Company does not have a formal or fixed dividend policy. As disclosed in the offer document dated 9 April 2023 issued in connection with the Company's initial public offering, the Board intends to recommend and distribute dividends of at least 35% of its net profit after tax attributed to shareholders generated in each of FY2021, FY2022 and FY2023, as the Group wishes to reward its Shareholders for participating in the Group's growth. Beyond FY2023, the declaration and payment of dividends may be recommended by the Board at their discretion, after considering a number of factors, including the Group's level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by the Board, including the Group's expected financial performance.

CORPORATE GOVERNANCE REPORT

As announced on 28 May 2024, the Board has recommended a final dividend (one-tier tax exempt) of 0.63 Singapore cent for FY2024 which is subject to the Shareholders' approval at the forthcoming 2024 AGM.

The Company does not have a dedicated investor relations ("**IR**") team. The IR function is overseen by the Group CFO, who is supported by CEO SG as well as the Group Senior Finance Manager. The Company's corporate website (https://www.econhealthcare.com/) has a dedicated "Investor Relations" link which features the latest and past financial results and other related information. The Company's corporate website also has a dedicated "Contact Us" link that shareholders, investors, analysts and members of the media can readily contact the Company. The Company has internal procedures in place for addressing queries or complaints received via the corporate website and endeavours to respond as soon as possible.

When the opportunity arises, the Management will also meet with investors, analysts and the media as well as participate in IR activities to solicit and understand the views of the investment community. Shareholders and the investment community may also submit their queries, concerns and feedback to the Company via email (marketing@econhealthcare.com).

5. MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company acknowledges the importance for establishing effective communication among the stakeholders through regular engagement and various communication platforms to achieve mutually beneficial goals.

The Company has identified six stakeholders' groups, namely, the Board, employees, Shareholders, investors, customers, local government and regulators. The Company's approach (including the materiality assessment conducted in determining key stakeholders) to engaging with key stakeholders as well as key information on the Group's strategy and key areas of focus in managing stakeholder relationships is set out in the Sustainability Report, set out on pages 16 to 45 of the Company's FY2024 Annual Report.

To promote regular, effective and fair communication with Shareholders, the Company maintains a corporate website at https://www.econhealthcare.com/ through which Shareholders are able to access up-to-date information on the Group. The website provides annual reports, financial information, stock information, profiles of the Group, and contact details of the investor relations of the Group.

CORPORATE GOVERNANCE REPORT

6. INTERESTED PERSON TRANSACTIONS

Under Chapter 9 of the Catalist Rules, an interested person transaction ("**IPT**") means a transaction between an entity at risk (the listed company, its subsidiaries or associated companies) and an interested person (director, chief executive officer or controlling shareholder or any of their associate(s)). In the light of the provisions of the Catalist Rules, the Company has established certain guidelines and review procedures to ensure that all IPTs are reported to and reviewed by the AC in a timely manner, and that these transactions are conducted on an arm's length basis with normal commercial terms that are not prejudicial to the interests of the Group or its minority Shareholders.

Details of all IPTs entered into during FY2024 are as follows:

Name of Interested Person	Aggregate value ($'000) of all IPTs during the financial year under review	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920
(1) Econ Healthcare Pte Ltd – Lease of 3 nursing homes: (a) ECON Medicare Centre and Nursing Home – Braddell (b) ECON Medicare Centre and Nursing Home – Choa Chu Kang (c) ECON Medicare Centre and Nursing Home – Upper East Coast – Rental deposit for 3 nursing homes: (d) ECON Medicare Centre and Nursing Home – Braddell (e) ECON Medicare Centre and Nursing Home – Choa Chu Kang (f) ECON Medicare Centre and Nursing Home – Upper East Coast	2,315	Not applicable – the Group does not have a shareholders' mandate under Rule 920
(2) Econ Medicare Centre Holdings Pte Ltd (a) Lease of ECON Medicare Centre and Nursing Home – Recreation Road (b) Lease of staff quarters at Recreation Road (c) Sublease agreement for Hexacube office (d) Accounting service agreement	381	
(3) Econ Healthcare Pte Ltd (a) Sub lease agreement for Chai Chee Nursing Home	704	
(4) Ekang International Holdings Pte. Ltd. (a) Lease of Hexacube office (b) Rental deposit top up for Hexacube office	526	
(5) TMI Technologies Pte Ltd (a) Sub lease arrangement for Hexacube office (b) Accounting service agreement	12	

The Company has not obtained a mandate from Shareholders pursuant to Rule 920 of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

7. USE OF IPO PROCEEDS

As at the date of this report, the status of the use of IPO proceeds is as follows:

	Revised balance (as disclosed in announcement on 8 June 2023) [1] (S$'000)	Amount utilised as at the date of this Annual Report[2] (S$'000)	Balance as at the date of this Annual Report (S$'000)
Expansion plans in Singapore as well as overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments; together with upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure	7,947	7,385	562
General corporate and working capital purposes	2,070	-	2,070
Total	**10,017**	**7,385**	**2,632**

(1) As announced on 8 June 2023, the Company announced that net proceeds of S$4.0 million had been utilised and that the use of proceeds would be revised to allocate the unutilised balance proceeds of S$10.0 million to the consolidated use of expansion plans and upgrading plans of the Group for existing centres and facilities.

(2) The amount utilised as at the date of this announcement refer to the expenses billed to date and amount paid up to date.

8. MATERIAL CONTRACTS

Save for the IPTs disclosed in this report, there were no material contracts (including loans) entered into by the Company or any of its subsidiaries involving the interest of the Group CEO, CEO SG, any Director or controlling shareholder during the year under review.

9. DEALINGS IN SECURITIES

The Company has adopted a Code of Best Practices ("**CBP**") to provide guidance to all Directors, officers and employees of the Group with regard to dealings in the Company's securities. The CBP is based on the best practices outlined in Rule 1204(19) of the Catalist Rules. The CBP provides that Directors, officers and employees are prohibited from dealing in the Company's securities during the periods commencing one month before (a) the announcement of the Company's half year results and (b) the announcement of the Company's full year results, and in each case ending on the date of the announcement of the relevant results.

The CBP also prohibits the Directors and employees from dealing in the Company's securities on short term considerations when they are in possession of unpublished price sensitive information. The Directors and employees are required to abide by the insider trading provisions under the Securities and Futures Act 2001 of Singapore and any other relevant laws in the course of their securities transactions.

10. NON-SPONSOR FEES

On 19 April 2024, R & T Corporate Services Pte. Ltd. was appointed as the Company's new continuing sponsor in place of the previous continuing sponsor, DBS Bank Ltd. With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsorship fees payable or paid to DBS Bank Ltd or R & T Corporate Services Pte. Ltd. in FY2024. The amount of fees paid to Rajah & Tann Singapore LLP, an affiliate of R & T Corporate Services Pte. Ltd., for work done in FY2024, was approximately S$236,212.

CORPORATE GOVERNANCE REPORT

Information for the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST:

	Name of Director	
Details	**Ong Chu Poh**	**Lim Yian Poh**
Date of Appointment	28 January 2004	22 March 2021
Date of last re-appointment (if applicable)	30 July 2021	26 July 2022
Age	70	78
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Ong Chu Poh was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr Ong's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Lim Yian Poh was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr Lim's qualifications, experience, and overall contribution since he was appointed as a Director of the Company. The Board considers Mr Lim to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the overall management, operations and the charting of corporate directors and strategies of the Group and spearheaded the expansion into Malaysia and China.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Group CEO	Independent Director, Chairman of the NC and member of the AC and the RC
Professional qualifications	• Bachelor of Arts from the then Nanyang University, Singapore • Diploma in Marketing Management from Ngee Ann Polytechnic • Graduate of the Singapore Command and Staff College	• Bachelor of Science degree from Nanyang University, Singapore • Master of Science degree from the University of Hull, England • Completed the Standford-NUS Executive Program offered by Standford University and the National University of Singapore and the Senior Management Development Program organized by Harvard Business School Alumni Club of Malaysia
Working experience and occupation(s) during the past 10 years	Please refer to page 5 of this Annual Report	Please refer to page 5 of this Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest – 207,000,000 shares	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Spouse of Dr Koh Hin Ling, Director of TCM, TCM practitioner and Director of the Group's principal subsidiaries Father of Ms Ong Hui Ming, Executive Director and CEO SG	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

CORPORATE GOVERNANCE REPORT

	Name of Director	
Details	**Ong Chu Poh**	**Lim Yian Poh**
Other Principal Commitments Including Directorships	**Past (for the last 5 years)** • Air Ambulance Asia Pte. Ltd. • Century Health Products Pte. Ltd. • Econ Advance Renal Care Pte. Ltd. • Econ (Ho Chi Minh City) Pte. Ltd. • Econ Healthcare Investment Pte. Ltd. • Econ Healthcare Management & Services (Tianjin) Pte. Ltd. • Econ Hospitality Consultancy Services Pte. Ltd. • Econ Investment Pte Ltd • Hung Thinh Singapore Pte. Ltd. • Tat Ming Management Services Pte Ltd • TMI Environmental Technologies Pte. Ltd. • TMI Realty Pte Ltd **Present** • Caleb Care (Singapore) Pte. Ltd. • Econ Ambulance Services Pte Ltd • Econ Careskill Training Centre (ECTC) Pte. Ltd. • Econ Health & Wellness Centre Pte. Ltd. • Econ Healthcare (China) Pte. Ltd. • Econ Healthcare (M) Pte. Ltd. • Econ Healthcare (M) Sdn Bhd • Econ Medicare Centre and Nursing Home Sdn Bhd • Econ Medicare Centre Pte Ltd • Econ Nursing Home Services (1987) Pte Ltd • Econ TCM Services Pte. Ltd. • Sunnyville Nursing Home (1996) Pte Ltd • 重庆宜康百龄帮养 老服务有限公司 (Chongqing Yikang Bailingbang Eldercare Co. Ltd.) • Econ Medicare Centre Holdings Pte Ltd • Ekang International Holdings Pte. Ltd. • Econ Healthcare & Tourism Development Pte. Ltd. • Hanoi Investment Holding Pte. Ltd. • Iroyallife International Pte. Ltd. • Econ Healthcare Management & Services Pte. Ltd. • Econ Healthcare Pte. Ltd. • Econ International Healthcare Management Services Pte. Ltd. • Econ Investment Holdings Pte. Ltd. • FMS Tech Pte Ltd • Mike & Ong Investments Pte. Ltd. • Pei Hwa Foundation Limited • TMI Holdings (1997) Pte Ltd • TMI Technologies Pte Ltd • VC Medi Project Pte. Ltd.	**Past (for the last 5 years)** • Anerji Pte. Ltd. • CASA Holdings Limited • CASA Property Holdings Pte. Ltd. • VMD Development Sdn Bhd • T T J Holdings Limited **Present** • Kinderworld International Group Ltd. • V-Campus Pte. Ltd. • Zicom Group Limited • Zicom Holdings Private Limited • Yian Poh Associates

CORPORATE GOVERNANCE REPORT

	Name of Director	
Details	**Ong Chu Poh**	**Lim Yian Poh**
Other Principal Commitments Including Directorships (cont'd)	**Present** • West Point Hospital (Singapore) Pte. Ltd. • West Point Hospital Pte. Ltd. • Chengdu Tianli Group Co., Ltd • Econ (Suzhou) Healthcare Management Co. Ltd • China Healthcare Pte. Ltd. • Econ Elderly Mgmt & Consultancy (Beijing) Co., Ltd • Victoria Healthcare Vietnam Ltd • Medical Services & Healthcare Investment LLC	

CORPORATE GOVERNANCE REPORT

Details	Name of Director Ong Chu Poh	 Lim Yian Poh
Other Principal Commitments Including Directorships		
The general statutory disclosures of the Directors are as follows:		
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c. Whether there is any unsatisfied judgment against him?	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: i any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a Director.	
If yes, please provide details of prior experience.		
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Econ Healthcare (Asia) Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2024 and the balance sheet of the Company as at 31 March 2024.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr Ong Chu Poh
Ms Ong Hui Ming
Mr Siau Kai Bing
Mr Lim Yian Poh
Dr Ong Seh Hong

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Shareholdings registered in the name of the director	
	Holdings at beginning of the financial year	**Holdings at end of the financial year**
The Company		
Ordinary shares		
– Mr Ong Chu Poh (deemed)	207,000,000	207,000,000
Intermediate holding company		
Econ Healthcare Pte. Ltd.		
Ordinary shares		
– Mr Ong Chu Poh (deemed)	287,217,937	287,217,937
Ultimate holding company		
Econ Investment Holding Pte. Ltd.		
Ordinary shares		
– Mr Ong Chu Poh (direct)	1	1

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2024.

For the purposes of Section 4 of the Securities and Futures Act 2001 of Singapore, Mr Ong Chu Poh is deemed to be interested in 207,000,000 shares held by Econ Healthcare Pte. Ltd., being the wholly-owned subsidiary of Econ Investment Holding Pte. Ltd. which is wholly-owned by Mr Ong Chu Poh.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations (other than wholly-owned subsidiaries), either at the beginning of the financial year or at the end of the financial year.

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option as at the end of the financial year.

DIRECTORS' STATEMENT

AUDIT COMMITTEE

The members of the Audit Committee during the year end at the date of this statement are:

- Mr Siau Kai Bing, Chairman of the Audit Committee and lead independent director
- Mr Lim Yian Poh, independent director
- Dr Ong Seh Hong, independent director

The Audit Committee performs the function specified in Section 201B of the Act, the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX Catalist Rules") and Code of Corporate Governance.

In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half-yearly and full-year financial results announcements and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for approval; and
- interested person transactions (as defined in Chapter 9 of the SGX Catalist Rules).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment/re-appointment of the external auditors and reviews the level of audit and non-audit fees. The Audit Committee had reviewed the independence of the auditors, Ernst & Young LLP and determined that the auditors were independent in carrying out their audit of the financial statements for the current financial year.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Ernst & Young LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and its subsidiaries, Rules 712 and 715 of the SGX Catalist Rules have been complied with.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors

Ong Chu Poh
Director

Ong Hui Ming
Director

Singapore
1 July 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2024

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Econ Healthcare (Asia) Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 March 2024 and the statements of changes in equity of the Group, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how we audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2024

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key Audit Matters (cont'd)

Assessment of indicators of impairment of property, plant and equipment, right-of-use assets and cost of investment in subsidiaries

The Group has property, plant and equipment and right-of-use assets in the consolidated balance sheet, with carrying amounts of $16.6 million and $35.1 million respectively as at 31 March 2024. These assets in aggregate account for 49% of the Group's total assets. The Company has investment in subsidiaries amounting to $32.6 million as at 31 March 2024, representing 66% of the Company's total assets.

Management has identified each nursing home or clinic as a cash generating unit ("CGU"). The carrying amounts of the property, plant and equipment, right-of-use assets and investment in subsidiaries are reviewed annually by management to assess whether there are indicators of impairment. In assessing whether there is any indicator of impairment, management considered both external and internal sources of information, including the macro environment at year end. Based on their assessment, management recognised an impairment loss of $780,000 on the Company's investment in subsidiaries during the year ended 31 March 2024. As a result of the heightened level of estimation uncertainty associated with the current market and economic condition, we determined that this is a key audit matter.

As part of our audit, we have performed the following, amongst others:

- Evaluated the Group's policies and procedures to identify events indicating potential impairment of assets.
- Reviewed management's assessment of indicator of impairment related to the CGU's assets, taking into consideration our knowledge of the CGU's operations, performance, budgeted revenue and expenses.
- Reviewed the recoverable amount assessed based on fair value less costs to dispose and value-in-use computations and management's key assumptions which included cash flow projections, gross profit margins, discount rates and growth rates.
- Evaluated robustness of management's budgeted cash flows of CGUs by comparing to historical results, taking into consideration occupancy capacity, occupancy rates and operating margins.
- Compared current year's results with previous year's management budgets and considered circumstances as to whether there are any current year developments or prevailing events that would give rise to indicators of impairment.
- Performed sensitivity analysis on certain key assumptions such as occupancy rates, revenue growth rates and operating margins.
- Assessed the disclosures on the impairment assessments in Note 3, 11, 12 and 15 to the financial statements.

Other Information

Management is responsible for the other information contained in the annual report. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2024

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2024

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Koh Hian Yan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
1 July 2024

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2024

	Note	2024 $	2023 $ Re-presented*
Continuing operations			
Revenue	4	50,786,224	43,012,151
Other income	5	6,974,121	8,698,014
Supplies and consumables		(6,685,973)	(6,054,663)
Staff costs		(27,697,484)	(23,039,210)
Depreciation of property, plant and equipment		(1,360,633)	(1,239,456)
Depreciation of right-of-use assets		(7,471,319)	(7,493,699)
Utilities expenses		(1,541,086)	(1,465,821)
Impairment losses/(reversal) on trade receivables		(26,386)	35,290
Fair value (losses)/gains on investment in quoted securities		(73,360)	58,928
Gains on disposal of investment in quoted securities		26,500	–
Other operating expenses		(5,351,608)	(4,351,130)
Finance costs, net	6	(995,080)	(942,891)
Profit before tax from continuing operations	7	6,583,916	7,217,513
Tax expense	8	(249,437)	(1,467,741)
Profit for the year from continuing operations, net of tax		6,334,479	5,749,772
Discontinued operations			
Profit/(loss) for the year from discontinued operations, net of tax	9	289,355	(1,587,463)
Profit for the year		6,623,834	4,162,309
Profit/(loss) attributable to:			
Owners of the Company			
Profit from continuing operations, net of tax		6,295,412	5,861,950
Profit/(loss) from discontinued operations, net of tax		126,718	(1,012,702)
		6,422,130	4,849,248
Non-controlling interests			
Profit/(loss) from continuing operations, net of tax		39,067	(112,178)
Profit/(loss) from discontinued operations, net of tax		162,637	(574,761)
		201,704	(686,939)
Profit for the year		6,623,834	4,162,309
Earnings per share for the year from continuing operations attributable to owner of the Company			
Basic and diluted earnings per share (cents)	10	2.44	2.28
Earnings per share for the year			
Basic and diluted earnings per share (cents)	10	2.49	1.89

* *The comparative figures have been re-presented to report profit and loss items separately for continuing and discontinued operations.*

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2024

	2024 $	2023 $ Re-presented*
Profit for the year	6,623,834	4,162,309
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	(779,057)	(1,211,842)
Total comprehensive income for the year	5,844,777	2,950,467
Total comprehensive income attributable to:		
Owners of the Company	5,635,157	3,681,308
Non-controlling interests	209,620	(730,841)
Total comprehensive income for the year	5,844,777	2,950,467
Attributable to owner of the Company:		
Total comprehensive income from continuing operations, net of tax	5,387,305	4,664,194
Total comprehensive income from discontinued operations, net of tax	247,852	(982,886)
Total comprehensive income for the year attributable to owner of the Company	5,635,157	3,681,308

* The comparative figures have been re-presented to report profit and loss items separately for continuing and discontinued operations.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2024

	Note	Group 2024 $	Group 2023 $	Company 2024 $	Company 2023 $
Assets					
Property, plant and equipment	11	16,578,240	18,328,191	744,438	723,958
Right-of-use assets	12	35,051,303	39,746,137	2,749,497	2,126,740
Investment property	13	7,176,657	7,554,242	–	–
Intangible asset	14	5,129,104	–	–	–
Subsidiaries	15	–	–	32,640,336	25,368,970
Associate	16	–	21,025	–	–
Deferred tax assets	17	364,204	107,562	224,504	–
Trade and other receivables	18	2,301,782	1,735,801	3,275,059	2,892,159
Non-current assets		66,601,290	67,492,958	39,633,834	31,111,827
Inventories		2,638	9,544	–	–
Current tax assets		62,459	100,906	–	–
Trade and other receivables	18	10,357,506	6,291,363	4,455,568	3,117,844
Investments in quoted securities		1,069,360	755,110	1,069,360	755,110
Cash and short-term deposits	19	16,181,338	24,620,773	4,520,568	12,789,328
		27,673,301	31,777,696	10,045,496	16,662,282
Assets of disposal group classified as held for sale	9	11,099,645	–	–	–
Current assets		38,772,946	31,777,696	10,045,496	16,662,282
Total assets		105,374,236	99,270,654	49,679,330	47,774,109
Liabilities					
Provision for restoration costs	20	733,119	639,333	83,322	217,818
Deferred capital grants	21	2,599,937	3,197,014	–	–
Deferred tax liabilities	17	23,432	425,508	–	4,283
Lease liabilities	23	29,651,770	35,542,467	1,995,579	1,023,858
Loans and borrowings	24	1,241,881	1,798,157	–	–
Non-current liabilities		34,250,139	41,602,479	2,078,901	1,245,959
Current tax liabilities		1,100,801	1,171,571	–	120,215
Lease liabilities	23	7,002,760	6,770,360	466,665	1,221,206
Loans and borrowings	24	2,381,901	3,284,560	–	–
Trade and other payables	25	7,156,167	7,916,791	2,020,053	2,429,612
Liabilities directly associated with disposal group classified as held for sale	9	8,994,775	–	–	–
Current liabilities		26,636,404	19,143,282	2,486,718	3,771,033
Total liabilities		60,886,543	60,745,761	4,565,619	5,016,992
Equity					
Share capital	26	29,983,289	28,254,576	29,983,289	28,254,576
Currency translation reserve	27	(4,704,454)	(4,091,230)	–	–
Merger reserve	27	(99,293)	(99,293)	–	–
Reserves of disposal group classified as held for sale	9	(173,749)	–	–	–
Accumulated profits		19,394,221	14,693,991	15,130,422	14,502,541
Equity attributable to owners of the Company		44,400,014	38,758,044	45,113,711	42,757,117
Non-controlling interests	28	87,679	(233,151)	–	–
Total equity		44,487,693	38,524,893	45,113,711	42,757,117
Total equity and liabilities		105,374,236	99,270,654	49,679,330	47,774,109

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2024

	Note	Share capital $	Currency translation reserve $	Merger reserve $	Reserves of disposal group classified as held for sale $	Accumulated profits $	Total equity attributable to owners of the Company $	Non-controlling interests $	Total equity $
At 1 April 2023		28,254,576	(4,091,230)	(99,293)	–	14,693,991	38,758,044	(233,151)	38,524,893
Total comprehensive income for the year									
Profit for the year		–	–	–	–	6,422,130	6,422,130	201,704	6,623,834
Other comprehensive income									
Foreign currency translation differences – foreign operations		–	(786,973)	–	–	–	(786,973)	7,916	(779,057)
Total comprehensive income for the year		–	(786,973)	–	–	6,422,130	5,635,157	209,620	5,844,777
Transactions with owners, recognised directly in equity									
Dividends paid	36	–	–	–	–	(1,721,900)	(1,721,900)	–	(1,721,900)
Shares issued	26	1,728,713	–	–	–	–	1,728,713	–	1,728,713
Capital contributions by non-controlling interests		–	–	–	–	–	–	111,210	111,210
Reclassification to reserves of disposal group classified as held for sale		–	173,749	–	(173,749)	–	–	–	–
Total transactions with owners		1,728,713	173,749	–	(173,749)	(1,721,900)	6,813	111,210	118,023
At 31 March 2024		29,983,289	(4,704,454)	(99,293)	(173,749)	19,394,221	44,400,014	87,679	44,487,693

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2024

	Note	Share capital $	Currency translation reserve $	Merger reserve $	Accumulated profits $	Total equity attributable to owners of the Company $	Non-controlling interests $	Total equity $
At 1 April 2022		28,254,576	(2,923,290)	(99,293)	10,435,843	35,667,836	272,822	35,940,658
Total comprehensive income for the year								
Profit/(loss) for the year		–	–	–	4,849,248	4,849,248	(686,939)	4,162,309
Other comprehensive income								
Foreign currency translation differences – foreign operations		–	(1,167,940)	–	–	(1,167,940)	(43,902)	(1,211,842)
Total comprehensive income for the year		–	(1,167,940)	–	4,849,248	3,681,308	(730,841)	2,950,467
Transactions with owners, recognised directly in equity								
Dividends paid	36	–	–	–	(591,100)	(591,100)	–	(591,100)
Capital contributions by non-controlling interests		–	–	–	–	–	224,868	224,868
Total transactions with owners		–	–	–	(591,100)	(591,100)	224,868	(366,232)
At 31 March 2023		28,254,576	(4,091,230)	(99,293)	14,693,991	38,758,044	(233,151)	38,524,893

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Profit before tax from continuing operations		6,583,916	7,217,513
Profit/(loss) before tax from discontinued operations		308,198	(1,587,463)
		6,892,114	5,630,050
Adjustments for:			
Amortisation of deferred capital grant	21	(586,463)	(320,773)
Gain on disposal of motor vehicle	5	(200,500)	–
Write-off of property, plant and equipment	11	14,388	66,633
Depreciation of property, plant and equipment		1,529,863	1,477,346
Depreciation of right-of-use assets		7,637,856	7,872,066
Impairment losses on right-of-use assets	9,12	46,791	379,875
Gain on termination of leases	5	(598)	(32)
Impairment losses/(reversal) of expected credit loss on trade receivables	30	26,386	(35,290)
(Reversal of)/impairment losses on property, plant and equipment	9,11	(231,873)	568,166
Interest income		(308,109)	(214,053)
Interest expense		1,608,845	1,511,652
Unwinding of discount on provisions	6	10,258	6,962
Share of (profit)/loss of associate, net of tax	9	(2,659)	29,816
Fair value losses/(gains) on investments in quoted securities		73,360	(58,928)
Dividend income from investment in quoted securities	5	(49,202)	–
Gains on disposal of investment in quoted securities		(26,500)	–
		16,433,957	16,913,490
Changes in:			
- Trade and other receivables		(2,668,305)	(715,047)
- Trade and other payables		131,993	(3,428,486)
- Inventories		6,906	3,931
Cash generated from operations		13,904,551	12,773,888
Tax paid		(1,246,213)	(1,043,390)
Net cash from operating activities		12,658,338	11,730,498
Cash flows from investing activities			
Finance lease received		–	18,360
Interest received		296,949	169,297
Purchase of property, plant and equipment		(1,784,579)	(3,631,238)
Capital grants received	21	786,930	1,980,105
Dividend income from investment in quoted securities		49,202	–
Investment in quoted securities		(2,266,180)	(696,182)
Proceeds from disposal of quoted securities		1,905,070	–
Acquisition of subsidiary, net of cash acquired	15	(6,828,344)	–
Net cash used in investing activities		(7,840,952)	(2,159,658)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2024

	Note	2024 $	2023 $
Cash flows from financing activities			
Capital contribution by non-controlling interests		111,210	224,868
Repayment of borrowings	24	(1,251,504)	(1,732,893)
Payment of principal portion of lease liabilities	24	(7,414,652)	(7,583,032)
Interest paid	24	(1,612,038)	(1,512,891)
Dividends paid	36	(1,721,900)	(591,100)
Net cash used in financing activities		(11,888,884)	(11,195,048)
Net decrease in cash and cash equivalents		(7,071,498)	(1,624,208)
Cash and cash equivalents at 1 April		24,556,632	26,034,901
Effect of exchange rate fluctuations on cash held		86,252	145,939
Cash and cash equivalents at 31 March	19	17,571,386	24,556,632

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

1. CORPORATE INFORMATION

Econ Healthcare (Asia) Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 160 Changi Road, #05-01-13 Hexacube, Singapore 419728.

The immediate and ultimate holding companies are Econ Healthcare Pte. Ltd. and Econ Investment Holdings Pte. Ltd. respectively. These companies are incorporated in Singapore.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are those relating to the operation of medicare centres and nursing homes, provision of hospital extension ward management services, homecare services and ambulance services, letting of properties and investment holding. The principal activity of the associate is described in Note 16.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

These financial statements are presented in Singapore dollars (SGD or $).

2.2 *New accounting standards effective on 1 April 2023*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2023. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

Amendments to SFRS(I) 1-1: Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1: Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies" and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have an impact on the Group's disclosure of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-21: *Lack of exchangeability*	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars ("SGD"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of subsidiaries denominated in other currencies are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment loss. The cost includes the cost of replacing part of the property, plant and equipment that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	50 years
Leasehold improvements and renovations	3 to 10 years
Nursing homes equipment	10 years
Furniture, fittings and office equipment	5 to 10 years
Computers and accessories	3 years
Motor vehicles	3 to 5 years
Ambulances	5 to 10 years
Medical equipment and ambulance fittings	5 years

Properties under construction are not depreciated as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.7 *Property, plant and equipment (cont'd)*

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 *Investment property*

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property representing freehold land with unlimited useful life is measured at cost and not depreciated.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.9 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives and amortisation method are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.10 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nursing homes, office premises and health and wellness centres	1.5 to 20 years
Office equipment	3 to 5 years
Staff accommodation	2 to 5 years
Motor vehicles	3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.10 ***Leases** (cont'd)*

(a) Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and reward incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life on the asset.

When the Group is an intermediate lessor, it accounts for tis interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it reclassifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract. The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 2.15). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from sub-leased property under operating leases as income on a straight-line basis over the lease term as part of "other income".

2.11 ***Impairment of non-financial assets***

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. Management has identified each nursing home or clinic as a cash generating unit ("CGU"). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses are recognised in profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.12 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 *Associate*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates is carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.14 *Non-current assets held for sale and discontinued operations*

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment once classified as held for sale are not depreciated or amortised.

Assets and liabilities classified as held for sale are presented separately as current items in the balance sheets.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated income statement.

Additional disclosures are provided in Note 9. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.15 ***Financial instruments***

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss ("FVTPL"). A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.15 ***Financial instruments*** *(cont'd)*

(a) ***Financial assets*** *(cont'd)*

Subsequent measurement (cont'd)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets when, and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.16 ***Impairment of financial assets***

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.16 *Impairment of financial assets (cont'd)*

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group considers a financial asset in default when the financial asset is more than 365 days past due, taking into consideration historical payment track records, current macroeconomics situation as well as the general industry trend. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

Credit impaired financial assets

At each reporting date, the Group assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being more than 365 days past due; taking into consideration historical payment track records, current macroeconomic situation as well as the general industry trend;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- It is probable that the debtor will enter bankruptcy or other financial reorganisation.

2.17 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.18 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for restorations costs

A provision is recognised for restoration costs associated with the obligations to restore the lands at the end of the tenancy period.

2.19 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.20 *Government grants*

Grants are accounted for on an accrual basis in profit or loss when there is reasonable assurance that the Group has complied with all the terms and conditions attached to the grants and that there is reasonable certainty that the grants will be received.

Grants from the government received by the Nursing Homes to construct, furnish and equip the Group and to purchase depreciable assets are taken to the deferred capital grants account. These grants are then recognised in profit or loss as "other income" on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

2.21 *Taxes*

(a) ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Deferred tax liabilities are recognised for all temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.21 ***Taxes** (cont'd)*

(b) ***Deferred tax** (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) ***Sales tax***

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.22 ***Employee benefits***

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Singapore and Malaysia companies in the Group make contributions to the Central Provident Fund scheme in Singapore and the Employee Provident Fund in Malaysia respectively, a defined contribution pension scheme. The companies in China participate in and make contributions to the national pension schemes at a fixed proportion of the basic salary of the employee. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related services are performed.

(b) ***Short-term benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Employment benefits are classified as short term or non-current based on expected timing of settlement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.23 *Revenue*

Rendering of services

Revenue from medicare centres and nursing homes fees and ancillary fees in the ordinary course of business are recognised when services are rendered. Revenue services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Revenues from the home fees are recognised rateably over the period of the services. At each reporting date, the unamortised portion of income received in respect of home fees is recognised as home fees collected in advance.

2.24 *Inter-group financial guarantees*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.15 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of guarantee.

2.25 *Earnings per share*

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.26 *Segment reporting*

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by Group's Chief Executive Officer (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Impairment assessment

The Group and Company assesses the impairment of property, plant and equipment and right-of-use assets subject to depreciation, while the Company additionally assesses the impairment of investment in subsidiaries, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant under performance relative to historical or projected future operating results (budgeted revenue and expenses, revenue growth rates, occupancy capacity, occupancy rates and operating margins);
- Significant changes in the manner of the use of the required assets or the strategy for the overall business;
- Significant negative industry or economic trends;
- Significant increase in market rates of return on investments; and
- Obsolescence or physical damage of assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group’s and Company’s accounting estimates in relation to property, plant and equipment, right-of-use assets and Company’s investment in subsidiaries affect the amounts reported in the financial statements, especially the estimates of the expected useful economic lives and the carrying values of those assets. If business conditions were different, or if different assumptions were used in the application of these accounting estimates, it is likely that materially different amounts could be reported in the financial statements.

In 2024, it was noted that there were indicators of impairment for the CGUs, Chongqing Nursing Home, which was held by the subsidiary, Chongqing Yikang Bailingbang Eldercare Co., Ltd. and Changshou Nursing Home, which was held by the subsidiary, Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd.. The recoverable amount of property, plant and equipment and right-of-use assets was estimated based on higher of value-in-use and fair value less costs to sell. The Group recognised (i) reversal of impairment losses on property, plant and equipment and rights-of-use assets of $342,998 and $257,982 respectively for Chongqing Nursing Home, (ii) impairment losses of $111,125 and $304,773 with respect to the remaining carrying amounts of property, plant and equipment and rights-of-use assets respectively held by the Changshou Nursing Home. As at year ended 31 March 2024, the net carrying amount of $3,308,450 and $5,608,301 with respect to property, plant and equipment and right-of-use assets of Chongqing Nursing Home and Changshou Nursing Home are classified under “assets of disposal group classified as held for sale”.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

***Estimates and assumptions** (cont'd)*

As disclosed in Note 15 to the financial statements, the Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. The Company recognised an impairment loss of $780,000 on cost of investment in one of its subsidiaries for the financial year ended 31 March 2024. The method and assumptions used to determine the recoverable amount are disclosed and further explained in Note 15 to the financial statements. The carrying amount of the Company's investment in subsidiaries as at year ended 31 March 2024 is $32,640,336 (31 March 2023: $25,368,970).

In 2023, it was noted that there was indicator of impairment for the CGU, Chongqing Nursing Home, which was held by the subsidiary, Chongqing Yikang Bailingbang Eldercare Co., Ltd.. The recoverable amount was estimated based on its value-in-use. In the financial year ended 31 March 2023, the Group tested the property, plant and equipment and rights-of-use assets for impairment and recognised impairment losses of $568,166 and $379,875 with respect to the remaining carrying amounts of property, plant and equipment and rights-of-use assets respectively held by the Chongqing Nursing Home. The discount rate used in the estimate of value in use was 11.0% and was based on the Group's weighted-average cost of capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. REVENUE

	Medicare centres and nursing homes fees			Ancillary fees					
	Home fees	Home care and day care and other nursing home services	Operating subvention grant	Ambulance fees	Course fees	Management fee	Traditional Chinese medicine ("TCM") clinics services	Other ancillary services	Total
	$	$	$	$	$	$	$	$	$
2024									
Third parties									
– Singapore	13,672,612	4,146,272	25,627,806	599,834	17,606	–	827,328	1,578	44,893,036
– Malaysia	4,165,761	1,704,027	–	–	–	–	–	–	5,869,788
	17,838,373	5,850,299	25,627,806	599,834	17,606	–	827,328	1,578	50,762,824
Related corporation									
– Singapore	–	–	–	–	–	23,400	–	–	23,400
	17,838,373	5,850,299	25,627,806	599,834	17,606	23,400	827,328	1,578	50,786,224
2023									
Third parties									
– Singapore	11,622,758	3,883,487	21,286,591	–	4,258	–	860,804	477	37,658,375
– Malaysia	3,516,295	1,814,081	–	–	–	–	–	–	5,330,376
	15,139,053	5,697,568	21,286,591	–	4,258	–	860,804	477	42,988,751
Related corporation									
– Singapore	–	–	–	–	–	23,400	–	–	23,400
	15,139,053	5,697,568	21,286,591	–	4,258	23,400	860,804	477	43,012,151

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. REVENUE (cont'd)

	Medicare centres and nursing homes fees			Ancillary fees					
	Home fees $	Home care and day care and other nursing home services $	Operating subvention grant $	Ambulance fees $	Course fees $	Management fee $	Traditional Chinese medicine ("TCM") clinics services $	Other ancillary services $	Total $
Timing of transfer of goods or services									
2024									
Over time	17,838,373	5,850,299	25,627,806	–	17,606	23,400	–	–	49,357,484
At a point in time	–	–	–	599,834	–	–	827,328	1,578	1,428,740
	17,838,373	5,850,299	25,627,806	599,834	17,606	23,400	827,328	1,578	50,786,224
2023									
Over time	15,139,053	5,697,568	21,286,591	–	4,258	23,400	–	–	42,150,870
At a point in time	–	–	–	–	–	–	860,804	477	861,281
	15,139,053	5,697,568	21,286,591	–	4,258	23,400	860,804	477	43,012,151

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

4. REVENUE (cont'd)

Home fees generally relates to the Medicare Centres and Nursing Homes' contracts with patients in which performance obligations are to provide nursing home healthcare services to individual patients in Singapore, Malaysia and China. Home care and day care fees generally relates to contracts with patients in which performance obligations are to provide healthcare services to individual patients at their homes and day care centres. Other nursing home services relate to provision of dressing, rehabilitation services, TCM treatments and other medical related services to individual patients.

Ambulance fees relate to provision of medical and passenger transport services to hospitals and individual patients in Singapore. Course fees relate to contracts with corporate customers in which performance obligations are to provide training for nurses, nursing home managers and home caregivers in Singapore. Management fee relates to provision of management and consultancy services to related corporations. Related corporations are other related parties not within the Group that are owned by the majority shareholder. Traditional Chinese Medicine ("TCM") clinic services relate to the offering of TCM services at TCM clinics.

Invoices are issued based on contractual terms. The Group has a credit term of 10 to 30 days which is typically short term, in line with market practice, without any financing component. There are no variable considerations, and no obligations for returns or refunds or warranties for healthcare-related services.

Operating subvention grants are government subsidies given to patients and are paid by the Government on behalf of the patients to the Singapore nursing homes for the subsidised amounts and is a revenue to the Group. The subvention grant scheme requires the Group to set aside a portion of its beds for eligible patients who meet the means test criteria to enjoy the subsidies.

Contract balances

Information about receivables, and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	31 March 2024 $	31 March 2023 $	1 April 2022
Trade receivables (Note 18)	2,865,824	1,502,426	1,226,710
Receivables for operating subvention grants (Note 18)	2,261,275	1,637,037	1,206,140
Contract liabilities	99,406	189,094	147,418

The Group has recognised impairment losses on receivables arising from contracts with customers amounting to $26,386 (2023: reversal on impairment losses of $35,290).

Contract liabilities are home fees collected in advance (Note 25) and are recognised as revenue as the Group performs under the contract. Revenue recognised that was included in the contract liabilities balance at the beginning of year is $189,094 (2023: $147,418).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

5. OTHER INCOME

	Group	
	2024	2023
	$	$
Other government grants		
– Grants on special employment credit, temporary employment credit and wages credit scheme	83,047	152,337
– Grants on staff accommodation	–	102,000
– Grants on Senior Management Associate Scheme	–	19,478
– Grant on Job Growth Incentive	25,528	171,295
– Active ageing centre fundings	352,414	–
– Eldercare centre baseline service transition grants	119,953	389,847
– Workforce Development grant	–	88,000
– Grants on community care salary enhancements	2,063,334	727,186
– Grants on Healthcare Hiring In Advance Initiatives	–	283,950
– Rental subvention grants	2,593,200	2,593,200
– Pre-operations funding	198,542	2,935,439
– Furniture and equipment funding	282,525	326,945
Rental income	260,844	261,145
Amortisation of deferred capital grants	435,050	254,803
Service fees	–	31,585
Dividend income from quoted securities	49,202	–
Gain on disposal of motor vehicle	200,500	–
Gain on lease termination	598	32
Others	309,384	360,772
	6,974,121	8,698,014

Job Growth Incentive grants are provided as wage subsidies to the Group for new hires from September 2021 onwards. It was introduced as a response to the COVID-19 pandemic, to support the hiring of locals.

Eldercare centre baseline service transition grants are provided to the Group to execute a programme with the objective to operate Senior Eldercare Centres (“EC”). The objective of the EC is to promote social inclusion of vulnerable seniors within the EC’s service cluster, and encourage seniors to stay active through organising social and recreational programme.

Grants on Community Care Salary Enhancement are provided to the Group with the objective to ensure competitive salaries to attract and retain more healthcare staff.

Rental subvention grants are grants provided by the government to reimburse rental costs for facilities of the Group for the purpose of providing subsidised nursing home care services.

Pre-operations funding are provided for nursing home services to facilitate the Group in ramping up of new nursing home operations.

Active ageing centre fundings are grants provided to the Group with the objective of outreaching and community collaboration, befriending and buddying services to keep seniors engaged within the community.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

6. FINANCE INCOME AND COSTS

	Group	
	2024	2023
	$	$
Exchange gain, net	–	11,763
Interest income from bank deposits	306,514	211,212
Interest income from finance lease receivables	–	152
Finance income	306,514	223,127
Exchange loss, net	(969)	–
Interest expense from borrowings	(210,919)	(268,126)
Unwinding of discount on provision for restoration cost	(10,258)	(6,962)
Interest expense from lease liabilities	(1,079,448)	(890,930)
Finance costs	(1,301,594)	(1,166,018)
Net finance costs	(995,080)	(942,891)

7. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The following items have been included in arriving at profit before tax:

	Group	
	2024	2023
	$	$
Audit fees:		
– auditors of the Company	296,500	241,250
– other auditors	57,067	60,066
Non-audit fees:		
– auditors of the Company	169,088	187,160
– other auditors	74,947	84,886
Expenses relating to short-term leases presented in ‘staff costs’	255,289	218,146
Repair and maintenance expenses	1,566,012	1,502,884
Write-off of property, plant and equipment	11,965	66,633
Contributions to defined contribution plans included in staff costs	1,320,558	1,206,918
Directors’ fees	132,593	174,226

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

8. TAX EXPENSE

	Group	
	2024	**2023**
	$	**$**
Current tax expense – continuing operations		
Current year	860,403	1,097,622
Under-provision related to prior years	106,205	258,558
	966,608	1,356,180
Deferred tax (credit)/expense – continuing operations		
Origination and reversal of temporary differences	(357,726)	45,838
Changes in estimates related to prior years	(359,445)	65,723
	(717,171)	111,561
Tax expense attributable to continuing operations	249,437	1,467,741
Tax expense attributable to discontinued operations (Note 9)	18,843	–
Tax expense recognised in profit or loss	268,280	1,467,741

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 March 2024 and 2023 are as follows:

	Group	
	2024	**2023**
	$	**$**
Reconciliation of effective tax rate		
Profit before tax from continuing operations	6,583,916	7,217,513
Profit before tax from discontinued operations	308,198	(1,587,463)
Profit before tax	6,892,114	5,630,050
Tax using the Singapore tax rate of 17% (2023: 17%)	1,171,659	957,109
Effect of tax rates in foreign jurisdictions	(3,261)	(164,650)
Share of results of associate	(452)	5,069
Non-deductible expenses	25,312	475,964
Tax exempt income, incentives and rebate	(741,534)	(291,519)
Changes in estimates related to prior years	(234,398)	324,281
Deferred tax assets not recognised	50,954	161,487
	268,280	1,467,741

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

During the year, the Group undertook a strategic review of its China operations and has committed in a sale plan to partially dispose 11% and 21% of its interest in China subsidiaries, Chongqing Yikang Bailingbang Eldercare Co., Ltd., Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. ("China subsidiaries") and full interest of 20% in the associate, Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. (collectively known as "China Group").

As at 31 March 2024, the assets and liabilities related to the China subsidiaries and carrying amount of interest in associate had been presented on the balance sheet as "assets of disposal group classified as held for sale" and "liabilities directly associated with disposal group classified as held for sale" and its results are presented separately on the income statement as "profit/(loss) from discontinued operations, net of tax".

The results of China subsidiaries for the year ended 31 March are as follows:

	Chongqing Yikang Bailingbang Eldercare Co., Ltd. $	Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. $	Total $
2024			
Revenue	483,658	181,026	664,684
Other income	236,386	734,253	970,639
Expenses	(515,780)	(704,877)	(1,220,657)
Reversal of/(impairment losses) on property, plant and equipment	342,998	(111,125)	231,873
Reversal of/(impairment losses) on right-of-use assets	257,982	(304,773)	(46,791)
Net finance costs	(20,113)	(274,096)	(294,209)
Profit/(loss) before tax from discontinued operation	785,131	(479,592)	305,539
Tax expense	(18,843)	–	(18,843)
Profit/(loss) from discontinued operations, net of tax	766,288	(479,592)	286,696
2023			
Revenue	486,177	9,206	495,383
Other income	145,847	353,105	498,952
Expenses	(778,146)	(541,924)	(1,320,070)
Impairment losses on property, plant and equipment	(568,166)	–	(568,166)
Impairment losses on right-of-use assets	(379,875)	–	(379,875)
Net finance income/(costs)	19,492	(303,363)	(283,871)
Loss from discontinued operations, net of tax	(1,074,671)	(482,976)	(1,557,647)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE (cont'd)

The following items have been included in arriving at profit/(loss) before tax from discontinued operations:

	2024 $	2023 $
Amortisation of deferred capital grant	(151,413)	(65,970)
Depreciation of property, plant and equipment	169,231	237,890
Depreciation of right-of-use assets	166,537	378,367
(Reversal of)/impairment losses on property, plant and equipment, net	(231,873)	568,166
Impairment losses on right-of-use assets, net	46,791	379,875
Write-off of property, plant and equipment	2,423	–

The major classes of the assets and liabilities of China subsidiaries classified as held for sale and the related translation reserve as at 31 March 2024 are as follows:

	Chongqing Yikang Bailingbang Eldercare Co., Ltd. $	Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. $	Total $
Assets			
Property, plant and equipment	987,857	2,320,593	3,308,450
Right-of-use assets	711,163	4,897,138	5,608,301
Trade and other receivables	112,802	593,399	706,201
Cash and cash equivalents	1,166,859	286,896	1,453,755
Assets of disposal group classified as held for sale	2,978,681	8,098,026	11,076,707
Liabilities			
Lease liabilities	861,772	5,494,391	6,356,163
Deferred capital grants	325,872	1,002,008	1,327,880
Trade and other payables	422,432	888,300	1,310,732
Liabilities directly associated with disposal group classified as held for sale	1,610,076	7,384,699	8,994,775
Equity			
Currency translation reserve	(41,228)	(132,521)	(173,749)
Reserves of disposal group classified as held for sale	(41,228)	(132,521)	(173,749)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE (cont'd)

The cash flows attributable to China subsidiaries for the year ended 31 March 2024 are as follows:

	Chongqing Yikang Bailingbang Eldercare Co., Ltd. $	Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. $	Total $
31 March 2024			
Cash flows generated from/(used in) operating activities	105,609	(25,335)	80,274
Cash flows used in investing activities	(73,285)	(476,941)	(550,226)
Cash flows from financing activities	–	496,647	496,647
Net increase/(decrease) in cash and cash equivalents	32,324	(5,629)	26,695
31 March 2023			
Cash flows generated from operating activities	69,527	305,000	374,527
Cash flows (used in)/generated from investing activities	(309,649)	60,462	(249,187)
Cash flows used in financing activities	(35,365)	(199,549)	(234,914)
Net (decrease)/increase in cash and cash equivalents	(275,487)	165,913	(109,574)

Earnings/(loss) per share disclosure

Earnings/(loss) per share (cents per share) from discontinued operations attributable to owner of the Company are as follows:

	2024 $	2023 $
Basic and diluted earnings/(loss) per share (cents)	0.05	(0.39)

The basic earnings/(loss) per share from discontinued operations are calculated by dividing the profit/(loss) from discontinued operations, net of tax, attributable to owners of the Company by the weighted-average number of ordinary shares outstanding during the year. As at 31 March 2024 and 2023, there were no outstanding dilutive potential ordinary shares. These earnings/(loss) and share data are presented in tables in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

9. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE (cont'd)

In conjunction with the committed sale plan, the carrying amount of the Group's interest in its associate, Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. was presented as "assets of disposal group classified as held for sale" and its share of results were presented separately on consolidated income statement as "profit/(loss) from discontinued operations, net of tax".

	2024 $	2023 $
Revenue	537,630	721,191
Profit/(loss) for the year, representing total comprehensive income for the year	13,294	(149,079)
Share of results included in profit/(loss) from discontinued operations, net of tax	2,659	(29,816)

	2024 $
Non-current assets	31,820
Current assets	700,856
Non-current liabilities	–
Current liabilities	(617,987)
Net assets	114,689
Carrying amount of interest in investee included in "assets of disposal group classified as held for sale" as at 31 March 2024	22,938

10. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share is calculated by dividing the Group's profit for the year, attributable to owner of the Company by the weighted-average number of ordinary shares outstanding and on a fully diluted basis during the year.

The following tables reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 March:

	Group	
	2024 $	2023 $
Profit from continuing operations, net of tax	6,295,412	5,861,950
Profit/(loss) from discontinued operations, net of tax	126,718	(1,012,702)
Profit for the year attributable to owner of the Company	6,422,130	4,849,248

	Group	
	2024 No. of shares	2023 No. of shares
Weighted-average number of ordinary shares	257,659,162	257,000,000

Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there were no outstanding dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $	Freehold Buildings $	Properties under construction $	Leasehold improvements and renovations $	Nursing homes equipment $	Furniture, fittings and office equipment $	Computers and accessories $	Motor vehicles $	Ambulances $	Medical equipment and ambulance fittings $	Total $
Group											
Cost											
At 1 April 2022	1,292,713	9,542,547	1,078,635	8,276,093	4,271,323	2,615,658	940,917	197,612	–	–	28,215,498
Additions	–	–	1,011,663	19,026	1,807,447	579,450	142,266	–	–	–	3,559,852
Write off	–	–	–	–	(127,392)	(22,565)	(12,864)	–	–	–	(162,821)
Reclassifications	–	–	(2,007,830)	1,941,601	66,229	–	–	–	–	–	–
Translation differences on consolidation	(85,881)	(633,959)	(64,871)	(349,288)	(48,766)	(66,292)	(16,367)	(7,649)	–	–	(1,273,073)
At 31 March 2023 and 1 April 2023	1,206,832	8,908,588	17,597	9,887,432	5,968,841	3,106,251	1,053,952	189,963	–	–	30,339,456
Additions	–	–	10,549	399,463	257,740	225,053	301,225	608,118	4,843	–	1,806,991
Acquisition of a subsidiary	–	–	–	–	–	27,168	15,324	–	969,987	1,276,640	2,289,119
Write off	–	–	–	(1,754,216)	(58,124)	(28,233)	(24,125)	–	–	(150)	(1,864,848)
Reclassifications	–	–	(10,549)	10,549	–	–	–	(588,604)	–	–	(588,604)
Attributable to discontinued operations	–	–	–	(3,238,851)	(118,814)	(703,516)	(92,038)	(19,395)	–	–	(4,172,614)
Translation differences on consolidation	(60,321)	(445,280)	(880)	(214,440)	(33,874)	(47,242)	(8,608)	(5,491)	–	–	(816,136)
At 31 March 2024	1,146,511	8,463,308	16,717	5,089,937	6,015,769	2,579,481	1,245,730	184,591	974,830	1,276,490	26,993,364

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land $	Freehold buildings $	Properties under construction $	Leasehold improvements and renovations $	Nursing homes equipment $	Furniture, fittings and office equipment $	Computers and accessories $	Motor vehicles $	Ambulances $	Medical equipment and ambulance fittings $	Total $
Accumulated depreciation and impairment losses											
At 1 April 2022	–	1,595,713	–	4,209,856	1,743,214	1,885,092	700,906	150,837	–	–	10,285,618
Depreciation charge for the year	–	183,158	–	514,269	447,248	154,774	151,434	26,463	–	–	1,477,346
Impairment loss	–	–	–	475,223	–	92,943	–	–	–	–	568,166
Write off	–	–	–	–	(62,144)	(21,180)	(12,864)	–	–	–	(96,188)
Translation differences on consolidation	–	(110,998)	–	(60,796)	(12,697)	(23,218)	(9,485)	(6,483)	–	–	(223,677)
At 31 March 2023 and 1 April 2023	–	1,667,873	–	5,138,552	2,115,621	2,088,411	829,991	170,817	–	–	12,011,265
Depreciation charge for the year	–	171,774	–	438,166	504,126	183,846	163,837	19,533	12,324	36,257	1,529,863
Impairment loss	–	–	–	(201,509)	–	(30,364)	–	–	–	–	(231,873)
Write off	–	–	–	(1,754,216)	(45,511)	(26,608)	(24,125)	–	–	–	(1,850,460)
Attributable to discontinued operations	–	–	–	(621,062)	(24,134)	(149,681)	(67,752)	(1,535)	–	–	(864,164)
Translation differences on consolidation	–	(85,874)	–	(51,679)	(11,175)	(19,086)	(6,700)	(4,993)	–	–	(179,507)
At 31 March 2024	–	1,753,773	–	2,948,252	2,538,927	2,046,518	895,251	183,822	12,324	36,257	10,415,124
Carrying amounts											
At 31 March 2023	1,206,832	7,240,715	17,597	4,748,880	3,853,220	1,017,840	223,961	19,146	–	–	18,328,191
At 31 March 2024	1,146,511	6,709,535	16,717	2,141,685	3,476,842	532,963	350,479	769	962,506	1,240,233	16,578,240

During the financial year ended 31 March 2024, the Group has written off property, plant and equipment of carrying amount $14,388 (2023: $66,633).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold improvements and renovations $	Furniture, fittings and office equipment $	Computers and accessories $	Motor vehicles $	Total $
Company					
Cost					
At 1 April 2022	2,473,850	155,584	255,052	82,477	2,966,963
Additions	–	–	78,755	–	78,755
Write-off	–	–	(1,528)	–	(1,528)
At 31 March 2023 and 1 April 2023	2,473,850	155,584	332,279	82,477	3,044,190
Additions	–	2,462	207,738	588,604	798,804
Reclassification	–	–	–	(588,604)	(588,604)
Write-off	(1,563,781)	–	(711)	–	(1,564,492)
At 31 March 2024	910,069	158,046	539,306	82,477	1,689,898
Accumulated depreciation					
At 1 April 2022	1,826,204	74,349	195,359	57,341	2,153,253
Depreciation charge for the year	77,471	17,153	57,388	16,495	168,507
Write-off	–	–	(1,528)	–	(1,528)
At 31 March 2023 and 1 April 2023	1,903,675	91,502	251,219	73,836	2,320,232
Depreciation charge for the year	77,471	18,761	84,847	8,641	189,720
Write-off	(1,563,781)	–	(711)	–	(1,564,492)
At 31 March 2024	417,365	110,263	335,355	82,477	945,460
Carrying amounts					
At 31 March 2023	570,175	64,082	81,060	8,641	723,958
At 31 March 2024	492,704	47,783	203,951	–	744,438

(i) The carrying amounts of freehold land and buildings of the Group mortgaged as security for banking facilities (Note 24) are as follow:

	2024 $	2023 $
Freehold land	1,146,511	1,206,832
Buildings	6,709,535	7,240,715
	7,856,046	8,447,547

(ii) The Group performed impairment assessment of the property, plant and equipment relating to Chongqing Nursing Home and Changshou Nursing Home as described in Note 3. During the financial year ended 31 March 2024, the Group recognised a reversal of impairment loss of $342,998 (2023: impairment losses of $568,166) with respect to the carrying amount of property, plant and equipment held by Chongqing Nursing Home, and recognised an impairment loss of $111,124 (2023: Nil) with respect to the carrying amount of property, plant and equipment held by Changshou Nursing Home, which are attributable to discontinued operations (Note 9).

The Group has also re-performed impairment assessment of the property, plant and equipment relating to clinics providing TCM services for the current financial year ended 31 March 2024 and concluded that no reversal of impairment is to be made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

12. RIGHT-OF-USE ASSETS

	Nursing homes, office premises and health and wellness centres $	Office equipment $	Staff accommodation $	Motor vehicles $	Total $
Group					
Cost					
At 1 April 2022	62,206,577	113,041	1,084,124	559,713	63,963,455
Additions	219,431	14,890	444,311	–	678,632
Lease modification	7,283,022	–	–	–	7,283,022
Derecognition*	–	–	(33,448)	–	(33,448)
Translation differences on consolidation	(915,576)	–	(1,651)	–	(917,227)
At 31 March 2023 and 1 April 2023	68,793,454	127,931	1,493,336	559,713	70,974,434
Additions	6,297,228	–	315,786	–	6,613,014
Lease modification	1,746,391	–	–	–	1,746,391
Derecognition*	(6,878,294)	–	(21,024)	(399,606)	(7,298,924)
Reclassification	–	–	–	588,604	588,604
Attributable to discontinued operations	(6,893,841)	–	–	–	(6,893,841)
Translation differences on consolidation	(371,911)	–	(23,623)	–	(395,534)
At 31 March 2024	62,693,027	127,931	1,764,475	748,711	65,334,144
Accumulated depreciation and impairment losses					
At 1 April 2022	22,308,226	35,210	472,240	289,554	23,105,230
Depreciation charge for the year	7,206,559	27,201	515,707	122,599	7,872,066
Derecognition*	–	–	(23,833)	–	(23,833)
Impairment loss	379,875	–	–	–	379,875
Translation differences on consolidation	(104,487)	–	(554)	–	(105,041)
At 31 March 2023 and 1 April 2023	29,790,173	62,411	963,560	412,153	31,228,297
Depreciation charge for the year	7,010,739	27,201	501,168	98,748	7,637,856
Derecognition*	(6,832,229)	–	(17,520)	(399,606)	(7,249,355)
Impairment loss	46,791	–	–	–	46,791
Attributable to discontinued operations	(1,285,540)	–	–	–	(1,285,540)
Translation differences on consolidation	(72,257)	–	(22,951)	–	(95,208)
At 31 March 2024	28,657,677	89,612	1,424,257	111,295	30,282,841
Carrying amounts					
At 31 March 2023	39,003,281	65,520	529,776	147,560	39,746,137
At 31 March 2024	34,035,350	38,319	340,218	637,416	35,051,303

* Derecognition of right-of-use assets is a result of termination of lease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

12. RIGHT-OF-USE ASSETS (cont'd)

For financial year ended 31 March 2024, certain leases for staff accommodations were terminated hence right-of-use assets of carrying amount $49,569 (2023: $9,615) and its corresponding lease liabilities of $50,167 (2023: $9,647) was derecognised, resulting in a gain on termination of $598 (2023: $32).

The Group performed impairment assessment of the rights-of-use assets relating to the Chongqing Nursing Home and Changshou Nursing Home as described in Note 3. During the financial year ended 31 March 2024, the Group recognised a reversal of impairment loss of $257,982 (2023: impairment losses of $279,875) with respect to the carrying amount of rights-of-use assets held by Chongqing Nursing Home, and recognised an impairment loss of $304,773 (2023: Nil) with respect to the carrying amount of rights-of-use assets held by Changshou Nursing Home, which are attributable to discontinued operations (Note 9).

	Nursing homes and office premises $	Office equipment $	Motor vehicles $	Total $
Company				
Cost				
At 1 April 2022, 31 March 2023, 1 April 2023	9,723,061	43,540	559,713	10,326,314
Reclassification	–	–	588,604	588,604
Derecognition	(6,544,956)	–	(399,606)	(6,944,562)
Lease modification	1,198,621	–	–	1,198,621
At 31 March 2024	4,376,726	43,540	748,711	5,168,977
Accumulated depreciation				
At 1 April 2022	6,232,612	13,562	289,554	6,535,728
Depreciation charge for the year	1,532,681	8,566	122,599	1,663,846
At 31 March 2023 and 1 April 2023	7,765,293	22,128	412,153	8,199,574
Depreciation charge for the year	1,057,155	8,565	98,748	1,164,468
Derecognition	(6,544,956)	–	(399,606)	(6,944,562)
At 31 March 2024	2,277,492	30,693	111,295	2,419,480
Carrying amounts				
At 31 March 2023	1,957,768	21,412	147,560	2,126,740
At 31 March 2024	2,099,234	12,847	637,416	2,749,497

13. INVESTMENT PROPERTY

	Group	
	2024 $	**2023** $
At 1 April, at cost	7,554,242	8,091,822
Translation differences on consolidation	(377,585)	(537,580)
At 31 March, at cost	7,176,657	7,554,242

Investment property comprises a freehold land that is leased to a third party. The lease contains an initial non-cancellable period of three years with option to renew for additional three years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

13. INVESTMENT PROPERTY (cont'd)

Amounts recognised in profit or loss

	Group	
	2024	**2023**
	$	**$**
Rental income	260,844	259,589
Direct operating expenses	(5,433)	(5,594)

The fair value of the investment property, description of valuation techniques and inputs used in fair value measurement are disclosed in Note 29.

14. INTANGIBLE ASSET

During the current financial year, the Group recognised goodwill of $5,129,104 arising from the acquisition of Ambulance Medical Service Pte. Ltd. as described in Note 15. This represents synergies expected to be achieved from the comprehensive integration of the emergency ambulance services business into the existing healthcare ecosystem established within the Group. The goodwill is provisional and pending finalisation of the purchase price allocation exercise to be completed in the financial year ending 31 March 2025.

15. SUBSIDIARIES

		Company	
	Note	**2024**	**2023**
		$	**$**
Unquoted equity shares, at cost		16,291,592	8,390,226
Loans to subsidiaries	A	18,941,791	18,791,791
Investment in subsidiaries		35,233,383	27,182,017
Impairment losses		(2,593,047)	(1,813,047)
		32,640,336	25,368,970

Note A

Based on terms of the transaction, the loans to subsidiaries would be repaid at the discretion of the respective subsidiaries. The Company has classified these loans as investment in subsidiaries as these loans are in substance the Company's investment in subsidiaries.

Impairment losses

The Company assesses at each balance sheet date whether there is any objective evidence that investments in subsidiaries are impaired and determines the amount of impairment losses based on the recoverable amounts of the subsidiaries. The financial health of and near-term business outlook for the subsidiaries, including factors such as, market rates of return on investments, foreign exchange rates, industry performance, business strategy of the subsidiaries and operating cash flows to be generated from the provision of services are considered. The assumptions, risks and uncertainties are inherent in the application of accounting estimates. If business conditions were different, or if different assumptions were used in the application of these accounting estimates, it is likely that materially different amounts could be reported in the financial statements.

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. The management identified one of the subsidiaries with indicator of impairment as the subsidiary had incurred continued operating losses. The Company assessed its recoverable amount as at year end based on fair value less cost of disposal. Based on management's assessment, the Company recognised an impairment loss of $780,000 during the financial year ended 31 March 2024 on its investments in a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

15. SUBSIDIARIES (cont'd)

The movement of allowance for impairment losses in respect of investment in subsidiaries and loans to subsidiaries during the year are as follows:

	Company	
	2024	2023
	$	$
At the beginning of the year	1,813,047	1,813,047
Impairment loss	780,000	–
At the end of the year	2,593,047	1,813,047

Composition of the Group

Details of Singapore incorporated and significant foreign incorporated subsidiaries are as follows:

	Principal place of business/ Country of Incorporation	Ownership interest	
		2024	2023
		%	%
Held by the Company			
Econ Nursing Home Services (1987) Pte Ltd [(1)]	Singapore	100	100
Econ Medicare Centre Pte Ltd [(1)]	Singapore	100	100
Sunnyville Nursing Home (1996) Pte Ltd [(1)]	Singapore	100	100
Econ TCM Services Pte. Ltd. [(1)]	Singapore	100	100
Econ Careskill Training Centre (ECTC) Pte. Ltd. [(4)]	Singapore	100	100
Econ Ambulance Services Pte Ltd [(4)]	Singapore	100	100
Econ Health & Wellness Centre Pte. Ltd. [(1)]	Singapore	100	100
Econ Healthcare (M) Pte. Ltd. [(1)]	Singapore	100	100
Econ Healthcare (China) Pte. Ltd. [(1)]	Singapore	100	100
Caleb Care (Singapore) Pte. Ltd. [(4)]	Singapore	100	100
Ambulance Medical Service Pte. Ltd [(1)]	Singapore	100	–
Held through Econ Healthcare (China) Pte. Ltd.			
Chongqing Yikang Bailingbang Eldercare Co., Ltd. [(3)]	China	60	60
Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. [(3)]	China	70	70
Held through Econ Healthcare (M) Pte. Ltd.			
Econ Medicare Centre and Nursing Home Sdn Bhd [(2)]	Malaysia	100	100
Econ Healthcare (M) Sdn Bhd [(2)]	Malaysia	70	70

(1) Audited by Ernst & Young LLP (Singapore)
(2) Audited by Baker Tilly Monteiro Heng (Malaysia)
(3) Audited by Crowe China Group (China)
(4) Audited by Anchorage Assurance (Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

15. SUBSIDIARIES (cont'd)

Acquisition of Ambulance Medical Service Pte. Ltd.

On 5 March 2024, the Group completed its acquisition of 100% of the equity interest in Ambulance Medical Service Pte. Ltd. ("AMS"). AMS was established in 2007 and is in the business of providing of emergency ambulance and medical evacuation services, as well as event medical standby services. The acquisition of AMS will allow the Group to diversify its business in order to enhance its service offerings that are complementary to the Group's existing core business and integrate with its existing network of medical centres and nursing homes.

The provisional fair value of the identifiable assets and liabilities of AMS as at the date of acquisition were:

	Fair value recognised on acquisition $
Assets	
Property, plant and equipment	2,289,119
Trade and other receivables	1,292,801
Cash and cash equivalents	171,656
	3,753,576
Liabilities	
Deferred tax liabilities	(33,200)
Current tax payable	(274,099)
Trade and other payables	(674,015)
	(981,314)
Total identifiable net assets at provisional fair value	2,772,262
Provisional goodwill arising from acquisition	5,129,104
Purchase consideration transferred	7,901,366
Consideration transferred for the acquisition of AMS:	
Cash paid	7,000,000
Issuance of shares of the Company	1,728,713
Amount to be refunded to the Company	(827,347)
	7,901,366
Effect of the acquisition of AMS on cash flows:	
Consideration settled in cash	(7,000,000)
Less: Cash and cash equivalents of subsidiary acquired	171,656
Net cash outflow on acquisition	(6,828,344)

Equity instruments issued

In connection with the acquisition of AMS, the Company issued 8,910,891 ordinary shares with a fair value of $0.19 each. The fair value of these shares is the published price of the shares at the acquisition date.

Amount to be refunded to the Company

Based on the sale and purchase agreement, the final purchase price is subject to net cash/(debt) and working capital adjustments. The adjustment to the final purchase price is a decrease of $827,347, which is payable by the seller to the Company. The final purchase price exercise has been finalised subsequent to the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

15. SUBSIDIARIES (cont'd)

***Acquisition of Ambulance Medical Service Pte. Ltd.** (cont'd)*

Acquisition-related costs

The Group incurred acquisition-related costs related of $312,000 on legal fees and due diligence costs. These costs have been included in the "other operating expenses" line item in the Group's statement of comprehensive income for the year ended 31 March 2024.

Trade and other receivables

Trade and other receivables acquired amounted to $1,292,801, which is also the gross amount. It is expected that the full contractual amount of receivables can be collected.

Impact of the acquisition on profit or loss

From the date of acquisition until 31 March 2024, AMS has contributed revenue from continuing operations of $612,000 and profit before tax from continuing operations of $48,000 to the Group's results. If the acquisition had taken place at the beginning of the reporting period, the Group estimates that consolidated revenue from continuing operations would have been $58,130,000 and the consolidated profit before tax from continuing operations would have been $7,160,000.

16. ASSOCIATE

	Group	
	2024	2023
	$	$
Interest in associate	–	21,025

Name of associate/ Principal activity	Principal place of business/ Country of incorporation	Ownership interest		Voting rights held	
		2024	2023	2024	2023
		%	%	%	%
Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. Operation of a Nursing Home	China	20	20	20	20

As at 31 March 2024 and 31 March 2023, the associate has a registered capital of RMB5,000,000, which shall be paid-up before 31 January 2040. There was no capital injection by the Group into this associate during the financial years ended 31 March 2024 and 31 March 2023.

The Group has significant influence via shareholders' agreement, and which requires any board resolution to be approved by a simple majority of the votes cast by the directors of Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. The Group is able to appoint and has appointed one out of five directors of the Board of the entity.

During the year, the associate was classified as part of the disposal group held for sale. The carrying amount of the Group's interest in its associate was presented as "assets held for sale" and its share of results was presented separately on consolidated income statement as "profit/(loss) from discontinued operations, net of tax". The summarised financial information of the associate, which is prepared in accordance with SFRS(I), modified for differences in the Group's accounting policies, were disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

17. DEFERRED TAX

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2024	2023	2024	2023
	$	$	$	$
Group				
Property, plant and equipment	–	–	223,199	807,497
Leases	(273,877)	(272,011)	–	–
Provisions	(52,094)	(23,196)	–	–
Investment allowance	(238,000)	–	–	–
Tax loss and capital allowance carry-forwards	–	(194,344)	–	–
Deferred tax (assets)/liabilities	(563,971)	(489,551)	223,199	807,497
Set-off of tax within the same jurisdiction	199,767	381,989	(199,767)	(381,989)
Net deferred tax (assets)/liabilities	(364,204)	(107,562)	23,432	425,508
Company				
Property, plant and equipment	–	–	63,645	47,573
Leases	(25,337)	(29,696)	–	–
Provisions	(24,812)	(13,594)	–	–
Investment allowance	(238,000)	–	–	–
Deferred tax (assets)/liabilities	(288,149)	(43,290)	63,645	47,573
Set-off of tax	63,645	43,290	(63,645)	(43,290)
Net deferred tax (assets)/liabilities	(224,504)	–	–	4,283

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

17. DEFERRED TAX (cont'd)

Movements in deferred tax balances

	As at 1 April 2022 $	Recognised in profit or loss (Note 8) $	Exchange difference $	As at 31 March 2023 $	Recognised in profit or loss $	Acquisition of a subsidiary $	Exchange difference $	As at 31 March 2024 $
Group								
Property, plant and equipment	656,961	182,205	(31,669)	807,497	(625,237)	56,917	(15,978)	223,199
Leases	(262,903)	(12,164)	3,056	(272,011)	(17,276)	–	15,410	(273,877)
Provisions	(24,402)	1,206	–	(23,196)	(5,181)	(23,717)	–	(52,094)
Investment allowances	–	–	–	–	(238,000)	–	–	(238,000)
Tax loss and capital allowance carry-forwards	(145,982)	(59,686)	11,324	(194,344)	187,366	–	6,978	–
	223,674	111,561	(17,289)	317,946	(698,328)	33,200	6,410	(340,772)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

17. DEFERRED TAX (cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 $	2023 $
Deductible temporary differences	331,735	408,429
Tax losses	848,978	1,286,832
	1,180,713	1,695,261

At the end of reporting period, the Group has tax losses of $848,978 (2023: $1,286,832) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. As at 31 March 2024, the tax losses from Malaysia have expiry date as shown below.

Expiry date	Unrecognised tax losses $
2029	1,872
2032	216,894
2033	374,151
2034	256,061

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 $	2023 $	2024 $	2023 $
Trade receivables – third parties	3,150,480	1,775,240	–	–
Less: Impairment losses	(284,656)	(272,814)	–	–
	2,865,824	1,502,426	–	–
Trade amounts due from:				
– subsidiaries	–	–	5,065,171	3,638,495
Less: impairment losses	–	–	(1,054,596)	(690,288)
Total trade receivables	2,865,824	1,502,426	4,010,575	2,948,207
Receivables for operating subvention grants	2,261,275	1,637,037	–	–
Aggregate of trade receivables and receivables for operating subvention grants	5,127,099	3,139,463	4,010,575	2,948,207
Other government grant receivables	3,447,312	2,267,695	77,134	171,043
Other receivables	870,135	206,699	848,207	44,299
Staff advances	13,797	28,650	–	–
Deposits	2,729,438	1,991,181	767,613	766,159
Non-trade amounts due from subsidiaries	–	–	2,532,928	2,395,010
Less: impairment losses on non-trade amounts due from subsidiaries	–	–	(677,860)	(585,800)
	12,187,781	7,633,688	7,558,597	5,738,918
Prepayments	471,507	393,476	172,030	271,085
	12,659,288	8,027,164	7,730,627	6,010,003
Non-current	2,301,782	1,735,801	3,275,059	2,892,159
Current	10,357,506	6,291,363	4,455,568	3,117,844
	12,659,288	8,027,164	7,730,627	6,010,003

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

18. TRADE AND OTHER RECEIVABLES (cont'd)

Trade receivables are non-interest bearing and are generally on terms of 10-30 days.

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The Group's non-current amounts relate mainly to security deposits paid for leased premises. The security deposits are interest-free and are refundable at lease expiry or earlier termination of the lease.
The Company's non-current amounts relate mainly to trade amounts due from subsidiaries, which are unsecured, interest-free, repayable on demand and not expected to be repaid within 12 months.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 30.

19. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Cash at bank and in hand	13,378,165	14,221,355	1,752,770	2,455,185
Fixed deposits	2,803,173	10,399,418	2,767,798	10,334,143
Cash and short-term deposits in statements of financial position	16,181,338	24,620,773	4,520,568	12,789,328
Less: Fixed deposits with maturity more than 90 days at year end	(35,375)	(34,852)		
Less: Restricted fixed deposit	(28,332)	(29,289)		
Add: Cash at bank attributable to disposal group classified as held for sale (Note 9)	1,453,755	–		
Cash and cash equivalents in consolidated statement of cash flows	17,571,386	24,556,632		

The Group's effective interest rate relating to fixed deposits with financial institutions was 2.9% (2023: 3.1%) per annum.

The restricted fixed deposit is placed in a financial institution by one of the subsidiaries as a performance guarantee required for the operation of a nursing home and interest bearing at 0.2% (2023: 0.3%) per annum.

20. PROVISION FOR RESTORATION COSTS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
At beginning of financial year	639,333	632,118	217,818	216,558
Provision made during the year	236,767	657	–	–
Provision reversed during the year	(135,779)	(404)	(135,779)	–
Utilised	(17,460)	–	–	–
Unwinding of discount	10,258	6,962	1,283	1,260
At the end of financial year	733,119	639,333	83,322	217,818

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

21. DEFERRED CAPITAL GRANTS

	Group	
	2024	2023
	$	$
At the beginning of the year	3,197,014	1,606,194
Capital grants received/receivable during the year	786,930	1,980,105
Capital grants accrued during the year	572,790	–
Amortisation for the year	(586,463)	(320,773)
Exchange differences	(42,454)	(68,512)
Attributable to discontinued operations	(1,327,880)	–
At 31 March	2,599,937	3,197,014

Deferred capital grants comprise government grants received for the purpose of furnishing and equipping of the nursing homes.

22. LEASES

Leases as lessee

The Group leases office premises, office equipment, motor vehicles, staff apartments and properties for its nursing homes, physiotherapy services, health and wellness centres and TCM services. Office premises, five nursing home premises and staff accommodation of the Group with carrying amount of $16,104,275 (2023: $17,931,588) are leased from the immediate holding company and affiliate companies. The rent rates were determined based on an independent valuation. The leases typically run for a period of three to ten years, with an option to renew.

Some of the health and wellness centres and office premises have been sub-let by the Group for a period of one to two years.

The Group also leases staff accommodation which the lease typically runs for a period of less than one year and is a short-term lease. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Amounts recognised in profit or loss

	Group	
	2024	2023
	$	$
Interest expense on lease liabilities	1,079,448	1,243,526
Interest income from finance lease arrangements	–	(152)
Income from sub-leasing right-of-use assets presented in 'other income'	–	(1,556)
Expenses relating to short-term leases presented in 'staff costs' (Note 7)	255,289	218,146

Amounts recognised in consolidated statement of cash flows

	Group	
	2024	2023
	$	$
Total cash outflow for leases	8,812,576	8,826,560

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

22. LEASES (cont'd)

Extension options

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has assessed at lease commencement date that it is reasonably certain for the Group to exercise the extension option and has included the extension options in the computation of the leased asset.

Leases as lessor

The Group leases out its leased property as well as investment property as disclosed in Note 13. All leases are classified as operating leases from a lessor's perspective with the exception of a sub-lease, which the Group has classified as a finance sub-lease.

Finance lease

The Group sub-leased one of its health and wellness centres that has been presented as part of a right-of-use asset.

In 2023, the Group recognised interest income on finance lease receivables of $152.

Operating lease

The Group leases out its investment property and sub-leases out its health and wellness centres and office premises. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from property sublease and investment property recognised by the Group during 2024 was $260,844 (2023: $261,145).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2024	2023
	$	$
Within 1 year	278,234	270,559
1 to 5 years	–	288,596
	278,234	559,155

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

23. LEASE LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Non-current liabilities	29,651,770	35,542,467	1,995,579	1,023,858
Current liabilities	7,002,760	6,770,360	466,665	1,221,206
	36,654,530	42,312,827	2,462,244	2,245,064

The terms and conditions of lease liabilities are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
		%		$	$
Group					
31 March 2024					
Lease liabilities	SGD	0.48%-6.33%	2024-2034	37,732,465	34,001,738
	MYR	5.42%-5.67%	2025-2039	3,847,378	2,652,792
				41,579,843	36,654,530
31 March 2023					
Lease liabilities	SGD	0.48%-5.97%	2024-2034	35,847,124	33,187,995
	MYR	4.32%-5.67%	2024-2039	3,453,850	2,285,229
	RMB	4.90%	2039-2040	10,140,712	6,839,603
				49,441,686	42,312,827
Company					
31 March 2024					
Lease liabilities	SGD	2.07%-5.86%	2029	2,822,560	2,462,244
31 March 2023					
Lease liabilities	SGD	2.07%-3.01%	2026	2,307,948	2,245,064

24. LOANS AND BORROWINGS

	Group	
	2024	2023
	$	$
Non-current liabilities		
Secured bank loans	1,241,881	1,798,157
Current liabilities		
Unsecured bank loans	1,913,487	2,815,298
Secured bank loans	468,414	469,262
	2,381,901	3,284,560
Total loans and borrowings	3,623,782	5,082,717

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

24. LOANS AND BORROWINGS (cont'd)

These loans and borrowings have externally imposed financial covenants requirements on the Group which have been complied with for the financial years ended 31 March 2024 and 2023.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 30.

The terms and conditions of outstanding loans and borrowings are as follows:

	Note	Currency	Nominal interest rate %	Year of maturity	Face value $	Carrying amount $
31 March 2024						
Group						
Secured bank loans	A	MYR	Base lending rate – 1.25%	2027	1,710,295	1,710,295
Unsecured revolving credit		MYR	Cost of funds 1.50%	2024	1,913,487	1,913,487
					3,623,782	3,623,782
31 March 2023						
Group						
Unsecured bank loans		SGD	SIBOR + 2%	2023	801,137	801,137
Secured bank loans	A	MYR	Base lending rate – 1.25%	2027	2,267,419	2,267,419
Unsecured revolving credit		MYR	Cost of funds 1.50%	2023	2,014,161	2,014,161
					5,082,717	5,082,717

(A) The bank loan is secured on the Group's freehold land and building amounting to $7,856,046 (2023: $8,447,547) (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

24. LOANS AND BORROWINGS (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	Liabilities			
		Bank loans and revolving credit $	Lease liabilities $	Interest payable $	Total $
Balance at 1 April 2023		5,082,717	42,312,827	3,195	47,398,739
Changes from financing cash flows					
Repayment of borrowings		(1,251,504)	–	–	(1,251,504)
Payment of principal portion of lease liabilities		–	(7,414,652)	–	(7,414,652)
Interest paid		–	(1,397,924)	(214,114)	(1,612,038)
Total changes from financing cash flows		(1,251,504)	(8,812,576)	(214,114)	(10,278,194)
The effect of change in foreign exchange rates		(207,431)	(346,722)	–	(554,153)
Attributable to discontinued operations	9	–	(6,356,163)	–	(6,356,163)
Liability-related other changes					
New leases		–	6,763,014	–	6,763,014
Lease modification	12	–	1,746,391	–	1,746,391
Derecognition		–	(50,167)	–	(50,167)
Interest expense	6	–	1,397,926	210,919	1,608,845
Total liability-related other changes		–	9,857,164	210,919	10,068,083
Balance at 31 March 2024		3,623,782	36,654,530	–	40,278,312
Balance at 1 April 2022		7,144,883	42,831,248	4,432	49,980,563
Changes from financing cash flows					
Repayment of borrowings		(1,732,893)	–	–	(1,732,893)
Payment of principal portion of lease liabilities		–	(7,583,032)	–	(7,583,032)
Interest paid		–	(1,243,528)	(269,363)	(1,512,891)
Total changes from financing cash flows		(1,732,893)	(8,826,560)	(269,363)	(10,828,816)
The effect of change in foreign exchange rates		(329,273)	(887,394)	–	(1,216,667)
Liability-related other changes					
New leases	12	–	678,632	–	678,632
Lease modification	12	–	7,283,022	–	7,283,022
Derecognition	12	–	(9,647)	–	(9,647)
Interest expense	6	–	1,243,526	268,126	1,511,652
Total liability-related other changes		–	9,195,533	268,126	9,463,659
Balance at 31 March 2023		5,082,717	42,312,827	3,195	47,398,739

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	$	$	$	$
Trade payables				
– third parties	1,257,036	1,050,066	–	–
Non-trade amount due to subsidiaries	–	–	181,318	1,010,750
Accrued operating expenses	2,824,916	2,915,557	1,313,012	927,400
Interest payables	–	3,195	–	–
Other payables	682,699	666,511	49,494	81,222
Payables to suppliers of property, plant and equipment	331,477	1,166,346	330,278	330,278
Refundable deposits	1,530,180	1,465,078	–	–
Financial liabilities at amortised cost	6,626,308	7,266,753	1,874,102	2,349,650
Deferred grant income	122,460	320,657	–	–
Liability for short-term accumulated compensated absences	307,993	140,287	145,951	79,962
Home fees collected in advance	99,406	189,094	–	–
	7,156,167	7,916,791	2,020,053	2,429,612

Trade payables are interest-free and are normally settled on 30-day terms.

Non-trade amounts due to subsidiaries are unsecured, interest-free, repayable on demand in cash.

As at 31 March 2024 and 31 March 2023, deferred grant income includes pre-operations funding for nursing home services that is provided to the Group to facilitate the ramping up of new nursing home operations.

The Group's exposures to currency risk and liquidity risk related to trade and other payables are disclosed in Note 30.

26. SHARE CAPITAL

	Number of shares		Amount	
	2024	2023	2024	2023
Group and Company				
Issued and fully paid ordinary shares, at par value:				
At beginning of period	257,000,000	257,000,000	28,254,576	28,254,576
Shares issued (Note 15)	8,910,891	–	1,728,713	–
At the end of period	265,910,891	257,000,000	29,983,289	28,254,576

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

27. RESERVES

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Merger reserve

Merger reserve represents reserve arising from the business combinations under common control.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

28. NON-CONTROLLING INTERESTS

Names of subsidiaries	Principal places of business / Country of incorporation	Ownership interests held by NCI 2024 %	2023 %
Econ Healthcare (M) Sdn Bhd	Malaysia	30	30
Chongqing Yikang Bailingbang Eldercare Co., Ltd.	China	40	40
Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd.	China	30	30

The following summarised financial information for the above subsidiaries are prepared in accordance with Singapore Financial Reporting Standards (International), modified for differences in the Group's accounting policies.

	Econ Healthcare (M) Sdn Bhd $	Chongqing Yikang Bailingbang Eldercare Co., Ltd. $	Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. $	Total $
Group				
2024				
Revenue	2,806,755	483,658	181,026	3,471,439
Profit/(loss) for the year	130,225	766,288	(479,592)	416,921
Other comprehensive income	94,500	(26,510)	(32,767)	35,223
Total comprehensive income	224,725	739,778	(512,359)	452,144
Attributable to NCI				
– Profit/(loss)	39,067	306,516	(143,879)	201,704
– OCI	28,350	(10,604)	(9,830)	7,916
– **Total comprehensive income**	67,418	295,912	(153,709)	209,620
Non-current assets	1,777,378	1,699,020	7,298,435	10,774,833
Current assets	1,073,135	1,279,662	799,591	3,152,388
Non-current liabilities	–	(1,151,336)	(6,274,491)	(7,425,827)
Current liabilities	(4,554,464)	(458,740)	(1,110,208)	(6,123,412)
Net (liabilities)/assets	(1,703,951)	1,368,606	713,327	377,982
Net (liabilities)/assets attributable to NCI	(511,185)	547,442	51,422	87,679
Cash flows generated from/(used in) operating activities	640,154	105,609	(25,335)	720,428
Cash flows used in investing activities	(5,737)	(73,285)	(476,941)	(555,963)
Cash flows (used in)/from financing activities	(78,709)	–	496,647	417,938
Net increase/(decrease) in cash and cash equivalents	555,708	32,324	(5,629)	582,403

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

28. NON-CONTROLLING INTERESTS (cont'd)

	Econ Healthcare (M) Sdn Bhd $	Chongqing Yikang Bailingbang Eldercare Co., Ltd. $	Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. $	Total $
Group				
2023				
Revenue	2,531,094	486,177	9,206	3,026,477
Loss for the year	(373,928)	(1,074,671)	(482,975)	(1,931,574)
Other comprehensive income	121,547	(133,705)	(89,613)	(101,771)
Total comprehensive income	(252,381)	(1,208,376)	(572,588)	(2,033,345)
Attributable to NCI				
– Loss	(112,178)	(429,868)	(144,893)	(686,939)
– OCI	36,464	(53,482)	(26,884)	(43,902)
– **Total comprehensive income**	(75,714)	(483,350)	(171,777)	(730,841)
Non-current assets	2,118,048	1,187,812	8,001,953	11,307,813
Current assets	583,461	1,263,784	888,582	2,735,827
Non-current liabilities	–	(1,280,390)	(6,495,347)	(7,775,737)
Current liabilities	(4,630,183)	(542,377)	(1,673,755)	(6,846,315)
Net (liabilities)/assets	(1,928,674)	628,829	721,433	(578,412)
Net (liabilities)/assets attributable to NCI	(578,602)	251,532	93,919	(233,151)
Cash flows generated from operating activities	28,964	69,527	305,000	403,491
Cash flows (used in)/from investing activities	(28,671)	(309,649)	60,462	(277,858)
Cash flows from/(used in) financing activities	194,952	(35,365)	(199,549)	(39,962)
Net increase/(decrease) in cash and cash equivalents	195,245	(275,487)	165,913	85,671

29. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the assets or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value hierarchy is not included as the carrying amounts of financial assets and financial liabilities are reasonable approximation of fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

29. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

	Note	Carrying amount		
		Financial assets measured at amortised cost $	Other financial liabilities $	Total carrying amount $
Group				
31 March 2024				
Financial assets not measured at fair value				
Cash and short-term deposits	19	16,181,338	–	16,181,338
Trade and other receivables^	18	12,187,781	–	12,187,781
		28,369,119	–	28,369,119
Financial liabilities not measured at fair value				
Loans and borrowings	24	–	(3,623,782)	(3,623,782)
Trade and other payables *	25	–	(6,626,308)	(6,626,308)
		–	(10,250,090)	(10,250,090)
31 March 2023				
Financial assets not measured at fair value				
Cash and short-term deposits	19	24,620,773	–	24,620,773
Trade and other receivables^	18	7,633,688	–	7,633,688
		32,254,461	–	32,254,461
Financial liabilities not measured at fair value				
Loans and borrowings	24	–	(5,082,717)	(5,082,717)
Trade and other payables *	25	–	(7,266,753)	(7,266,753)
		–	(12,349,470)	(12,349,470)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

29. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

	Note	Carrying amount: Financial assets measured at amortised cost $	Carrying amount: Other financial liabilities $	Carrying amount: Total carrying amount $
Company				
31 March 2024				
Financial assets not measured at fair value				
Cash and short-term deposits	19	4,520,568	–	4,520,568
Trade and other receivables^	18	7,558,597	–	7,558,597
		12,079,165	–	12,079,165
Financial liabilities not measured at fair value				
Trade and other payables*	25	–	(1,874,102)	(1,874,102)
31 March 2023				
Financial assets not measured at fair value				
Cash and short-term deposits	19	12,789,328	–	12,789,328
Trade and other receivables^	18	5,738,918	–	5,738,918
		18,528,246	–	18,528,246
Financial liabilities not measured at fair value				
Trade and other payables*	25	–	(2,349,650)	(2,349,650)

^ Excludes prepayments.
* Excludes home fees collected in advance, liability for short-term accumulated compensated absences and deferred grant income.

Measurement of fair values

Other financial assets and liabilities

The notional amounts of financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity. For non-current trade and other receivables, the carrying amounts are reasonable approximation of fair values as the consideration of time value of money is not material.

Loans and borrowings

The notional amount of bank loans are assumed to approximate their fair values because of the floating interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

29. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

Assets measured at fair value

The table below analyses assets measured at fair value.

	Level 1 $	Level 2 $	Level 3 $	Total $
Group				
31 March 2024				
Investment in quoted securities measured at FVTPL	1,069,360	–	–	1,069,360
31 March 2023				
Investment in quoted securities measured at FVTPL	755,110	–	–	755,110

Assets not carried at fair value but for which fair values are disclosed

The table below analyses assets not carried at fair value, but for which fair values are disclosed.

	Level 1 $	Level 2 $	Level 3 $	Total $
Group				
31 March 2024				
Investment property	–	–	7,168,000	7,168,000
31 March 2023				
Investment property	–	–	7,546,000	7,546,000

The fair value of investment property located in Malaysia is determined by an independent valuer who has appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value of investment property is based on market value using direct comparison method. It is an estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Due adjustments for difference between the properties and the comparables in terms of location, tenure, size, shape, floor level, age and conditions of properties and date of transactions affecting its value were made in arriving the fair value of investment property.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

30. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and process for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all the employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations to the Group, as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Judgement is involved in determining whether credit risk of a financial asset has increased significantly since initial recognition and estimations are involved when determining expected credit losses. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates.

Financial assets measured at amortised cost

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. To minimise the risk of bad debts, residents are generally requested to place an initial deposit at the time of admission to the nursing home.

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of 10 to 30 days. In monitoring residents credit risk, residents are grouped according to their credit characteristics, including trade history with the Group, aging profile and existence of previous financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

30. FINANCIAL RISK MANAGEMENT (cont'd)

***Credit risk** (cont'd)*

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by geographical segment was as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Singapore	11,883,978	6,561,298	7,558,597	5,738,918
Malaysia	303,803	295,791	–	–
China	–	776,599	–	–
	12,187,781	7,633,688	7,558,597	5,738,918

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by customer type was:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Group				
Individuals	2,802,292	1,502,426	827,347	–
Corporations	3,620,317	1,991,181	767,613	766,159
Government and government agencies	5,708,587	4,050,751	77,134	171,043
Subsidiaries	–	–	5,865,643	4,757,417
Others	56,585	89,330	20,860	44,299
	12,187,781	7,633,688	7,558,597	5,738,918

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by operating segments was:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Group				
Medicare centres and nursing homes	9,105,128	6,548,939	–	–
Other operation and ancillary services	3,082,653	1,084,749	7,558,597	5,738,918
	12,187,781	7,633,688	7,558,597	5,738,918

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

30. FINANCIAL RISK MANAGEMENT (cont'd)

***Credit risk** (cont'd)*

The ageing of trade and other receivables, excluding prepayments at the reporting date was:

	2024		2023	
	Not credit-impaired $	Credit-impaired $	Not credit-impaired $	Credit-impaired $
Group				
No credit terms	9,321,957	–	6,131,262	–
Not past due	1,537,351	–	847,654	–
Past due 1 – 30 days	560,269	–	239,564	–
Past due 31 – 180 days	714,435	–	415,163	–
Past due 181 – 365 days	75,750	1,114	10,472	–
More than one year	7,672	253,889	1,035	261,352
Total gross carrying amount	12,217,434	255,003	7,645,150	261,352
Loss allowance	(29,653)	(255,003)	(11,462)	(261,352)
	12,187,781	–	7,633,688	–

	2024		2023	
	Not credit-impaired $	Credit-impaired $	Not credit-impaired $	Credit-impaired $
Company				
No credit terms	3,548,022	677,860	2,790,711	585,800
Not past due	17,220	192,984	165,245	–
Past due 1 – 30 days	406,549	3,815	161,711	14,226
Past due 31 – 180 days	941,206	84,643	946,271	78,093
Past due 181 – 365 days	507,600	81,648	346,680	50,932
More than one year	2,138,000	691,506	1,328,300	547,037
Total gross carrying amount	7,558,597	1,732,456	5,738,918	1,276,088
Loss allowance	–	(1,732,456)	–	(1,276,088)
	7,558,597	–	5,738,918	–

Expected credit loss assessment for third parties trade receivables

The Group uses specific approach together with an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are based on actual credit loss experience over the past three years. The Group assessed that the past credit loss experience reflects the credit risk exposure of the Group.

These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. These scalar factors are calculated using statistical models that determine numeric co-relation of loss rates with relevant economic variables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

30. FINANCIAL RISK MANAGEMENT (cont'd)

***Credit risk** (cont'd)*

The following table provides information about the exposure to credit risk and ECLs for third party trade receivables:

	Weighted average loss rate %	Gross $	Impairment losses $
Group			
31 March 2024			
Not past due	0.16	1,537,353	(2,448)
Past due 1 – 30 days	0.45	560,269	(2,530)
Past due 31 – 180 days	1.06	714,435	(7,559)
Past due 181 – 365 days	18.31	76,862	(14,070)
More than one year	98.66	261,561	(258,049)
Total	9.04	3,150,480	(284,656)
31 March 2023			
Not past due	0.08	847,654	(664)
Past due 1 – 30 days	0.66	239,564	(1,584)
Past due 31 – 180 days	0.93	415,163	(3,843)
Past due 181 – 365 days	48.86	10,472	(5,117)
More than one year	99.70	262,387	(261,606)
Total	15.37	1,775,240	(272,814)

Movements in allowance for impairment in respect of trade receivables

The movements in the allowance for expected credit loss in respect of trade receivables during the year were as follows:

	Group 2024 $	Group 2023 $
At 1 April	272,814	323,697
Expected credit loss allowance/(reversal)	26,386	(35,290)
Utilised	(14,544)	(15,593)
At 31 March	284,656	272,814

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

30. FINANCIAL RISK MANAGEMENT (cont'd)

***Credit risk** (cont'd)*

Receivables for operating subvention grants, other government grant receivables, staff advances, other receivables and deposits

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Group and Company consider that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant.

Trade amounts due from subsidiaries - Company

Based on the Company's historical experience in the collection of trade amounts due from subsidiaries, no credit loss was incurred except for a subsidiary for which credit risk has increased significantly due to deficiency in working capital and equity. The management assessed specifically the probability of recovery to those balances and recognised the differences as impairment loss.

	Company Lifetime ECL – credit impaired	
	2024 $	2023 $
At 1 April	690,288	355,722
Impairment loss recognised	364,308	334,566
At 31 March	1,054,596	690,288

Non-trade amounts due from subsidiaries - Company

Non-trade amounts extended to subsidiaries are to satisfy its funding requirements. The loss allowance was measured at an amount equal to 12-month ECLs unless the credit risk has increased significantly and for such receivables, the loss allowance was measured at an amount equal to lifetime expected credit losses. The management assessed specifically the probability of recovery to these balances and recognised the difference as impairment loss.

	Company Lifetime ECL – credit impaired	
	2024 $	2023 $
At 1 April	585,800	308,845
Impairment loss recognised	92,060	276,955
At 31 March	677,860	585,800

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

30. FINANCIAL RISK MANAGEMENT (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group monitors its liquidity risk and maintains a level of cash and short-term deposits deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group is confident that the cash flows generated from its operations will continue to be adequate and that it has sufficient funds arising from net proceeds from the offering for its operational needs.

The following are the expected contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

			Cash flows		
	Carrying amount $	Contractual cash flows $	Within 1 year $	1 to 5 years $	More than 5 years $
Group					
31 March 2024					
Non-derivative financial liabilities					
Loans and borrowings	3,623,782	(3,790,837)	(2,463,076)	(1,327,761)	–
Lease liabilities	36,654,530	(41,579,843)	(8,271,060)	(27,715,417)	(5,593,366)
Trade and other payables*	6,626,308	(6,626,308)	(6,626,308)	–	–
	46,904,620	(51,996,988)	(17,360,444)	(29,043,178)	(5,593,366)
31 March 2023					
Non-derivative financial liabilities					
Loans and borrowings	5,082,717	(5,367,570)	(3,370,277)	(1,997,293)	–
Lease liabilities	42,312,827	(49,441,686)	(8,155,221)	(28,455,165)	(12,831,300)
Trade and other payables*	7,266,753	(7,266,753)	(7,266,753)	–	–
	54,662,297	(62,076,009)	(18,792,251)	(30,452,458)	(12,831,300)
Company					
31 March 2024					
Non-derivative financial liabilities					
Lease liabilities	2,462,244	(2,822,560)	(595,968)	(2,226,592)	–
Trade and other payables*	1,874,102	(1,874,102)	(1,874,102)	–	–
	4,336,346	(4,696,662)	(2,470,070)	(2,226,592)	–
31 March 2023					
Non-derivative financial liabilities					
Lease liabilities	2,245,064	(2,307,948)	(1,260,372)	(1,047,576)	–
Trade and other payables*	2,349,650	(2,349,650)	(2,349,650)	–	–
	4,594,714	(4,657,598)	(3,610,022)	(1,047,576)	–

* Excludes home fees collected in advance, liability for short-term accumulated compensated absences and deferred grant income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

30. FINANCIAL RISK MANAGEMENT (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing financial liabilities. The Group's objective is to maintain a balance of fixed and floating rate borrowings as well as a balanced maturity period.

The Group does not hedge its exposure to changes in interest rates on interest-bearing borrowings.

	Nominal amount	
	2024	**2023**
	$	**$**
Group		
Fixed rate instruments		
Fixed deposits	2,803,173	10,234,852
Lease liabilities	(36,654,530)	(42,312,827)
	(33,851,357)	(32,077,975)
Variable rate instruments		
Loans and borrowings	(3,623,782)	(5,082,717)
Company		
Fixed rate instruments		
Lease liabilities	(2,462,244)	(2,245,064)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flows sensitivity analysis for variable rate instruments

At the end of the reporting period, if interest rates had been 200 (2023: 200) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $72,476 (2023: $101,654) higher/lower.

Foreign currency risk

The Group has minimal exposure to foreign currency risks as transactions are mainly denominated in the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Singapore Dollar, Malaysian Ringgit and Chinese Renminbi.

31. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group considers the amount of equity attributable to the owners of the Company as capital. The Board of Directors monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a net debt to equity ratio, which is "net debt" divided by "equity". For this purpose, net debt is defined as total liabilities (as shown in the statement of financial position) less cash and short-term deposits. Equity comprises all components of equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

31. CAPITAL MANAGEMENT (cont'd)

	Group	
	2024	2023
	$	$
Total liabilities	60,886,543	60,745,761
Less: cash and short-term deposits	(16,181,338)	(24,620,773)
Net debt	44,705,205	36,124,988
Total equity	44,487,693	38,524,893
Net debt to equity ratio	1.00	0.94

No changes were made in the objectives, policies or processes during the years ended 31 March 2024 and 2023.

As disclosed in Note 24, there are loans and borrowings that have externally imposed capital requirements on the Group which have been complied with for the financial years ended 31 March 2024 and 2023.

32. FINANCIAL GUARANTEES

Bank loans taken up by a subsidiary have been guaranteed by the Group and/or the Company.

There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and certainty of the Group's and the Company's future cash flows. Estimates of the Group's and the Company's obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with certainty. The assumptions made may vary from actual experience so that the actual liability may vary considerably from the best estimates.

The maximum exposure of the Group and Company in respect of the inter-group financial guarantee for the facilities drawn down by subsidiary at the reporting date is as follows:

	2024	2023
	$	$
Bank loan guaranteed by the Company in respect of facilities drawn down by a subsidiary		
Facility amount		
– Term loan and overdraft^^	4,940,794	5,200,743
– Revolving credit#	1,999,165	2,104,347
Outstanding amount		
– Term loan and overdraft^^	1,710,295	2,267,419
– Revolving credit#	1,913,487	2,014,161

The maximum amount of financial guarantees of the Company could be called in one year or less as the guarantee could be called upon a trigger event of default.

^^ The bank loans were guaranteed by corporate guarantee from the Company and secured on the Group's freehold land and building as described in Note 11.
# The bank loan is guaranteed by corporate guarantee from the Company.

At the reporting date, the Group and Company do not consider it probable that a claim will be made against the Company under the financial guarantees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

33. RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors and senior management team are considered as key management personnel.

	Group	
	2024	**2023**
	$	**$**
Post-employment benefits	44,372	43,945
Non-monetary benefit	126,374	152,076
Short term employee benefits including director fees	1,326,239	1,146,590
	1,496,985	1,342,611

Non-monetary benefit consists of company-funded motor vehicle where the benefit is estimated based on the value of benefit derived from the key management personnel's business usage of the motor vehicle.

Other related party transactions

On terms agreed between the parties, other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	Group	
	2024	**2023**
	$	**$**
Related corporations*		
Management fee income	(23,400)	(23,400)

* Related corporations are other related parties not within the Group that are owned by the majority shareholder.

34. OPERATING SEGMENTS

The Group has two (2) reportable segments, as described below, which are the Group's strategic business units. The strategic businesses are managed separately because they require different operation needs and marketing strategies. For each operating segment, the Group's Chief Executive Officer (the chief operating decision maker) reviews the internal management reports on a monthly basis.

For the purpose of financial reporting, the following summary describes the operations in each of the Group's reportable segments:

- Medicare centres and nursing homes : Include provision of residential nursing care services, home care services, physiotherapy and rehabilitation services, clinical services and TCM treatments in medicare centres and nursing homes.
- Other operation and ancillary services : Include provision of management services, course fees, the offering of TCM services at our TCM clinics and other ancillary services.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

34. OPERATING SEGMENTS (cont'd)

Information regarding the results of each reportable segments is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Medicare centres and nursing homes $	Medicare centres and nursing homes (Discontinued operations) $	Other operation and ancillary services $	Eliminations and adjustments $	Total $
Group					
2024					
Revenue					
External revenue	49,316,477	664,684	1,469,747	(664,684)	50,786,224
Inter-segment revenue	–	–	9,967,108	(9,967,108)	–
Results:					
Segment results	7,344,439	599,749	24,456	(342,788)	7,625,856
Finance costs, net	(2,187,634)	(294,210)	121,241	1,365,523	(995,080)
Unallocated expenses: Fair value losses on investments in quoted securities	–	–	–	–	(73,360)
Unallocated expenses: Gain on disposal of investments in quoted shares	–	–	–	–	26,500
Profit before tax	5,156,805	305,539	145,697	1,022,735	6,583,916
Assets:					
Segment assets	76,850,201	–	76,785,159	(59,787,432)	93,847,928
Tax assets	196,066	–	230,597	–	426,663
Assets of disposal group classified as held for sale	–	11,099,645	–	–	11,099,645
Total assets	77,046,267	11,099,645	77,015,756	(59,787,432)	105,374,236

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

34. OPERATING SEGMENTS (cont'd)

***Information about reportable segments** (cont'd)*

	Medicare centres and nursing homes $	Medicare centres and nursing homes (Discontinued operations) $	Other operation and ancillary services $	Eliminations and adjustments $	Total $
Group					
Liabilities:					
Segment liabilities	74,373,213	–	34,496,996	(58,102,674)	50,767,535
Tax liabilities	826,069	–	298,164		1,124,233
Liabilities directly associated with disposal group classified as held for sale	–	8,994,775	–	–	8,994,775
Total liabilities	75,199,282	8,994,775	34,795,160	(58,102,674)	60,886,543
Capital expenditure from continuing operations	700,765	–	806,635	–	1,507,400
Capital expenditure to non-current assets of disposal group classified as held for sale	–	299,592	–	–	299,592
Total capital expenditure	700,765	299,592	806,635	–	1,806,992
Significant non-cash items					
Depreciation of property, plant and equipment	1,110,394	169,230	250,239	(169,230)	1,360,633
Depreciation of right-of-use assets	6,123,409	166,537	1,347,910	(166,537)	7,471,319
Amortisation of deferred capital grant	(433,706)	(151,413)	(1,344)	151,413	(435,050)
Impairment losses on trade receivables	26,386	–	–	–	26,386

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

34. OPERATING SEGMENTS (cont'd)

Information about reportable segments *(cont'd)*

	Medicare centres and nursing homes $	Medicare centres and nursing homes (Discontinued operations) $	Other operation and ancillary services $	Eliminations $	Total $
Group					
2023					
Revenue					
External revenue	42,123,212	495,383	888,939	(495,383)	43,012,151
Inter-segment revenue	–	–	9,332,952	(9,332,952)	–
Results:					
Segment results	7,667,298	(1,273,777)	187,944	1,520,011	8,101,476
Finance costs, net	(2,464,773)	(283,870)	127,883	1,677,869	(942,891)
Unallocated expenses: Fair value gains on investments in quoted securities	–	–	–	–	58,928
Profit before tax	5,202,525	(1,557,647)	315,827	3,197,880	7,217,513
Assets:					
Segment assets	85,057,766	–	69,255,516	(55,251,096)	99,062,186
Tax assets	208,468	–	–	–	208,468
Total assets	85,266,234	–	69,255,516	(55,251,096)	99,270,654
Liabilities:					
Segment liabilities	82,763,223	–	31,232,383	(54,846,924)	59,148,682
Tax liabilities	1,471,589	–	125,490	–	1,597,079
Total liabilities	84,234,812	–	31,357,873	(54,846,924)	60,745,761
Capital expenditure	3,462,249	–	97,603	–	3,559,852
Significant non-cash items					
Depreciation of property, plant and equipment	1,062,823	237,890	176,633	(237,890)	1,239,456
Depreciation of right-of-use assets	5,653,869	378,367	1,839,830	(378,367)	7,493,699
Amortisation of deferred capital grant	(252,115)	(65,970)	(2,688)	65,970	(254,803)
Reversal of impairment losses on trade receivables	(35,290)	–	–	–	(35,290)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

34. OPERATING SEGMENTS (cont'd)

Geographical information

External customers of the Group are located in Singapore, Malaysia and China. The Group carries out its operations in Singapore, Malaysia and China and all the Group's non-current assets are located in the three countries. The Group invested into operation of nursing homes in China and one of the nursing homes has soft-launched its operation in February 2023 after receipt of the necessary licences and approvals.

In presenting the information on the basis of geographical segments, segment aggregate revenue is based on the geographical location of the customers and segment assets are based on the geographical location of the assets.

	Group	
	2024	**2023**
	$	**$**
Revenue		
Singapore	44,916,436	37,681,775
Malaysia	5,869,788	5,330,376
China	664,684	495,383
Discontinued operations	(664,684)	(495,383)
	50,786,224	43,012,151
Non-current assets [1]		
Singapore	46,880,784	37,964,285
Malaysia	19,356,302	20,250,748
China	–	9,170,363
	66,237,086	67,385,396

[1] Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment property, non-current trade and other receivables and intangible asset.

35. COMMITMENTS

The Group has commitments for the following capital expenditures:

	Group	
	2024	**2023**
	$	**$**
Property, plant and equipment	1,635,918	328,507

The commitments mainly relate to the renovation of nursing home in Malaysia and the purchase of software, medical equipment and ambulance vehicles for operations in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

36. DIVIDENDS

	Group and Company	
	2024	**2023**
	$	**$**
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Interim exempt (one-tier) dividend for 2023 of 0.23 cent per share	–	591,100
– Final exempt (one-tier) dividend for 2023 of 0.44 cent per share	1,130,800	–
– Interim exempt (one-tier) dividend for 2024 of 0.23 cent per share	591,100	–
	1,721,900	591,100
Proposed but not recognised as a liability as at 31 March:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final exempt (one-tier) dividend for 2024 of 0.63 cent (2023: 0.44 cent) per share	1,675,239	1,130,800

37. SUBSEQUENT EVENTS

On 13 May 2024, the Group via a wholly owned subsidiary, Econ Healthcare (China) Pte. Ltd. entered into a sale and purchase agreement to partially dispose 5.1% of its interest in the associate, Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. for a consideration of $95,000. The consideration is to be paid by way of cash over three consecutive years and was arrived at on a willing-buyer, willing-seller basis.

On 27 June 2024, the Group via a wholly owned subsidiary, Econ Healthcare (China) Pte. Ltd. entered into sale and purchase agreements to partially dispose 11% and 21% of its interest in its China subsidiaries, Chongqing Yikang Bailingbang Eldercare Co., Ltd., Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. ("China subsidiaries") and remaining interest of 14.9% in the associate, Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. for a total consideration of $660,000. The consideration is to be paid by way of cash over three consecutive years and was arrived at on a willing-buyer, willing-seller basis. Following the divestment, the Group retains a non-controlling interest of 49% for Chongqing Yikang Bailingbang Eldercare Co., Ltd., Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd..

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on 1 July 2024.

STATISTICS OF SHAREHOLDINGS

As at 21 June 2024

Class of Shares	:	Ordinary share
No. of Shares (excluding treasury shares and subsidiary holdings)	:	265,910,891
Voting rights	:	One vote per share
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	213	13.44	198,100	0.08
1,001 – 10,000	918	57.92	2,881,000	1.08
10,001 – 1,000,000	448	28.26	27,155,400	10.21
1,000,001 and above	6	0.38	235,676,391	88.63
Total	**1,585**	**100.00**	**265,910,891**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Econ Healthcare Pte Ltd	207,000,000	77.85
2	DBS Nominees (Private) Limited	13,425,500	5.05
3	Sim Kah Ming	8,910,891	3.35
4	Raffles Nominees (Pte.) Limited	3,243,100	1.22
5	Tiger Brokers (Singapore) Pte. Ltd.	1,841,600	0.69
6	Phillip Securities Pte Ltd	1,255,300	0.47
7	Chong Ngiet Fah	1,000,000	0.38
8	Citibank Nominees Singapore Pte Ltd	828,800	0.31
9	Maybank Securities Pte. Ltd.	782,000	0.29
10	iFAST Financial Pte. Ltd.	776,500	0.29
11	OCBC Securities Private Limited	733,000	0.28
12	Sim Siang Eng	684,900	0.26
13	Lam Mee Lian	508,600	0.19
14	Tan Sien Chuan	500,000	0.19
15	Ng Poh Mui	450,000	0.17
16	Seah Li Song, Shawn	433,300	0.16
17	Chua Leong Hai @Chua Leang Hai	420,000	0.16
18	Lee Cheow Yin	400,000	0.15
19	Tan Keh Mui	394,000	0.15
20	Moomoo Financial Singapore Pte. Ltd.	376,800	0.14
	Total	**243,964,291**	**91.75**

STATISTICS OF SHAREHOLDINGS

As at 21 June 2024

SUBSTANTIAL SHAREHOLDERS AS AT 21 JUNE 2024

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Econ Healthcare Pte Ltd ("**EHPL**")[(1)]	207,000,000	77.85	-	-
Ong Chu Poh[(1)]	-	-	207,000,000	77.85
Econ Investment Holding Pte Ltd ("**EIH**")[(1)]	-	-	207,000,000	77.85

Notes:

(1) EHPL is wholly-owned by EIH, which is wholly-owned by Mr Ong Chu Poh. Accordingly, for the purposes of Section 4 of the SFA, each of Mr Ong Chu Poh and EIH is deemed to be interested in the Shares held by EHPL.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 21 June 2024, 22.15% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

ECON HEALTHCARE (ASIA) LIMITED
(Company Registration No. 200400965N)
(Incorporated in Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Econ Healthcare (Asia) Limited (the "**Company**") will be convened and held on Friday, 26 July 2024 at 9.30 a.m. at 160 Changi Road #05-13 Hexacube Singapore 419728 for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2024, together with the Auditors' Report thereon.

   (Resolution 1)

2. To approve the final dividend (one-tier tax exempt) of 0.63 Singapore cent for the financial year ended 31 March 2024.

   (Resolution 2)

3. To approve the payment of Directors' fees of S$161,000 for the financial year ending 31 March 2025, to be paid semi-annually in arrears. (2024: S$161,000)

   (Resolution 3)

4. To re-elect the following Directors of the Company retiring pursuant to Regulation 94 of the Constitution of the Company, and who, being eligible, offer themselves for re-election, as Directors of the Company:

   Regulation 94

   Mr. Ong Chu Poh **(Resolution 4)**
   Mr. Lim Yian Poh **(Resolution 5)**

   [See Explanatory Notes (i)]

5. To re-appoint Messrs Ernst & Young LLP, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 6)

6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modifications, to pass the following resolutions as Ordinary Resolutions:

7. **Authority to allot and issue shares**

   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**")

NOTICE OF ANNUAL GENERAL MEETING

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,

provided that 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.

[See Explanatory Note (ii)]

(Resolution 7)

By Order of the Board

Shirley Tan Sey Liy
Company Secretary

Singapore, 8 July 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr. Ong Chu Poh will, upon re-election as a Director of the Company, remain as the Executive Chairman and Group Chief Executive Officer.

Mr. Lim Yian Poh will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee, a member of the Audit Committee and the Remuneration Committee of the Company. The Board considers Mr. Lim Yian Poh to be independent for the purposes of Rule 704(7) of the Catalist Rules. Further detailed information on Mr. Lim Yian Poh can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report 2024.

(ii) The Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of this AGM until the date 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at this meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. A member may appoint the Chairman of the AGM as his/her/its proxy.

2. A Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by him (which number and class of shares shall be specified).

3. Where a member appoints two proxies, he/she/they shall specify the proportion of his/her/their shareholding to be represented by each proxy in the Instrument appointing the proxies.

4. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.

5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:

   (a) If submitted by post, be lodged at the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower 049712; or

   (b) If submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia,

   in either case by **no later than 9.30 a.m. on 23 July 2024**, being 72 hours before the time appointed for the AGM.

6. In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask question relating to the item on the agenda of the AGM by: –

   (a) submitting question via mail to the Company's registered office at 160 Changi Road #05-01-13 Hexacube Singapore 419728 in advance of the AGM **no later than 16 July 2024 at 9.30 a.m.**; or

   (b) in person at the AGM.

   When submitting the questions, please provide the Company with the following details, for verification purpose:

   (i) full name;
   (ii) NRIC number;
   (iii) current address;
   (iv) contact number; and
   (v) number of Shares held.

   Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS). Shareholders are encouraged to submit their questions **before 16 July 2024 at 9.30 a.m.**, as this will allow the Company sufficient time to address and respond to these questions **on or before 21 July 2024**. The responses will be published on (i) SGXNET; and (ii) the Company's corporate website by 21 July 2024. Any substantial or relevant questions received after the cut off time for submission of questions will be addressed at the AGM.

7. Physical copies of the FY2024 Annual Report will not be despatched to Shareholders unless otherwise requested, and is electronically available (along with copies of this Notice of AGM and the proxy form) on the Company's website at the URL https://www.econhealthcare.com/) and on SGXNET at the URL https://www.sgx.com/securities/company-announcements. If Shareholders wish to receive physical copies of the FY2024 Annual Report, please complete and return the request form accompanying the Notice of AGM in accordance with the instructions thereon.

NOTICE OF ANNUAL GENERAL MEETING

8. Persons who hold shares in the Company through a Relevant Intermediary, other than SRS investors, and who wish to participate in the AGM by (a) attending the AGM in person; (b) submitting questions in advance of, or at the AGM; and/or (c) voting at the AGM in person or by appointing the Chairman as proxy, should contact the Relevant Intermediary through which they hold such shares as soon as possible to make the necessary arrangements for them to participate in the AGM. In addition, SRS investors who wish to request their SRS Operators to appoint themselves or the Chairman as proxy should approach their respective SRS Operators to submit their votes by **no later than 9.30 a.m. on 16 July 2024**.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) or the Chairman of the Meeting as a proxy to vote at the Meeting and/or any adjournment thereof, or (b) submitting any question prior to the Meeting in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents) of proxy forms appointing a proxy(ies) and/or representative(s) or the Chairman of the Meeting as a proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);

(ii) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions;

(iii) preparation and compilation of the attendance list, proxy list, minutes and other documents relating to the Meeting (including any adjournment thereof); and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities. Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

*This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). This document has not been examined or approved by the Exchange. 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 Mr. Howard Cheam Heng Haw (Telephone Number: +65 6232 0685), R & T Corporate Services Pte. Ltd., at 9 Straits View #06-07, Marina One West Tower, Singapore 018937.

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ECON HEALTHCARE (ASIA) LIMITED
(Company Registration No. 200400965N)
(Incorporated in Singapore)

ANNUAL GENERAL MEETING
PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. Investors who hold shares under the Supplementary Retirement Scheme ("**SRS investors**") may attend and cast their votes at the AGM in person. SRS Investors who are unable to attend the AGM but would like to vote may inform their SRS Operators at least seven (7) working days before the AGM to appoint the Chairperson of the AGM to act as their proxy, in which case, SRS Investors shall be precluded from attending the AGM. This Proxy Form is **NOT VALID** for use and shall be ineffective for all intents and purposes if used or purported to be used by SRS investors.

*I/We, ______________________________ (Name) ________________ (NRIC/Passport No.)

of ____ (Address)

being a *member/members of **ECON HEALTHCARE (ASIA) LIMITED** ("**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the Annual General Meeting of the Company (the "**Meeting**") as *my/our proxy to attend and to vote for *me/us on *my/our behalf at the Meeting to be held on Friday, 26 July 2024 at 9.30 a.m. at 160 Changi Road #05-13 Hexacube Singapore 419728 and at any adjournment thereof. *I/We direct *my/our proxy to vote for or against, or abstain from voting on the Ordinary Resolutions to be proposed at the Meeting as indicated hereunder.

If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies (other than the Chairman of the Meeting as proxy) will vote or abstain from voting at *his/her/their discretion. In appointing the Chairman of the Meeting as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. All Resolutions put to vote at the Meeting shall be decided by way of poll.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**	No. of votes 'Abstain'**
1	Audited Financial Statements and Directors' Statement for the financial year ended 31 March 2024			
2	Approval of final dividend (one-tier tax exempt) of 0.63 Singapore cent for the financial year ended 31 March 2024			
3	Approval of Directors' fees amounting to S$161,000 for the financial year ending 31 March 2025, to be paid semi-annually in arrears			
4	Re-election of Mr. Ong Chu Poh as a Director			
5	Re-election of Mr. Lim Yian Poh as a Director			
6	Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise the Directors of the Company to fix their remuneration			
7	Authority to allot and issue shares			

Notes:

* Delete accordingly where inapplicable.

** If you wish to exercise all your votes "For" or "Against" or "Abstain" from voting the relevant resolution, please mark an "X" in the relevant box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" or "Abstain" in the relevant box provided in respect of that resolution. If you mark an "X" in the abstain box for a particular resolution, you are directing your proxy, not to vote on that resolution.

Dated this __________ day of ____________________ 2024

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
and/or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Please glue and seal along the edge

Please glue and seal along the edge

Please glue and seal along the edge

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a Relevant Intermediary (as defined below) entitled to attend and vote at this Annual General Meeting ("**AGM**") is entitled to appoint one or two proxies to attend and vote in his/her stead. Where such member appoints two proxies, the proportion of his shareholding which each proxy has been appointed shall be specified in the proxy form. A proxy need not be a member of the Company. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
3. A member of the Company who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number and class of shares to which each proxy has been appointed shall be specified in the proxy form. In relation to a relevant intermediary who wishes to appoint more than two (2) proxies, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. If the relevant information is not specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholdings. For the avoidance of doubt, a SRS Operator who intends to appoint Supplementary Retirement Scheme investors ("**SRS Investors**") as its proxies shall comply with this Note.
4. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:

   (a) If submitted by post, be lodged at the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower 049712; or

   (b) If submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia,

   in either case by **no later than 9.30 a.m. on 23 July 2024**, being 72 hours before the time appointed for the AGM.
5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
6. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

First fold

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. SRS Investors who wish to vote, should approach their SRS Approved Nominees to submit their votes to appoint the Chairman of the AGM as their proxy, at least 7 working days before the AGM.

   * A Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy(ies) and/or representative(s) if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) and/or representative(s). In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) and/or representative(s) lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 July 2024.

Second fold

Affix
Postage
Stamp

Attention: Share Registrar

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

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CORPORATE INFORMATION

DIRECTORS

Mr Ong Chu Poh **PBM, BBM**
Executive Chairman and
Group Chief Executive Officer

Ms Ong Hui Ming
Executive Director and
Chief Executive Officer, Singapore

Mr Siau Kai Bing
Lead Independent Director

Mr Lim Yian Poh
Independent Director

Dr Ong Seh Hong **PBM**
Independent Director

COMPANY SECRETARY

Ms Shirley Tan Sey Liy
MSc Mgmt (Hons) (UCD), FCS, FCG

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

160 Changi Road
#05-01-13
Hexacube
Singapore 419728
Tel: +65 6447 8788
Website: econhealthcare.com/contact/

COMPANY REGISTRATION NUMBER

200400965N

CATALIST SPONSOR

R & T Corporate Services Pte. Ltd.
9 Straits View
#06-07, Marina One West Tower
Singapore 018937

Registered Professional:
Howard Cheam Heng Haw

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge: Adrian Koh Hian Yan
(since financial year ended 31 March 2022)

BANKERS

DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

OCBC Bank
63, Chulia Street,
#06-00 OCBC Centre East,
Singapore 049514

United Overseas Bank Ltd.
1 Raffles Place
One Raffles Place
Singapore 048616

ECON HEALTHCARE (ASIA) LIMITED
160 Changi Road #05-01-13 Hexacube Singapore 419728

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