STRENGTHENING PARTNERSHIPS

DELIVERING VALUE

ECON HEALTHCARE (ASIA) LIMITED

ANNUAL REPORT 2023

CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by DBS Bank Ltd ('Sponsor') for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this annual report. This annual report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

The contact persons of the Sponsor are Mr Goh Chyan Pit, Managing Director and Mr Kelvin Wong, Senior Vice President, who can be contacted at 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone +65 6878 8888.

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

STRENGTHENING PARTNERSHIPS
DELIVERING VALUE

Building on our extensive expertise and track record as the leading eldercare service provider in the region, ECON will deepen its presence in existing markets and expand its footprints in the region. Success lies in forging strategic partnerships and leveraging our culture of care and service. We will continue to advance our growth strategy by collaborating with strategic partners with synergistic expertise while cultivating a growing workforce of passionate and committed professionals to propel our business forward and deliver value to the communities we serve.

CHAIRMAN'S MESSAGE

"Through our digital transformation initiatives, we will improve efficiency, value and innovation. We are confident that with our strategic partnerships and focus on excellence, ECON will continue to achieve sustainable growth and value for all our stakeholders."

Dear Shareholders,

On behalf of our Board of Directors, I am pleased to present the annual report, highlighting the achievements and progress of Econ Healthcare (Asia) Limited ("Econ Healthcare" or the "Group") for the financial year ended 31 March 2023 ("FY2023").

First and foremost, I would like to begin by expressing my sincere gratitude to our esteemed shareholders and dedicated staff members for their unwavering support and commitment throughout the challenging COVID-19 pandemic. To our staff members, I would like to applaud your resilience and determination which were instrumental in navigating through unprecedented circumstances and ensuring the continued provision of quality care to our clients.

In to the endemic phase, we stand even more united in our shared vision of future growth and development. The resilience and adaptability demonstrated by our organisation over the past years have laid a solid foundation for us to seize opportunities and realise our goals.

FINANCIAL PERFORMANCE

To our shareholders, I am pleased to announce that our Group achieved significant growth and maintained a healthy financial position despite the challenging operating environment.

For FY2023, we recorded a remarkable 11.8% increase in revenue, amounting to S$43.5 million compared to S$38.9 million in the previous financial year. This growth was largely driven by a substantial S$4.6 million increase in revenue from our businesses across Singapore, Malaysia and China. Our largest revenue-generating segment, Singapore, contributed significantly to the overall increase with a revenue growth of S$3.9 million. Furthermore, our operations in Malaysia and China also experienced a revenue growth of S$0.7 million, generated primarily from our operations at ECON Medicare Centre and Nursing Home in Puchong, Malaysia and Chongqing.

ECON Healthcare's financial position remains robust, with cash and cash equivalents amounting to S$24.6 million as of 31 March 2023.

EXPANDING ELDERLY CARE SERVICES IN CHINA AND MALAYSIA

We are delighted to announce the launch of our second Medicare Centre and Nursing Home in China. A partnership with Chongqing Guangda Bailingbang Eldercare Industry Group Co. Ltd., this is a mid-to-high-end elderly care project in Changshou District, Chongqing, China. This partnership represents a significant milestone in our commitment to expanding our presence in the region.

The newly established 280-bed nursing home features meticulously designed facilities, for specialised nursing and dementia care, catering to the diverse health and well-being needs of senior residents. Through the person-centred eldercare design principles, we strive to provide a care model where seniors continue to live and live well, with the utmost respect and dignity.

Themed "**中新合作 幸福晚年**" – "China-Singapore Co-operation, Blissful Golden Years" , the Grand Opening on the 18 May 2023, was graced by senior leaders of the Changshou District, Chongqing including Mr Liu Xiaoqiang, Secretary of the Changshou District Party Committee, Mr. Peng Zhiming, Deputy Director of China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity Administrative Bureau, Mr. Feng Guangyin, Level II Bureau Rank Official of Chongqing Municipal Civil Affairs Bureau and Mr Guo Xiaozhong, President of Chongqing Pension Service Association.

This momentous endeavour signifies the strengthening of the exchange of eldercare expertise between our two countries. We remain committed to deliver exceptional care and quality services to seniors, fostering a sense of well-being and enriching their lives. Our partnership in Changshou District represents a significant step forward in achieving these goals, and we look forward to further opportunities to enhance elderly care services in China.

Our expansion efforts have not been limited to China. In Malaysia, we have extended our care services to include home-based care in Klang Valley and Johor Bahru. This extension of services aligns with our commitment to support ageing-in-place for seniors, providing comprehensive solutions for families who prefer care within the comfort of their own homes. Through personalised care, companionship, Traditional Chinese Medicine and rehabilitation plans tailored to individual needs, we aim to promote optimal health and well-being for seniors in Malaysia.

Additionally, our Medicare Centre and Nursing Home in Puchong is also in the process of obtaining accreditation as a training centre and practical placement company under Malaysia's Ministry of Human Resource National Dual Training System (NDTS) for the healthcare sector. Our Medicare Centre and Nursing Home in Taman Perling received the full accreditation last year. These accreditations demonstrate our commitment to develop and grow our workforce, while attracting and providing valuable practical experience for aspiring healthcare professionals. By investing in our workforce, we position ourselves for further growth and expansion in Malaysia.

STEADFAST GROWTH IN SINGAPORE

In Singapore, we are pleased to provide an update on the operations of our 8th Medicare Centre and Nursing Home located in Henderson, which commenced in April 2022. We are delighted to report a healthy growth in the occupancy rate. Looking ahead, we are excited about the developments of our 9th site, a 732-bed facility, projected to be operational in 2026.

Furthermore, we are pleased to share that our ECONLife! Hub at Anchorvale has been accredited as an Active Ageing Centre in support of the Healthier SG initiative. Serving as a one-stop resource centre, ECONLife! Hub empowers seniors to lead healthy and fulfilling lives while maintaining their independence and active lifestyles. We remain committed to enable seniors to age gracefully and promoting their overall well-being.

Celebrating the achievements of our dedicated staff, we are proud to share that 69 of our staff members received the Star, Gold and Silver Awards at the Singapore Health Quality Service Award Ceremony held on 13 February 2023. These accolades are a testament to their exceptional dedication and commitment to providing quality healthcare services.

TOWARDS THE FUTURE

Looking ahead, we anticipate positive momentum as the reopening and easing of COVID-19 restrictions continue in China. While challenges may arise, such as increase in operating costs and uncertain economic landscape, we remain confident in our ability to navigate these obstacles.

Through our digital transformation initiatives, we will improve efficiency, value and innovation. We are confident that with our strategic partnerships and focus on excellence, ECON will continue to achieve sustainable growth and value for all our stakeholders.

Thank you for your unwavering trust and support.

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

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

He is responsible for the strategic direction of our Group and expansion plans. 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 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 play 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 an independent director of Zicom Group Limited (a company listed on the Australian Stock Exchange.

Dr Ong Seh Hong PBM
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. He 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 as the independent non-executive chairman of Hock Lian Seng Holdings Ltd, a company listed on the SGX-ST. Dr Ong 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 provider in the region. Since founding ECON in 1987, he has grown ECON successfully 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 over 17 years of experience in ECON and the Community Care Sector. She joined ECON in 2006 and contributed in management positions across portfolios including marketing, business development and operations.

Ms Ong was appointed Executive Director in 2014 and assumed the position of Deputy Chief Executive Officer, Singapore in 2021. Promoted to Chief Executive Officer, Singapore in January 2023, 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. In her new added responsibility, Ms Kang is partnering with Mr Ong on overseas expansion opportunity for the Group.

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, Ms Kang has successful track records in process standardisation, system automation implementation and finance transformation.

Ms Kang is a qualified Chartered Accountant of Malaysia. She holds a Bachelor of Accounting with Honours from National University of Malaysia.

KEY HIGHLIGHTS

Caring for Seniors since 1987

We are committed to our social mission of caring for families and senior communities. Continuously innovating models of care that are relevant and future ready, our goal is to positively impact the lives of seniors. We hope to create a world where ageing is celebrated, and where seniors live their lives to the fullest.

36 years	12	1,743	> 10,000
Since 1987	Nursing Homes	Nursing Home Bed Capacity	Seniors Served

OUR GEOGRAPHICAL PRESENCE

SINGAPORE

8 Medicare Centres & Nursing Homes

3 TCM Clinics

2 ECONLIFE! Hubs

MALAYSIA

2 Medicare Centres & Nursing Homes

CHINA

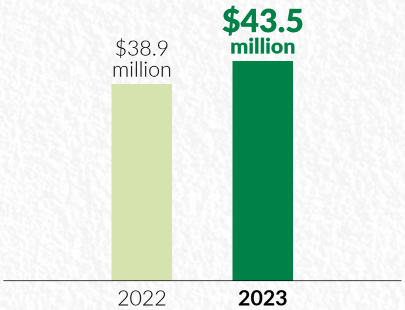
2 Medicare Centres & Nursing Homes

China
Malaysia
Singapore

280
Bed Capacity
2nd NURSING HOME IN CHANGSHOU, CHINA

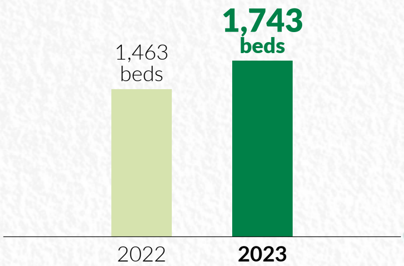
340 Silver **42** Gold **9** Star
SINGAPORE HEALTH QUALITY SERVICE AWARDS SINCE 2011

REVENUE



11.8%
Increase in Revenue

BED CAPACITY



19.1%
Growth in Bed Capacity

GROWING PRESENCE

***732**
Nursing Home Beds in Singapore by 2026

AWARDS & ACCOLADES

SINGAPORE HERITAGE BRAND – WINNER

ECON Healthcare is the Winner of the SPBA – Heritage Brands and received the award from Guest-of-honour, Minister for Manpower & Second Minister for Trade and Industry, Dr Tan See Leng. This recognition underscores the company's unwavering commitment towards delivering exceptional healthcare services and standards of excellence.

The Singapore Prestige Brand Award (SPBA) is recognised as one of Singapore's most esteemed branding awards. This award recognises and honours established household brands who have achieved the esteemed mark of success. Co-organised by the Association of Small & Medium Enterprises (ASME) and Lianhe Zaobao, and supported by the Enterprise Singapore and Intellectual Property Office of Singapore (IPOS), the official award ceremony was held on 4 May 2022.

Mr Ong Chu Poh, Executive Chairman and Group CEO, Board of Directors and management team members at the Singapore Prestige Brand Award Ceremony.

The Singapore Health Quality Service Award Presentation Ceremony with Guest-of-Honour, Mdm President Halimah Yacob on the 13 February 2023.

SINGAPORE HEALTH QUALITY SERVICE AWARDS 2023

The Singapore Health Quality Service Awards is organised annually by SingHealth since 2011, and is Singapore's first dedicated platform to honour outstanding healthcare professionals who have delivered quality care and service to patients.

Since the inaugural award ceremony in 2011, our ECON team achieved a total of 340 Silver, 42 Gold, 9 Star Awards, with the most recent being 53 Silver, 14 Gold and 2 Star Awards received this year.

SILVER AWARD – CLINICAL EXPERIENCE IMPROVEMENT

CommunityCare
EXCELLENCE
AWARDS 2022

The Biennial Community Care Excellence Awards was introduced by the Agency for Integrated Care in 2014. The Community Care Excellence Awards aims to recognise the contributions of individuals and project teams who have demonstrated exemplary service and commitment in delivering quality care to their clients in the Community Care Sector. Since its inauguration, ECON Healthcare received a total of 6 Service Quality Improvement Team Awards and 4 Silver Individual Service Quality Awards. In 2022, our team received a Silver Award for our clinical experience improvement programme.

TOP TEN INNOVATION PROJECT AWARD – CHINA

CFTZ

中国（重庆）自由贸易试验区

ECON Medicare Centre and Nursing Home – Chongqing, Jie Fang Bei, was awarded the Top Ten Innovation Project in China (Chongqing) Yuzhong Free-Trade-Zone (FTZ).

OUR STORIES

A REMARKABLE JOURNEY OF RECOVERY

Mr Ng's life took an unexpected turn when he suffered a stroke in June 2022. As a performing musician and music teacher, the loss of movement on the right side of his body coupled with aphasia, a language disorder that renders him unable to speak affected his life signifcantly. Besides having the challenge to communicate, he was also dependent on others for his daily activities. It was heart breaking for his family to see him go through the ordeal. More importantly, he could no longer pursue his passion for music.

In September 2022, he was admitted to ECON Care Residence, Henderson. The rehab team designed a personalised rehabilitation program tailored to his needs and ensured that he had the best possible chance at recovery. As his condition improves, the care team started exploring music-making again!

His family was surprised to learn that the team had brought in an Erhu for his therapy session. They expressed much appreciation in response to the heart-warming gesture. Mr Ng was even more motivated and determined to recover.

Over the course of a few months, Mr Ng made significant strides in recovery of his movement, strength and daily living skills. He regained strength and the ability to stand and balance, and can now walk around with a quad stick. He also regained strength in his right hand, and started to practice the Erhu once again. Playing the Erhu is his first love, and this is a very important milestone for him.

This improvement in his health encouraged him to spur on and reminded all of us that there is hope and beauty in pursuing the things we love, even in the face of adversity. Today, Mr Ng stands tall and confident, with renewed hope and strength!

A VIBRANT COMMUNITY AT ECONLIFE! HUB

As a senior couple who had retired several years ago, our lives settled into a comfortable routine. Though we moved into a studio apartment in Sengkang since 2014, we mostly returned to our apartment on weekends, and stayed with our daughter during the week to help look after our grandchildren. After moving back to our own home only in recent years, we realised that our social circle and interaction with the community in Sengkang were limited.

When our apartment's Alert Alarm System in our home went off by accident, Li Li, a staff from ECONLife! Hub visited us to check on our safety and well-being. She took the opportunity to share about activities offered by ECONLife! Hub. She encouraged us to participate in the activities so that we could make more friends, keep healthy and enrich our lives.

Ms Phua Li Li, Centre Executive with Mr and Mrs Soong

The first time we went to the centre, we were welcomed warmly and felt at home, making many new friends quickly. We participated in many programmes and activities such as exercises, handicraft workshops, health talks, health screening and found them very enjoyable and useful in stimulating our cognitive senses and physical ability.

Nowadays, we go to ECONLIFE! Hub almost daily unless we have other commitments. It had become like a second home to us.

My wife and I are actively involved in all the activities in the centre with all the friends that we have made and also at the nearby RC. The laughter and the joy at the centre make us feel younger and healthier. We are also ready to render our services as senior volunteers for programmes that are within our ability and means to handle.

My wife and I would like to express our wholehearted appreciation to ECONLIFE Hub! and Li Li. We are glad for this community!

Mr and Mrs Soong
ECONLife! Hub members

RESTORING HOPE AFTER STROKE

When I suffered a stroke in 2021, my world turned upside down. The left half of my body was paralysed and I experienced Aphasia, a disorder that affected my speech. It was a difficult time for both my family and I, especially considering my father had passed away from stroke in 2007. It felt like we were reliving a painful experience from the past.

At that time, the hospital doctor informed me that I had a 30 percent chance of experiencing another stroke. This haunted me and filled me with dread. However, I made a conscious decision to reframe my thoughts and focus on the positive. I wanted to do everything I could to ensure that I did not fall into that 30 percent.

After five weeks in the hospital, I left in a wheelchair and began an intensive rehabilitation programme five days a week. Subsequently, I was encouraged by a colleague to seek traditional Chinese medicine (TCM) treatment at ECON Chinese Medicine, recommending Physician Ong Chwee Ting for her skills and experience. Determined to explore all possibilities to restore my health, I decided to consult Mdm Ong.

During my first visit, Mdm Ong used acupuncture to stimulate my "qi", and one of the needles triggered a knee jerk reaction, causing me to reflexively kick her twice. I was very apologetic, but her response stunned me. She said, "Good! This means I have activated your key points." Even today, I laugh when I recount this experience. From then on, she was like a family

Mr Kelvin Loon with his lovely 2-month old baby girl

Mr Kelvin Loon with Mdm Ong Chwee Ting, Senior Physician

doctor and a friend to me. I saw Mdm Ong on a weekly basis for my post-stroke TCM treatment over an 8-month period. Together, we achieved breakthroughs, from restoring muscle tone in my legs to relaxing the scapula and regaining a full range of motion in my arm. The TCM treatment has truly enhanced my recovery, and I am thrilled to share that I have now regained 90 percent of my motor and cognitive functions. I am now able to work again, support my family and actively participate in the Singapore National Stroke Association as a volunteer. To add to my joy, my wife, June and I recently welcomed our second child, who is now a 2-month-old baby girl, into our lives.

Finding the right TCM practitioner requires affinity and my experiences with Mdm Ong have always been positive. I am immensely grateful for the support and care provided by Mdm Ong and ECON Chinese Medicine.

I would like to take this opportunity to encourage others who are recovering from a stroke to stay hopeful and positive. Recovery is possible!

Mr Kelvin Loon
Client of ECON Chinese Medicine

Scan to find out more:

TCM services

Other care services

YEAR IN REVIEW

GROWING OUR PRESENCE IN CHINA

Grand Opening of our second nursing home in China

Econ Healthcare (Asia) Limited ("Econ Healthcare" or the "Group") and Chongqing Guangda Bailingbang Eldercare Industry Group Co. Ltd.,("Guangda Bailingbang") joined forces to launch our first mid-to-high-end elderly care project in Changshou District, Chongqing, China, introducing advanced senior care concepts and services. This is the Group's second nursing home in China.

A 280 bed capacity nursing home, the project has a built up area of 8,500 m^2 featuring facilities designed for specialised nursing and dementia care, catering to the diverse health and well-being needs of senior residents.

A Home for seniors to live and live well, the home provides an empowering environment where seniors continue to appreciate life, learn and be at their optimal best. An array of programmes is offered to support their health, social and emotional well-being. Seniors continue to learn and enjoy activities such as music and dance, chess, calligraphy, health workshops, digital learning workshops, movie matinees and celebrations.

Themed "**中新合作 幸福晚年**" – "China-Singapore Co-operation, Blissful Golden Years" , the Grand Opening in May 2023 was graced by senior leaders of the Changshou District, Chongqing including Mr Liu Xiaoqiang, Secretary of the Changshou District Party Committee, Mr Peng Zhiming, Deputy Director of China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity Administrative Bureau, Mr Feng Guangyin, Level ll Bureau Rank Official of Chongqing Municipal Civil Affairs Bureau and Mr Guo Xiaozhong, President of Chongqing Pension Service Association.

EXPANDING OUR CARE SERVICES IN MALAYSIA

In Malaysia, we now offer home-based care in Klang Valley and Johor Bahru. This expansion supports the ageing-in-place of the community, and provides comprehensive solutions for families who prefer care within the comfort of their own homes.

Our home-based care services encompass a comprehensive range of specialised care options tailored to meet the diverse needs of our clients. We provide holistic support and complement skilled nursing and medical care with personalised care and companionship from dedicated caregivers who assist with daily activities, grooming, mobility and promoting overall well-being. To aid recovery and optimal functioning, our team of allied health professionals offers personalised rehabilitation plans tailored to each client's needs. Complementary Traditional Chinese Medicine services are also available with our experienced practitioners offering treatments and therapy to address specific health and well-being concerns. Our commitment is to enable seniors to age comfortably and gracefully in the comfort of their own homes, through delivering personalised and quality care to enable optimal health and well-being, bringing peace of mind to seniors and their families.

We are committed to fostering lifelong learning, and equipping our workforce with the skills and capabilities to support growth and development. Our Medicare Centre and Nursing Home in Taman Perling is a accredited Training Centre and Practical Placement company under the Malaysia's Ministry of Human Resource National Dual Training System (NDTS) for the healthcare sector and we are in the process of obtaining the accreditation for our Medicare Centre and Nursing Home in Puchong. Recognised as an accredited training centre

and practical placement company, we aim to enhance the skills and knowledge of our workforce, while attracting and providing valuable practical experience for aspiring healthcare professionals. These accreditations exemplify our commitment to develop and grow our workforce as we pursue opportunities to expand our presence in Malaysia.

TOWARDS A HEALTHIER SINGAPORE

In support of the Healthier SG initiative, our ECONLife! Hub at Anchorvale successfully achieved accreditation in March 2023 as an Active Ageing Centre ("AAC"). ECONLife! Hub is a one-stop resource centre enabling seniors to lead more fulfilling lives, as they continue to be independent, healthy and active. Together with seniors and their families, we build a community where seniors continue to enjoy their golden years, live actively and healthily. Through ECONLife! Hub's active ageing programmes and social activities, seniors stay connected with their peers, and build stronger health and well-being. We are committed to enable seniors to lead empowered, fulfilling and meaningful lives.

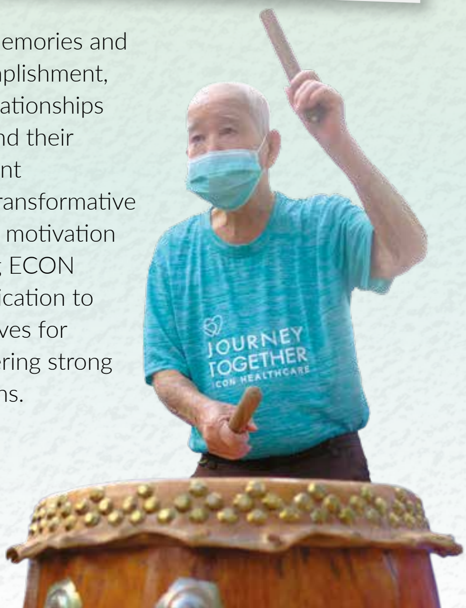
YEAR IN REVIEW

COMMUNITY OUTREACH

Together with Tasek Jurong, we co-organised a community outreach programme at the Yung Kuang neighbourhood in August 2022. More than 40 student volunteers joined us for this meaningful outreach and befriending effort to uplift the community. The programme involved a door-to-door visitation to over 130 households where our team and student volunteers distributed goodie bags and connected with seniors to understand their needs, as well as to identify seniors who require more support. It was an enriching experience for all of us, as we did our part for the wellbeing of the community.

EMPOWERING SENIORS

In October 2022, ECON Healthcare participated in Empower Ageing's "Go for Your Mountain" challenge, promoting positive ageing perceptions and strengthening family bonds. Over 50 nursing home residents, family members and staff climbed to the peak of Mount Faber, empowering seniors to overcome challenges and change their perspectives on ageing. The theme, "Family. Stronger together", aligned with ECON Healthcare's dedication to "Family caring for families". Involving family members in this event emphasised their crucial role in supporting seniors' dreams and well-being. Climbing Mount Faber together created lasting memories and a sense of accomplishment, strengthening relationships among seniors and their families. This event showcased the transformative power of joy and motivation while underlining ECON Healthcare's dedication to enabling active lives for seniors and fostering strong family connections.



Mr Ong Chu Poh, Executive Chairman and CEO, Ms Ong Hui Ming, CEO, Singapore, Ms Agnes Kang, Group CFO and Head, Overseas development, Ms Lynn Gan, Senior Director, Human Resources, Dr Angie Ng, former Group Director of Nursing with the Singapore Health Quality Service Awards recipients.

CELEBRATING ECON FAMILY

At ECON Healthcare, we hold a strong belief in recognising and appreciating the hard work and dedication of our valued workforce. Two significant public awards that we were proud to have participated in were the Singapore Health Quality Service Award organised by Singhealth and the Biennial Community Care Excellence Awards by the Agency for Integrated Care.

At the Community Care Excellence Awards, our team achieved a Silver Award for our clinical experience improvement initiative called "Care Journey". This recognition reflects our commitment to deliver exceptional care and continually enhancing the experience for our clients.

During the Singapore Health Service Award ceremony, we celebrated the outstanding achievements of our staff. 69 of our staff received the awards including 2 Star Awards, 14 Gold Awards and 54 Silver Awards. These awards highlighted their exceptional dedication and commitment to providing quality healthcare services. Additionally, we organised an internal ceremony for those who could not attend the main official ceremony, ensuring all deserving individuals were duly recognised and celebrated.

In addition to these awards, we held an annual event to express our gratitude and appreciation to staff members. During this annual event, we recognised over 75 recipients of the Long Service Awards and the Go-the-Extra-Mile for Service (GEMS) Awards. We would like to give special mention and extend our heartfelt gratitude and appreciation for Ms Viji, Senior Supervisor, our pioneer ECON Healthcare staff who had journeyed with us for over 35 years.

As part of the sector's Community Care Day celebration, the Group organised a carnival for all our staff to recognise and appreciate their resilience and dedication in giving of their best to serve and care for residents, particularly during the challenging times brought by the COVID-19 pandemic.

Our 35, 20,15, 10 years Award Recipients at the Long Service Award Ceremony.

The carnival offered various games and a delectable selection of food. The highlight of the event was an art piece titled "Hope, Life, Love", beautifully crafted by our care staff and residents. The art piece symbolises the compassion and unwavering commitment that we share on the care journey together with residents.

We would like to take this opportunity to extend our deepest appreciation to each and every member of our ECON family. Your hard work, resilience and unwavering commitment to our mission inspire us all. Together, we will continue to deliver exceptional care and shape a brighter future for the communities we serve.

SUSTAINABILITY HIGHLIGHTS

ECON Healthcare is committed to integrating sustainability to the core of our business objective. We focus our sustainability approach across three key pillars, aligned with our mission to provide high quality and customer-focused healthcare services.

ESG Pillars	**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
Key Sustainability Highlights of 2023	Establishment of Scope 1 and 2 GHG emissions, with the purpose of tracking our carbon footprint	Developed a new Quality Framework to guide our quality service and care	Zero confirmed cases of corruption in FY2023
	Launched the LED fixture initiative to replace all existing fluorescent light fixtures to LED by end-FY2023	Using technology to enhance care and improve overall experience for our residents through initiatives such as Virtual Reality Therapy Platform, Cognitive Training and Rehabilitation, Circuit-based Pneumatic-Strength Training	Established a roadmap to tighten vendor selection processes with the required whistle-blowing procedures in place to report any dishonest interactions
	Launched the initiative to implement centralised ACMV monitoring and control systems in 3 Nursing Homes by end-FY2023	100% of our workforce received regular performance and career development reviews	Established a target to educate internal stakeholders on procurement processes to manage suppliers' performance

ECON continues our journey of caring for seniors, with further expansion in Singapore and the region. As we tipped over the 2-year mark since being listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST"), we recognise the importance of ensuring sustainable growth that is aligned with our mission to provide the best care possible for our clients. By integrating sustainable principles into our business and operations, we aim to deliver meaningful long-term value to all our stakeholders.

FY2023 has been a milestone year where we have embarked on our sustainability journey. Our first materiality assessment exercise with key stakeholders concluded with four prioritised material topics as detailed in this report. These material ESG matters are core to our business and addressed through our sustainability framework across its three pillars – effective climate action towards better energy efficiency and environmental circularity, enhance service excellence and care for our people and communities, and strengthen 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").
Overall, our detailed sustainability approach resonates with our philosophy symbolised by the caring of a Bonsai.

ECON's prioritised material ESG issues

No.	Pillar	Material ESG Issue	Contribution to the SDGs
1.	**EFFECTIVE** climate action towards better energy efficiency and environmental circularity	Energy Efficiency & Emissions	7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
2.	**ENHANCE** service excellence and care for our people and communities	Excellent Service Quality and Patient Safety Training & Development	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH
3.	**STRENGTHEN** trust and integrity in our business relationships and operations	Ethics & Integrity	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Strengthening trust and integrity in business relationships and operations

One of our key FY2023 milestones was establishing a sustainability governance structure, setting out clear roles and responsibilities to manage and monitor our performance and ensuring the principles of sustainability are integrated throughout ECON. We also seek to drive trust and integrity within our business relationships and operations. We have continued to maintain zero confirmed cases of corruption since, and we are strengthening our practices in vendor selection processes. Parallel to this is our commitment to continue educating our internal stakeholders on procurement processes to manage our suppliers' performance.

Enhancing service excellence and care for our people and communities

Maintaining service excellence is core to our business, and we strive to uphold high quality of care and services for our people and communities. This year, we developed a new Quality Framework that will guide our quality practices moving forward in our nursing homes. Our new Framework is a marked improvement from our previous Framework, as we go beyond the old KPI-centric concept of care to expand into four core fundamentals – People, Care Culture, Training and Development, and Clinical Practice and Initiatives.

On the front of our people development and training initiatives, we have launched a new People Management Programme for our mid-senior employees, in which we innovated our training structure and optimised the session to active discussions and participations as opposed to course content.

Effecting climate action towards better energy efficiency and environmental circularity

We take our energy efficiency seriously. This year we have accounted for our Scope 1 and 2 greenhouse gas ("GHG") emissions and disclosed our energy consumption, with the purpose of tracking our trends and informing our future energy management. We have also launched an initiative to replace all existing fluorescent light fixtures to LED in existing nursing homes when they become faulty, and at all new nursing homes. As well as this, we are installing Air Conditioning Mechanical Ventilation ("ACMV") monitoring and control systems in three of our nursing homes by the end of FY2023 as part of our progressive energy efficiency management plan. ACMV systems installed in Singapore have at least 4 ticks for energy efficiency, while those installed in our Malaysia operations have 5 ticks according to the respective national Tick Rating Systems for energy efficiency.

Compliance to SGX requirements

Further, ECON is pleased to disclose on the recommendations set out by the Task Force on Climate-related Financial Disclosure ("TCFD") which can be found under the *Environmental* section in our inaugural Sustainability Report. We are committed to taking the first steps towards tackling climate-related risks and seizing opportunities to better position our business to be climate risk resilient.

We have also engaged an external auditing firm to conduct an internal review on our Sustainability Report. The internal review ensures the accuracy and reliability of the sustainability information and its related processes, as disclosed in the Sustainability Report.

Looking Ahead

As ECON continues to grow from strength to strength, we also exercise prudence and caution in the midst of rising inflation and economic uncertainties. We embrace sustainability and as we move forward in our journey, we will continue to enhance our environmental, social and governance considerations into the heart of our company. Our aim is to always deliver exceptional service and care and continue to be a trusted brand in the healthcare services industry.

FINANCIAL PERFORMANCE SUMMARY

Financial year ended 31 March

	FY2019	FY2020	FY2021	FY2022	FY2023
PROFIT AND LOSS (S$'000)					
Revenue	36,711	37,040	37,660	38,905	**43,508**
Profit before tax	4,862	4,356	6,827	861	**5,630**
PATMI	4,296	4,037	5,700	350	**4,849**
CASH FLOWS (S$'000)					
Net cash flow from operating activities	11,675	10,585	15,614	12,559	**11,730**
Capital expenditure	(2,138)	(1,890)	(2,441)	(2,630)	**(3,631)**
Net cash flow used in investing activities	(8,003)	(2,881)	(2,557)	(4,507)	**(2,160)**
Net increase/(decrease) in loans and borrowings	(695)	(301)	806	(3,176)	**(1,733)**
Net cash flow (used in)/generated from financing activities	(6,138)	(8,111)	(4,346)	1,977	**(11,195)**
BALANCE SHEET (S$'000)					
Total assets	57,997	66,425	72,654	100,739	**99,271**
Cash and short-term deposits	7,917	7,334	16,095	26,102	**24,621**
Current assets	12,337	12,735	19,692	31,916	**31,778**
Property, plant and equipment	22,453	15,114	16,476	17,930	**18,328**
Total liabilities	39,834	47,288	47,424	64,798	**60,746**
Current liabilities	13,474	14,303	18,067	23,308	**19,143**
Loans and borrowings	9,970	9,638	10,361	7,145	**5,083**
Net (debt)/cash	(2,053)	(2,304)	5,734	18,957	**19,538**
KEY RATIOS					
Profitability (%)					
EBITDA margin	32.1	32.0	38.4	25.0	**37.3**
PATMI margin	11.6	10.8	15.1	0.9	**11.1**
Return on equity*	23.7	21.0	23.1	1.0	**12.5**
Dividend payout ratio#	NIL	71.8	35.2	161.5	**35.5**
Turnover days					
Trade receivables turnover days	30.7	40.6	24.1	26.2	**28.6**
Trade payables turnover days	79.8	105.0	49.9	56.5	**61.9**
Liquidity ratios (x)					
Current ratio	0.9	0.9	1.1	1.4	**1.7**
Debt ratios (x)					
Net (cash) or debt/shareholders equity	0.1	0.1	0.2	0.5	**0.5**
Gearing^	0.5	0.5	0.4	0.2	**0.1**
EBITDA/interest expense	25.6	25.5	37.7	32.8	**59.0**
Per share info (S$'cents)					
Earning per share~	2.08	1.95	2.75	0.14	**1.89**
Net asset per share~	8.77	9.31	11.94	14.02	**15.08**
Dividend per share~	NIL	1.13	0.78	0.22	**0.67**

* Return on equity is defined as PATMI divided by shareholder equity for the year

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

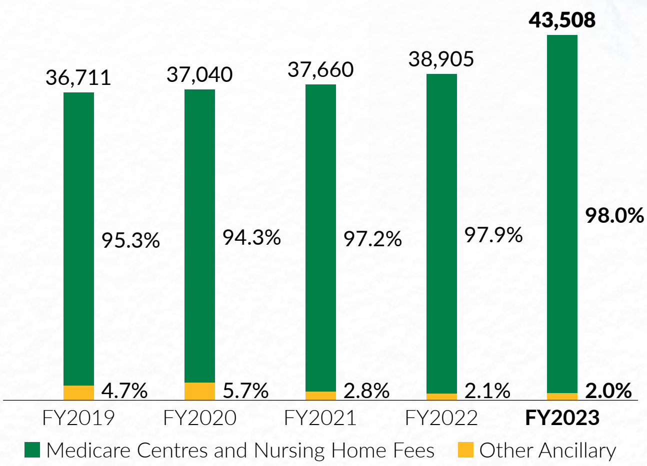
^ Gearing is defined as total loan and borrowings divided by net asset

~ 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 and FY2019. 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.

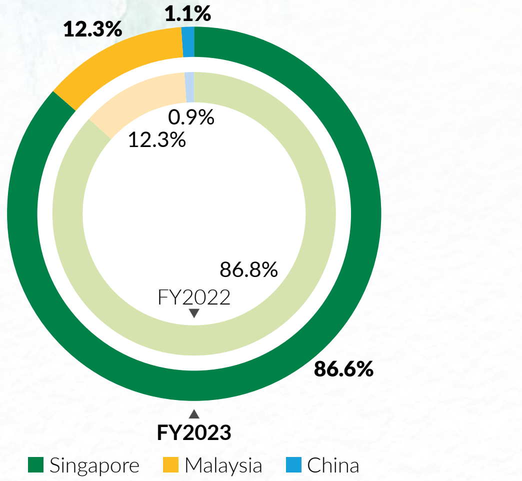
Certain numerical figures set out in this annual report, including financial data presented in thousands or millions and percentages, have been subject to rounding adjustment, and as a result, the total of the data of this annual report may vary slightly from the actual arithmetic total of such information.

FINANCIAL HIGHLIGHTS

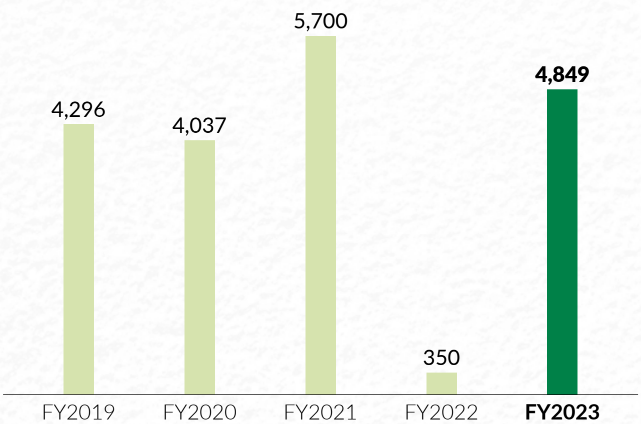
REVENUE CONTRIBUTION BY BUSINESS SEGMENT
(S$'000)



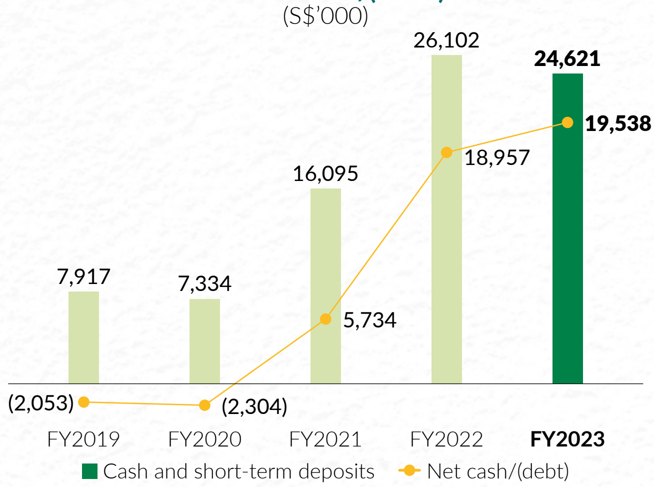
REVENUE BY GEOGRAPHICAL SEGMENT



PATMI
(S$'000)

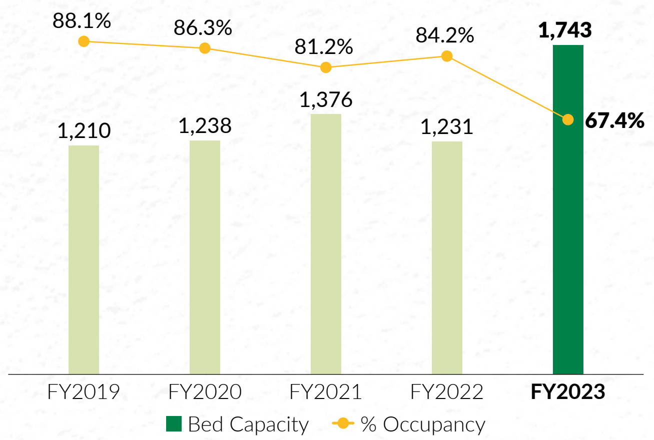


CASH AND SHORT-TERM DEPOSITS VS NET CASH/(DEBT)
(S$'000)



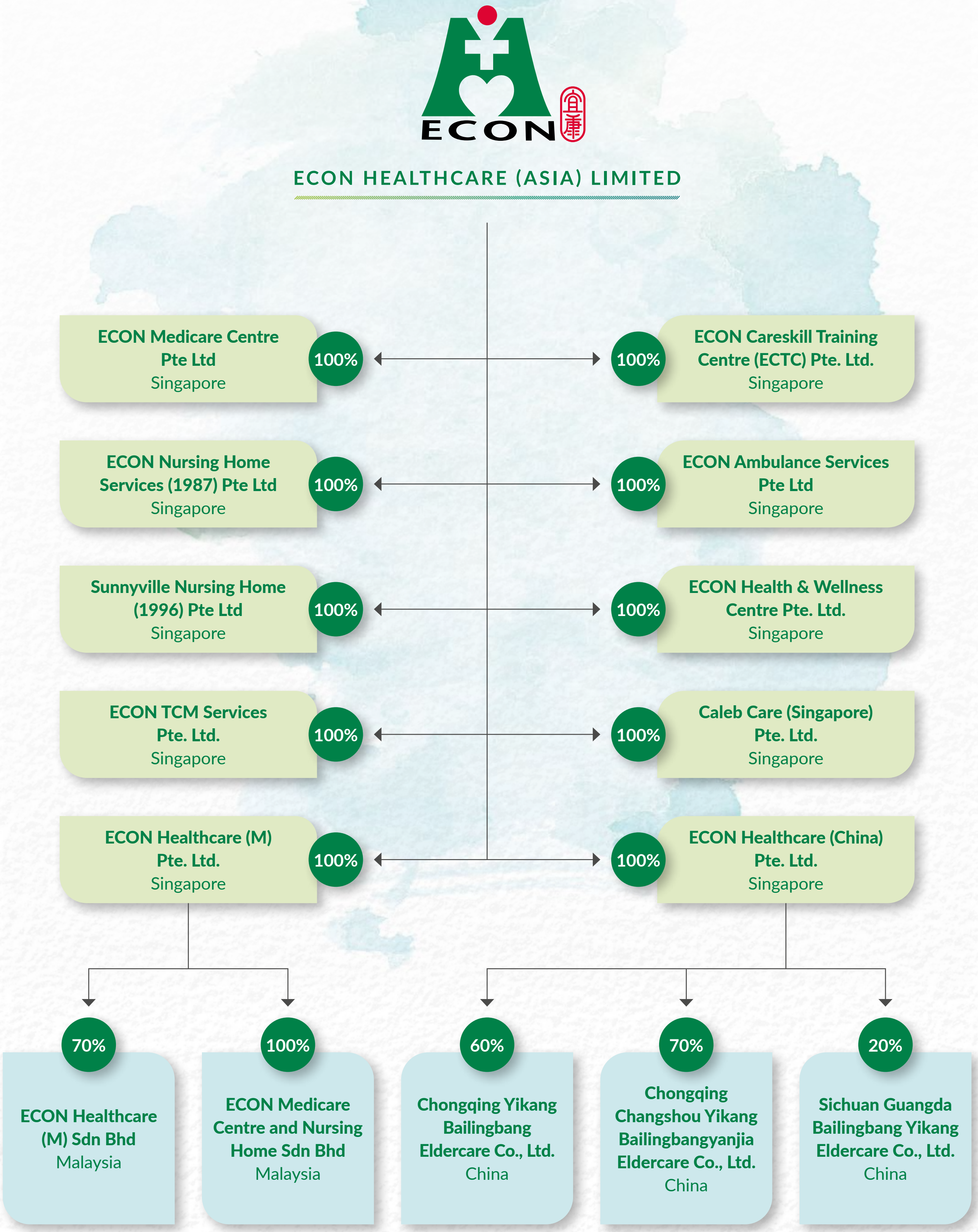
NET ASSET PER SHARE
(S$'cents)

BED CAPACITY AND % OCCUPANCY^



^ In FY2023, ECON Care Residence (Henderson), a 236-bed facility, and ECON Medicare Centre and Nursing Home – Changshou, a 280-bed facility, commenced operations.

ORGANISATION CHART



CORPORATE GOVERNANCE REPORT

The board of directors ("**Board**" or "**Directors**") 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 Company endeavours to align its corporate governance framework with the principles and provisions of the Code of Corporate Governance 2018 ("**Code**"). This corporate governance report outlines the Company's corporate governance structures and practices that were in place since its listing on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 19 April 2021 (the "**IPO**") and the financial year ended 31 March 2023 ("**FY2023**") with specific reference made to the principles and the provisions of the Code pursuant to Rule 710 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

The Board is pleased to report that since the Company's IPO and for FY2023, the Company has adhered to the principles of the Code, and the provisions of the Code except where otherwise explained. In areas 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, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Company will continue to assess its needs and implement appropriate measures accordingly.

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 Board's primary role is to protect and enhance long-term shareholder value. Its responsibilities are distinct from the Management of the Group ("**Management**"). It sets the overall strategy and policies for the Group and supervises the Management. 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 role of the Board includes the following:

(1) providing entrepreneurial leadership and sets the overall strategy and direction of the Group;
(2) reviewing and overseeing the Management of the Group's business affairs, financial controls, performance and resource allocation;
(3) 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;
(4) overseeing the processes of risk management, financial reporting and compliance and evaluating the adequacy and effectiveness of internal controls;
(5) approving the release of the Group's half-year and full-year financial results, related party transactions of material nature and the submission of the relevant checklists to the Sponsor and/or SGX-ST;
(6) appointing new Directors and key management staff, including the review of performance and remuneration packages;
(7) ensure transparency and accountability to key stakeholder groups; and
(8) assuming the responsibilities for corporate governance.

All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group. They are always obliged to act in good faith, objectively discharge their fiduciaries duties and responsibilities, and take objective decisions in the interests of the Company and the Group. The Board holds the Management accountable for performance. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict. The Directors would abstain from voting and decision involving the issues of conflict.

The Company does not have a formal training programme for the Directors but all newly appointed Directors will undergo an orientation in order to be provided with background information about the Group's history, business activities, strategic direction and industry-specific knowledge. Newly appointed Directors will also be briefed on director's duties, responsibilities, disclosure duties and statutory obligations, governance policies, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information.

All Directors have been briefed on the roles and responsibilities of a Director of a public-listed company in Singapore in the IPO.

CORPORATE GOVERNANCE REPORT

The Company will also arrange for first-time Directors, if any, to attend training in relation to the roles and responsibilities of a Director of a listed company and in areas such as accounting, legal and industry specific knowledge, as appropriate, as well as the courses organised by the Singapore Institute of Directors ("**SID**") as prescribed by the SGX-ST under Practice Note 4D of the Catalist Rules. The Company has not appointed any new Director in FY2023.

Each of Mr Siau Kai Bing, Dr Ong Seh Hong and Mr Lim Yian Poh is currently serving as a director of one or more public-listed companies in Singapore. Mr Lim Yian Poh is also serving as a director of a public-listed company in Australia. Mr Ong Chu Poh served as a director of Econ Healthcare Pte. Ltd. from 2002 to 2012 when it was listed on the SGX-ST.

Ms Ong Hui Ming does not have prior experience as a director of a public listed company in Singapore but has been briefed on the roles and responsibilities of a director of a public listed company in Singapore. Ms Ong Hui Ming has completed the following prescribed mandatory training as specified under Practice Note 4D of the Catalist Rules:

(1) LED 1 – Listed Entity Director Essentials
(2) LED 2 – Board Dynamics
(3) LED 3 – Board Performance
(4) LED 4 – Stakeholder Engagement
(5) LED 5 – Audit Committee Essentials
(6) LED 6 – Board Risk Committee Essentials
(7) LED 7 – Nominating Committee Essentials
(8) LED 8 – Remuneration Committee Essentials

All Directors have completed the sustainability training as prescribed under Practice Note 4D of the Catalist Rules.

A formal letter of appointment would be furnished to every newly appointed Director upon his/her appointment explaining, among other matters, his/her roles, obligations, duties and responsibilities as a member of the Board. The Independent Directors have each received a formal letter of appointment setting out his duties and responsibilities. Each of the Executive Directors also has an existing service agreement with the Company.

The Company encourages existing Directors to attend training courses organised by the SID or other training institutions which are aimed at providing them with the latest updates on changes in relevant regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST 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, and such training will be funded by the Company.

On an ongoing basis, 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.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are regularly circulated to the Board. The Company Secretary would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company.

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.

To keep pace with such regulatory changes, the Company provides opportunities for ongoing education, training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalist Rules that affect the Company and/or the Directors in discharging their duties.

CORPORATE GOVERNANCE REPORT

The Board has adopted a set of internal guidelines setting forth matters that requires the Board's approval and clearly communicates this to the Management. Matters requiring approval and endorsement of the Board include, but are not limited to, the followings:

(1) major investments/divestments and funding decisions;
(2) announcements or press releases on SGXNet, 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; and
(12) matters which require Board's approval as specified in the Company's Interested Person Transactions policy.

To assist in the execution of its responsibilities, the Board has delegated specific responsibilities to the three (3) Board Committees, namely, 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 Principle 4, 6 and 10 of this report) which are reviewed on a regular basis to ensure their continued relevance and efficacy. The composition and description of each Board Committee are also set out in other sections 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 matters still lies with the entire Board.

As at the date of this report, the Board comprises five (5) members, three (3) of whom are Independent Directors, and the composition of the Board and the Board Committees are as follows:

		Board Committee Membership		
Name of Director	**Designation**	**AC**	**NC**	**RC**
Mr Ong Chu Poh	Executive Chairman and Group Chief Executive Officer ("**Group CEO**")	–	–	–
Ms Ong Hui Ming	Executive Director and Chief Executive Officer, Singapore ("**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

Directors attend and actively participate in Board and Board Committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the Company's Annual Report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The table below sets out the number of Board and Board Committees meetings held during FY2023 and the attendance of each Director at these meetings:

	Board	AC	NC	RC	AGM
Number of meetings held	3	3	1	1	1
Directors			**Attendance**		
Mr Ong Chu Poh	3	3*	1*	1*	1
Ms Ong Hui Ming	3	3*	1	0	1
Mr Siau Kai Bing	3	3	1	1	1
Mr Lim Yian Poh	3	3	1	1	1
Dr Ong Seh Hong	3	3	1	1	1

* By invitation

CORPORATE GOVERNANCE REPORT

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 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.

The Board is assisted by an experienced and qualified team of "**Key Management Personnel**" which is defined in the Code to mean "the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company". For the purposes of this Annual Report, the term Key Management Personnel is used interchangeably with the term "**Management**". The particulars of each member of the Management are set out on page 6 of this Annual Report.

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 the relevant requirements of the Companies Act 1967 ("**Companies Act**") and the Catalist Rules are complied with. Under the direction of the Chairman, the Company Secretary's responsibilities also include ensuring good information flows within the Board and the Board Committees and between the Management and Independent Directors, advising the Board on all governance matters. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

All Directors have separate and independent access to the Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. During FY2023, the Company did not engage any external advisers.

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.

The criterion for independence is based on the definition set out in the Code, and taking into consideration whether the Directors falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Board considers an "independent" Director as one who is independent in conduct, character and judgement, and has no 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.

The NC conducts an annual review to determine the independence of the Directors in accordance to the Code as well as the Catalist Rules. In its review, the NC considers all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its findings and recommendations to the Board for approval.

The Independent Directors, namely Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Independent Directors did not own shares of the Company and were not in foreseeable situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the NC, has determined that the said Directors are independent.

As at the date of this report, none of the Independent Directors has served on the Board beyond nine (9) years since the date of his first appointment.

The Independent Directors make up a majority of the Board (three (3) out of five (5) Directors), since the Chairman is not independent.

The Board is currently comprising two (2) Executive Directors and three (3) Independent Non-Executive Directors.

The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience to enable the Management to benefit from a diverse perspective to issues that are brought before the Board. The NC has reviewed the size and composition of the Board and is satisfied that the current size and composition of the Board is appropriate and effective, and provides the Board with adequate ability to meet the existing scope of needs and the nature of operations of the Company, which facilitates effective decision-making. From time to time, the NC will review the appropriateness of the current Board size and diversity of the Board as a whole, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

CORPORATE GOVERNANCE REPORT

The Board comprises Directors who, as a whole, have the core competencies and experience necessary to discharge their duties as Directors, lead and manage the Group's businesses and operations. The current composition of the Board comprises Directors with diversity of skills, experience and knowledge to the Company. With the introduction of Rule 710A of the Catalist Rules effective from 1 January 2022, the Board endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity. 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. The Company recognises that an effective board requires Directors to possess not only integrity, commitment, relevant experience, qualifications and skills in carrying out their duties effectively but also include diverse background towards promoting good corporate governance.

The Board noted that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance of diversity. The Board comprises a female director, Ms Ong Hui Ming, as Executive Director and CEO, Singapore in recognition of the importance and value of gender diversity. With Ms Ong Hui Ming as the Director of the Company, this has added the diversity of gender to the current composition of the Board of the Company and representing 20% of the Board.

The NC considers the current Board to be of sufficient calibre and size, and is able to provide the Management with a diverse and objective perspective on the issues at hand and there is no individual of small group of individual dominates the Board's decision making.

Profile of the respective Directors are set out in the section titled "**Board of Directors**" of this Annual Report.

Although all the Directors have equal responsibility for the performance of the Group, the role of the Non-Executive Director and 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 Non-Executive Director and 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.

The Company co-ordinates informal meetings for the Independent Directors, led by the Lead Independent Director ("**Lead ID**"), on a regular basis without the presence of the Management 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 will provide feedbacks and recommendations to the Chairman as appropriate.

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.

The roles of the Chairman and the Group CEO are held by Mr Ong Chu Poh, who is the founder of the Group. Mr Ong Chu Poh is responsible for the overall management, operations and the charting of corporate directions and strategies of the Group and spearheaded the Group's expansion into Malaysia and China. Mr Ong Chu Poh is supported by Ms Ong Hui Ming, Executive Director and CEO, Singapore, in the development and execution of strategic plans of the Group. Ms Ong Hui Ming is the daughter of Mr Ong Chu Poh.

The Chairman ensures effective and comprehensive Board discussion on matters brought to the Board including strategic issues as well as business planning and provides executive leadership and supervision to the Management. The responsibilities of the Chairman include:

(1) scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
(2) 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;
(3) ensuring that all Directors receive accurate, timely and clear information, and ensuring effective communication Shareholders;
(4) ensuring the Group's compliance with the Code;
(5) promoting active engagement and open dialogue amongst the Directors as well as between the Board and the Management; and
(6) 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.

CORPORATE GOVERNANCE REPORT

All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

In view of the Chairman being not independent, the Board has appointed Mr Siau Kai Bing as the Lead ID to co-ordinate and to lead the Independent Directors in situations where the Chairman is conflicted, and more generally, to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the main liaison on Board issues between the Independent Directors and the Chairman. He is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman and Group CEO, Group Chief Financial Officer ("**Group CFO**") or the Management are inappropriate or inadequate.

The Independent Directors meet amongst themselves, on a regular basis, without the presence of the Chairman where necessary and will provide feedback to the Chairman as appropriate. As such, the Board is satisfied that there is a strong independent element to contribute to effective decision making. The Independent Directors collectively are and will continue to be available to Shareholders as a channel of communication between Shareholders and the Board and/or the Management.

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.

The NC comprises four (4) members, three of whom including the NC Chairman, are Independent Directors and one (1) Executive Director. The Lead Independent Director 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

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

(1) making recommendations to our 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 our Directors, in particular, ensuring that new Directors are aware of their duties and obligations;

(2) identifying suitable candidates, reviewing, making recommendations and approving nominations for the positions of Director or alternate Director (whether appointment or re-appointment) and membership of Board committees (including our Audit Committee, the Committee and our Nominating Committee), as well as appraising the qualifications and experience of any proposed new appointments to our Board and recommending to our Board whether the nomination should be supported;

(3) ensuring that our Board and our 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;

(4) 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; and

(5) reviewing other directorships held by each Director and decided if the Director is able to and has been adequately carrying out his duties as a Director, taking into account the Director's number of directorships and other principal commitments and establish guidelines on what a reasonable and maximum number of such directorships and principal commitments for each director (or type of director) should be.

CORPORATE GOVERNANCE REPORT

Where a Director has multiple board representations in other listed companies and other principal commitments, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director of the Company taking into consideration his/her time and resources allocated to the affairs of the Company. The NC is of the view that all the Directors are able to devote to the Company's affairs in light of their other commitments and therefore, the Board has not capped the maximum number of board representations each Director is allowed to hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deemed fit.

The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group's business.

The NC would take into consideration, amongst other things, the Directors' contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Group's business and affairs), independence, other board representations, and any other factors as may be deemed relevant by the NC.

There is no alternate director being appointed to the Board.

The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In selecting new Directors, the NC will 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.

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. Recommendations for new Directors are put to the Board for its consideration and/or approval. New Directors are appointed by way of a Board resolution following which they are subject to re-election at the next Annual General Meeting of the Company ("**AGM**").

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 of the Company, Mr Siau Kai Bing and Dr Ong Seh Hong 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 member of the NC shall abstain from voting, approving or making a recommendation on any resolution of the NC in which he/she has a conflict of interest in the subject matter under consideration.

Please refer to the section entitled "Additional Information on Director Nominated for Re-election – Appendix 7F to the Catalist Rules" at pages 41 to 44 of this Annual Report for the information as set out in Appendix 7F to the Catalist Rules relating to the Retiring Directors.

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.

The NC reviews the independence of each Director annually in accordance with the definition of independence set out in the Code, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. In respect of the Company's current Independent Directors, namely Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong, the Board is of the view that they are independent, taking into account the circumstances set forth in the Code, Rule 406(3) (d) of the Catalist Rules and any other salient factors. The Independent Directors have also confirmed their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

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 Committees 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, Singapore	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 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 organised 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	• Hock Lian Seng Holding Ltd

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.

CORPORATE GOVERNANCE REPORT

The Board has implemented a process to evaluate the performance of the individual director, Board and Board Committees through the adoption of the formal evaluation form for the Board as a whole and Board Committees ("**Evaluation Forms**").

The performance criteria include financial targets, the contribution by Directors to the Board and Board Committees, their attendances at the Board and Board Committees meetings, their experience and expertise, their sense of independence and their industry knowledge. This encourages constructive feedback from the Board and Board Committees which leads to an enhancement of its performance over time.

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. Following the review for FY2023, the Board is of the view that the Board and Board Committees operate effectively and each Director is contributing to the effectiveness of the Board and the Board Committees in view of the active participation of each member during each meeting. The NC has not engaged any external facilitator in FY2023 to assist in the assessment of the performance of the Board and Board Committees.

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.

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

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

(1) reviewing and recommending to our Board, in consultation with the Chairman of our Board, for endorsement:

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

- the specific remuneration packages for each of our Directors and Key Management Personnel;

(2) ensuring the remuneration policies and systems of our Group, as approved by our Board, support our Group's objectives and strategies, and are consistently administered and being adhered to within our 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, to ensure they are fair and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of our Group, taking into account our strategic objectives;

(4) in the case of service contracts, reviewing our 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 our Board, measurable, appropriate and meaningful performance targets for assessing the performance of our Key Management Personnel, individual Directors and of the Board as a whole.

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The RC reviews and recommends to the Board the remuneration packages or policies for Executive Directors (if any) and key management personnel based on the performance of the Group, the individual Director and the key management personnel. In reviewing the service agreements of the Executive Directors (if any) and key management personnel of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

The service agreement of each of the Company's Executive Chairman and Group CEO, Mr Ong Chu Poh, and the Executive Director and CEO, Singapore, 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.

Each of Mr Ong Chu Poh and Ms Ong Hui Ming is also entitled to participate in our 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 our Group before tax and extraordinary items and after minority interests and exceptional items and (b) a stipulated number of months' bonus. Please refer to "- Remuneration of Directors and Executive Officers" of the Company's Offer Document dated 9 April 2021 for further details on the Profit-Sharing Scheme.

No Director will be involved in determining his/her own remuneration. 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 FY2023, the Board has not engaged any external remuneration consultants to advice on remuneration matters.

Level and Mix of 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.

The remuneration for the Executive Directors (if any) and certain key management personnel comprise a fixed and variable component. The variable component is performance related and is linked to the Group's performance as well as the performance of each individual Executive Director and 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 Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors (if any) and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors (if any) owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors (if any) in the event of such breach of fiduciary duties

The 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. The Directors shall not be over-compensated to the extent that their independence may be compromised. There were no share-based compensation schemes in place for the Directors.

Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. The RC has recommended to the Board the Directors' fees of S$161,000 for the financial year ending 31 March 2024 ("**FY2024**") 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 FY2024 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.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

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.

The details of the level and mix of remuneration of the Directors and key management personnel for the FY2023 are as follows:

Director	Remuneration Band[1]	Breakdown in Percentage (%)				
		Director Fees	Fixed Salary	Bonus	Others[2]	Total
Mr Ong Chu Poh	C	4.60	71.90	6.80	16.70	100.00
Ms Ong Hui Ming[3]	B	9.10	63.90	6.40	20.60	100.00
Mr Siau Kai Bing	A	100.00	–	–	–	100.00
Mr Lim Yian Poh	A	100.00	–	–	–	100.00
Dr Ong Seh Hong	A	100.00	–	–	–	100.00

The Group has only two (2) key management personnel who is not a Director or the CEO during FY2023. The details of the remuneration of key management personnel of the Group (who are not Directors or the CEO) for FY2023 are as follows:

Key Management Personnel	Remuneration Band[1]	Breakdown in Percentage			
		Fixed Salary	Bonus	Others[2]	Total
Ms Kang Shwu Huey	A	79.60	12.80	7.60	100.00
Dr Ong Xin De[4]	A	80.80	8.10	11.10	100.00

Immediate Family Members of Directors or CEO or Substantial Shareholder

Save as disclosed above, the remuneration paid to the immediate family members of Directors or CEO or a substantial shareholder of the Company for FY2023, whose exceeded S$100,000 are set out below:

Key Management Personnel	Designation	Remuneration Band[1]	Breakdown in Percentage			
			Fixed Salary	Bonus	Others[2]	Total
Koh Hin Ling[5]	Director TCM	A	82.70	11.90	5.40	100.00

Note:

(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 contribution 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 Ong Xin De is the son of the Executive Chairman and Group CEO, Mr Ong Chu Poh. Dr Ong Xin De has resigned as the Head, Development with effect from 30 June 2022.
(5) Dr Koh Hin Ling is the wife of the Executive Chairman and Group CEO, Mr Ong Chu Poh.

For FY2023 the aggregate total remuneration paid/payable to the relevant key management personnel (who are not Directors or the CEO) amounted to S$250,632.

Given the commercially sensitivity and confidential nature of remuneration matters of the industry, the Board, on review, decided not to disclose the exact remuneration of each Director and the key management personnel, and the disclosure made based on the above remuneration bands is appropriate.

For FY2023, there were no terminations, 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.

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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 acknowledges its responsibility for the governance of risk and ensures that the Management maintains a sound system of internal controls and effective risk management policies to safeguard the Shareholders' investment and the Company's assets. 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 system 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.

The Management is responsible for designing, implementing and monitoring the risk management and internal control systems within the Group. 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 function (IA) 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.

The Board has outsourced its internal audit function to RSM Risk Advisory Pte Ltd ("**RSM**") to carry out the review of the Group's internal control system to ensure the adequacy and effectiveness of the internal control within the Group. Any material, non-compliance or lapses in internal controls, together with recommendation for improvement were presented to the AC. The recommendation arising from weaknesses in the internal controls and the Management's action plans undertaken to address the weakness were reported to the AC. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

During FY2023, there was no material weakness in internal controls highlighted by both the internal auditors 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 2023. 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 Directors have received and considered the representation letters from the Group CEO, CEO, Singapore and Group CFO in relation to the financial information for FY2023. The Group CEO, CEO, Singapore and Group CFO have also assured the Board that:

(1) the financial records have been properly maintained and the financial statements for FY2023 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.

CORPORATE GOVERNANCE REPORT

Audit Committee

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

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

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

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

(1) assisting our Board in fulfilling its responsibility for overseeing the integrity of our 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 our Group CFO and the external auditors and recommending to our 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 our 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 our cash flows;

(4) reviewing and reporting to our Board, at least annually, the adequacy and effectiveness of our 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 our operating results or financial position, and at appropriate times, report 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;

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

(11) where applicable, deciding on the appointment, termination and remuneration of the head of the internal audit function;

(12) approving the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the internal audit 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;

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(13) where applicable, ensuring that the internal audit function has unfettered access to all our Group's documents, records, properties and personnel, including our Audit Committee, and has appropriate standing within our Group;

(14) making recommendations to our Board on the proposals to Shareholders on the appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors;

(15) reviewing any actual or potential conflicts of interest as described in "Interested Person Transactions and Potential Conflicts of Interest – Potential Conflicts of Interest – Mitigation" as well as any other such conflicts that may involve our Directors as disclosed by them to our Board, exercising directors' fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interest by a Director, our Audit Committee will consider whether a conflict of interest does in fact exist. A Director who is a member of our Audit Committee will not participate in any proceedings of our Audit Committee 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 our Audit Committee may deem reasonably necessary;

(16) 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 our Controlling Shareholders and propose, where appropriate, the relevant measures for Management of such conflicts;

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

(18) reviewing our 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;

(19) ensuring that we publicly disclose, and clearly communicates to our 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;

(20) reviewing the assurance from our Executive Chairman and Group Chief Executive Officer and our Group Chief Financial Officer on the financial records and financial statements of our Group; and

(21) monitoring and reviewing the adequacy and implementation of measures to safeguard the corporate seals of our subsidiaries in China.

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.

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 significant matter impacting the financial statements has been identified and included in the Independent Auditor's Report to the members of the Company under "Key Audit Matters". The Key Audit Matters was discussed with the Management and the external auditors, and was reviewed by the AC. The Board had approved the audited financial statements for FY2023.

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 AC is given the task of commissioning investigation 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 to review its findings.

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.

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. The AC also recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors. The re-appointment of the external auditors is always subject to Shareholders' approval at the AGM.

In reviewing the nomination of external auditors for re-appointment for the financial year ended 31 March 2023, 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.

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 FY2023	S$
Audit Fees	242,000
Non-Audit Fees	187,000
Total Fees	**429,000**

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.

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.

For FY2023, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group. 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.

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.

Internal Audit Function

The internal audit function is currently outsourced to RSM Risk Advisory Pte Ltd ("**RSM**"). RSM 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, 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 ARC.

CORPORATE GOVERNANCE REPORT

The AC decides on the appointment, removal, termination, evaluation and compensation of the internal auditors. The AC would annually review the independence, adequacy and effectiveness of the internal audit function of the Company.

The AC is satisfied that the outsourced audit function is independent, adequately resourced, effective and has the appropriate standing within the Group.

The AC is also of the view that the outsourced internal audit function is adequately staffed with persons with the relevant qualification and experience, and adhere 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 FY2023, the AC is satisfied that the Group's internal control and risk management systems are adequate and effective.

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 is 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.

In the course of FY2023, 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 adequacy and effectiveness of the Group's risk management and internal control systems;
(c) reviewed interested person transactions;
(d) reviewed whistle-blowing reports;
(e) reviewed and approved the annual external audit plan of the external auditors;
(f) reviewed and approved the internal audit plan of the internal auditors;
(g) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for Board approval; and
(h) 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.

CORPORATE GOVERNANCE REPORT

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

<u>Shareholder Rights and Conduct of General Meetings</u>

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.

Shareholders are informed of the general meetings through the announcement released to the SGXNet and notices contained in the Annual Report or circulars sent to all Shareholders. These notices are also advertised in a national newspaper. Shareholders are also informed of the poll voting procedures at the general meetings. 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 through proxy form sent in advance.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to be updated on the Group's strategies and goals. Notice of the general meeting is dispatched to Shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally before or during the AGM.

With the ease of the COVID-19 measurements, the Shareholders are able to attend the Company's AGM for FY2023 ("**2023 AGM**") physically. The details of the 2023 AGM including the appointment of proxy(ies) and submission of question(s) in advance of the 2023 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.

The Company acknowledges that voting by poll in all its general meeting is integral in the enhancement of corporate governance. 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 detailed results of each resolution are announced via SGXNet after the general meetings.

The Company's Constitution provides that Shareholders, who are not a relevant intermediary and are entitled to attend and vote at the AGM, are entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company. The instrument appointing a proxy must be deposited at the place specified in the notice of the general meetings not less than seventy-two (72) hours before the time appointed for holding the general meetings.

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. If a scenario arises where the resolutions are inter-conditional, the Company will explain the reasons and material implications in the notice of 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 Chairman of the AC, NC and RC are normally present and available to address questions relating to the work of their respective Board Committees at general meetings. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries from Shareholders, including the conduct of audit and the preparation and content of the auditors' report. All Directors will endeavour to be present at the Company's general meetings of Shareholders to address Shareholders' queries.

Voting by absentia by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously study for its feasibility to ensure that the integrity of the information and the authenticity of the shareholder's identity is not compromised.

Minutes are taken of all general meetings, and where appropriate, 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. Such minutes, which are subsequently approved by the Board, will be made available to Shareholders on the Company's corporate website, as well as on the SGXNet within one month after the date of the AGM.

CORPORATE GOVERNANCE REPORT

The Group does not have a formal dividend policy at present. The declaration and payment of future 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.

The Board has recommended a final dividend (one-tier tax exempt) of 0.44 Singapore cent for FY2023 which is subject to the Shareholders' approval at the forthcoming 2023 AGM.

5. ENGAGEMENT WITH SHAREHOLDERS

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 firmly believes in high standards of transparent corporate disclosure by disclosing to its stakeholders, including its Shareholders the relevant information on a timely basis through SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

Communication is made through:

- Annual Reports that are prepared and sent to all Shareholders. The Board ensures that the Annual Report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the relevant rules and regulations;
- Half yearly announcements containing a summary of the financial information and affairs of the Group for that period;
- Notice of explanatory memoranda for AGM and Extraordinary General Meeting ("**EGM**"). The notice of AGM and EGM are also advertised in a national newspaper; and
- Press and news releases on major developments of the Company and the Group.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, either before the Company meets with any investors or analysts. Annual Report with notice of AGM are available electronically. Notice of AGM is published in the newspapers within the mandatory period, which is held within four months after the close of the financial year.

By supplying Shareholders with reliable and timely information, the Company is able to strengthen the relationship with its Shareholders based on trust and accessibility. The Company is in the process setting up an investor relations function to facilitate the communications with all stakeholders, Shareholders, analysts and media on a regular basis, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance.

6. MANAGING STAKEHOLDINGS 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, government and regulators. The Company's approach to the engagement with key stakeholders and materiality assessment including the information on the Group's strategy and key areas of focus in managing stakeholder relationships will be disclosed in the Company's inaugural Sustainability 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

7. INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established guidelines and review procedures for on-going and future IPTs. The IPTs are subject to review by the AC to ensure that they are on normal commercial terms and on an arm's length basis, that is, the transactions are transacted in terms and prices not more favourable to the interested persons than if they were transacted with a third party and are not prejudicial to the interests of the Group or our minority Shareholders in any way.

Details of all IPTS entered into during FY2023 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	1,852	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	488	
(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 and hence no interested person transaction was conducted under a shareholders' mandate during FY2023.

CORPORATE GOVERNANCE REPORT

8. USE OF IPO PROCEEDS FROM IPO

On 8 June 2023, the Company has announced that the Company has reallocated the net IPO proceeds as was previously set out in the prospectus in the following manner:

Existing Use of IPO Proceeds

	Amount allocated (as disclosed in the offer document) (S$'000)	Amount utilised as at 8 June 2023[1] (S$'000)	Balance (S$'000)
Expansion plans in Singapore as well as overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments	7,500	1,425	6,075
Upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure	2,000	128	1,872
General corporate and working capital purposes	2,000	–	2,000
Payment of underwriting and placement commissions and offering expenses ("**IPO expenses**")	2,500	2,430[2]	70
Total	**14,000**	**3,983**	**10,017**

Note:

(1) The amount utilised as at the date of this Annual Report refer to the expenses billed and paid to date.
(2) IPO expenses incurred for IPO exercise is fully paid and accounted for.

Revised Use of IPO Proceeds

Revised Use of IPO Proceeds	Revised Balance as at the date of this Annual Report
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
General corporate and working capital purposes	2,070
Total	**10,017**

9. 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 any Director or controlling shareholder during the year under review.

10. DEALINGS IN SECURITIES

The Company has adopted its own internal Code of Best Practices to provide guidance to all officers and employees of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with Rule 1204(19) of the Catalist Rules. The Company and its officers are prohibited from dealing in the Company's securities during the periods commencing one month before the announcement of the Company's half year and full year results and ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or while they are in possession of unpublished price-sensitive information of the Group. They are not to deal in the Company's securities on short-term considerations.

11. NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, since the Company's IPO, there were no non-sponsorship fees payable or paid to DBS Bank Ltd.

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	**Siau Kai Bing**	**Ong Seh Hong**
Date of Appointment	22 March 2021	22 March 2021
Date of last re-appointment (if applicable)	30 July 2021	30 July 2021
Age	68	60
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 Siau Kai Bing was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr Siau's qualifications, experience, and overall contribution since he was appointed as a Director of the Company. The Board considers Mr Siau to be independent for the purpose of Rule 704(7) of the Catalist Rules.	The re-election of Dr Ong Seh Hong was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Dr Ong's qualifications, experience, and overall contribution since he was appointed as a Director of the Company. The Board considers Dr Ong 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	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the AC and member of the NC and RC	Independent Director, Chairman of the RC and member of the AC and NC
Professional qualifications	• Accountancy degree from the National University of Singapore • Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants of Singapore	• 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
Working experience and occupation(s) during the past 10 years	Please refer to page 4 of this Annual Report	Please refer to page 5 of this Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Nil	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	Nil	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

Details	Name of Director Siau Kai Bing	 Ong Seh Hong
Other Principal Commitments Including Directorships	**Past (for the last 5 years)** Nil **Present** • Nordic Group Limited • Union Steel Holdings Limited	**Past (for the last 5 years)** • MoneyMax Financial Services Ltd. • Zhongming Baihui Retail Group Ltd. • Dyna-Mac Holdings Ltd. **Present:** • Hock Lian Seng Holdings Limited • SC3H Holding Pte. Ltd.
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

CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Siau Kai Bing	Ong Seh Hong
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

CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Siau Kai Bing	**Ong Seh Hong**
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	No	No
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	No	No
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	No	No
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,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
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 2023 and the balance sheet of the Company as at 31 March 2023.

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 2023 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:

Name of director and corporation in which interests are held	Holdings at beginning of the financial year	Holdings at end of the financial year
Mr Ong Chu Poh		
Immediate holding company		
Econ Healthcare (Asia) Limited		
– Ordinary shares	207,000,000	207,000,000
– deemed interest		
Ultimate holding company		
Mr Ong Chu Poh		
Econ Investment Holdings Pte. Ltd.		
– Ordinary shares	1	1
– direct interest		

By virtue of Section 7 of the Act, Mr Ong Chu Poh is deemed to have interests in all the subsidiaries of the Company, at the beginning and at the end of the financial year.

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.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2023.

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;
- annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; 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.

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
30 June 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2023

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 2023 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 significant accounting policies.

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 2023 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 2023

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 a carrying amounts of $18.3 million and $39.7 million respectively as at 31 March 2023. These assets in aggregate account for 59% of the Group's total assets. The Company has investment in subsidiaries amounting to $25.4 million as at 31 March 2023, representing 53% 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 business impact from the COVID-19 pandemic and the macro environment at year end. Based on their assessment, management recognised impairment losses of $568,166 and $379,875 on property, plant and equipment and right-of-use assets during the year ended 31 March 2023. Management concluded that there is no further impairment of the Company's investment in subsidiaries during financial year ended 31 March 2023. 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.
- 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 additions 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, 10, 11 and 13 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 2023

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.

INDEPENDENT AUDITOR'S REPORT

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2023

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

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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.

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
30 June 2023

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2023

	Note	2023 $	2022 $
Revenue	4	43,507,534	38,905,123
Other income	5	9,196,966	5,208,467
Supplies and consumables		(6,187,087)	(5,849,093)
Staff costs		(23,499,186)	(19,356,718)
Depreciation of property, plant and equipment	10	(1,477,346)	(1,379,308)
Depreciation of right-of-use assets	11	(7,872,066)	(6,014,296)
Utilities expenses		(1,512,040)	(1,050,627)
Reversal of/(impairment losses) on trade receivables		35,290	(100,757)
Fair value gains on investment in quoted securities		58,928	–
Loss on investment in quoted securities		–	(3,354,476)
Other operating expenses		(5,364,366)	(4,657,506)
		6,886,627	2,350,809
Finance costs, net	6	(1,226,761)	(1,460,231)
Share of loss of associate, net of tax	14	(29,816)	(29,902)
Profit before tax	7	5,630,050	860,676
Tax expense	8	(1,467,741)	(916,640)
Profit/(loss) for the year		4,162,309	(55,964)
Profit/(loss) attributable to:			
Owners of the Company		4,849,248	350,114
Non-controlling interests		(686,939)	(406,078)
Profit/(loss) for the year		4,162,309	(55,964)
Earnings per share			
Basic and diluted earnings per share (cents)	9	1.89	0.14

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 2023

	2023 $	2022 $
Profit/(loss) for the year	4,162,309	(55,964)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	(1,211,842)	(51,627)
Total comprehensive income for the year	2,950,467	(107,591)
Total comprehensive income attributable to:		
Owners of the Company	3,681,308	267,392
Non-controlling interests	(730,841)	(374,983)
Total comprehensive income for the year	2,950,467	(107,591)

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

BALANCE SHEETS

As at 31 March 2023

		Group		Company	
	Note	2023	2022	2023	2022
		$	$	$	$
Assets					
Property, plant and equipment	10	18,328,191	17,929,880	723,958	813,710
Right-of-use assets	11	39,746,137	40,858,225	2,126,740	3,790,586
Investment property	12	7,554,242	8,091,822	–	–
Subsidiaries	13	–	–	25,368,970	23,899,470
Associate	14	21,025	53,098	–	–
Deferred tax assets	15	107,562	133,015	–	5,276
Finance lease receivables	21	–	–	–	–
Trade and other receivables	17	1,735,801	1,756,935	2,892,159	1,911,759
Non-current assets		67,492,958	68,822,975	31,111,827	30,420,801
Inventories	16	9,544	13,475	–	–
Current tax assets		100,906	230,226	–	–
Finance lease receivables	21	–	18,208	–	–
Trade and other receivables	17	6,291,363	5,551,962	3,117,844	2,738,115
Investments in quoted securities		755,110	–	755,110	–
Cash and short-term deposits	18	24,620,773	26,101,969	12,789,328	13,282,839
Current assets		31,777,696	31,915,840	16,662,282	16,020,954
Total assets		99,270,654	100,738,815	47,774,109	46,441,755
Liabilities					
Provision for restoration costs	19	639,333	632,118	217,818	216,558
Deferred capital grants	20	3,197,014	1,606,194	–	–
Deferred tax liabilities	15	425,508	356,689	4,283	–
Lease liabilities	22	35,542,467	35,747,894	1,023,858	2,247,101
Loans and borrowings	23	1,798,157	3,147,444	–	–
Non-current liabilities		41,602,479	41,490,339	1,245,959	2,463,659
Current tax liabilities		1,171,571	975,995	120,215	60,724
Lease liabilities	22	6,770,360	7,083,354	1,221,206	1,724,628
Loans and borrowings	23	3,284,560	3,997,439	–	–
Trade and other payables	24	7,916,791	11,251,030	2,429,612	4,046,969
Current liabilities		19,143,282	23,307,818	3,771,033	5,832,321
Total liabilities		60,745,761	64,798,157	5,016,992	8,295,980
Equity					
Share capital	25	28,254,576	28,254,576	28,254,576	28,254,576
Currency translation reserve	26	(4,091,230)	(2,923,290)	–	–
Merger reserve	26	(99,293)	(99,293)	–	–
Accumulated profits		14,693,991	10,435,843	14,502,541	9,891,199
Equity attributable to owners of the Company		38,758,044	35,667,836	42,757,117	38,145,775
Non-controlling interests	27	(233,151)	272,822	–	–
Total equity		38,524,893	35,940,658	42,757,117	38,145,775
Total equity and liabilities		99,270,654	100,738,815	47,774,109	46,441,755

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 2023

	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	34	–	–	–	(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 STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2023

	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 2021		15,000,000	(2,840,568)	(99,293)	12,655,729	24,715,868	513,823	25,229,691
Total comprehensive income for the year								
Profit/(loss) for the year		–	–	–	350,114	350,114	(406,078)	(55,964)
Other comprehensive income								
Foreign currency translation differences – foreign operations		–	(82,722)	–	–	(82,722)	31,095	(51,627)
Total comprehensive income for the year		–	(82,722)	–	350,114	267,392	(374,983)	(107,591)
Transactions with owners, recognised directly in equity								
Dividends paid	34	–	–	–	(2,570,000)	(2,570,000)	–	(2,570,000)
Shares issued pursuant to initial public offering		14,000,000	–	–	–	14,000,000	–	14,000,000
Offset of listing expenses		(745,424)	–	–	–	(745,424)	–	(745,424)
Capital contributions by non-controlling interests		–	–	–	–	–	133,982	133,982
Total transactions with owners		13,254,576	–	–	(2,570,000)	10,684,576	133,982	10,818,558
At 31 March 2022		28,254,576	(2,923,290)	(99,293)	10,435,843	35,667,836	272,822	35,940,658

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Profit before tax		5,630,050	860,676
Adjustments for:			
Amortisation of deferred capital grant	5, 20	(320,773)	(178,124)
Write-off of property, plant and equipment	7, 10	66,633	363,819
Depreciation of property, plant and equipment	10	1,477,346	1,379,308
Depreciation of right-of-use assets	11	7,872,066	6,014,296
Impairment losses on right-of-use assets	7, 11	379,875	–
Gain on termination of leases	11	(32)	(76,412)
(Reversal of)/impairment losses on trade receivables	28	(35,290)	100,757
Impairment losses on property, plant and equipment	7, 10	568,166	–
Interest income	6	(214,053)	(3,019)
Interest expense		1,511,652	1,429,588
Rent concessions	5	–	(659,474)
Unwinding of discount on provisions	6	6,962	3,422
Share of loss of associate, net of tax	14	29,816	29,902
Fair value gains on investments in quoted securities		(58,928)	–
Dividend income from investment in quoted securities	5	–	(7,590)
Loss on investment in quoted securities, net		–	3,354,476
		16,913,490	12,611,625
Changes in:			
– Trade and other receivables		(715,047)	(3,466,847)
– Trade and other payables		(3,428,486)	4,676,656
– Inventories		3,931	210
Cash generated from operations		12,773,888	13,821,644
Tax paid		(1,043,390)	(1,262,315)
Net cash from operating activities		11,730,498	12,559,329
Cash flows from investing activities			
Finance lease received		18,360	36,720
Interest received		169,297	1,991
Proceeds from disposal of property, plant and equipment		–	9,084
Purchase of property, plant and equipment		(3,631,238)	(2,629,958)
Placement of fixed deposits with licensed banks		–	(396)
Capital grants received	20	1,980,105	1,505,330
Dividend income from investment in quoted securities		–	7,590
Investment in quoted securities		(696,182)	(5,104,683)
Proceeds from disposal of quoted securities		–	1,750,207
Investment in associate		–	(83,000)
Net cash used in investing activities		(2,159,658)	(4,507,115)

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 2023

	Note	2023 $	2022 $
Cash flows from financing activities			
Capital contribution by non-controlling interests		224,868	133,982
Proceeds from borrowings	23	–	130,020
Repayment of borrowings	23	(1,732,893)	(3,306,272)
Payment of principal portion of lease liabilities	23	(7,583,032)	(4,880,806)
Interest paid	23	(1,512,891)	(1,121,140)
Payment of initial public offering transaction costs		–	(408,908)
Dividends paid		(591,100)	(2,570,000)
Proceeds from issuance of shares pursuant to initial public offering		–	14,000,000
Net cash (used in)/generated from financing activities		(11,195,048)	1,976,876
Net (decrease)/increase in cash and cash equivalents		(1,624,208)	10,029,090
Cash and cash equivalents at 1 April		26,034,901	16,029,379
Effect of exchange rate fluctuations on cash held		145,939	(23,568)
Cash and cash equivalents at 31 March	18	24,556,632	26,034,901

Significant non-cash transactions

The Group has the following significant non-cash transactions:

Acquisition of property, plant and equipment ("PPE")

	2023 $	2022 $
Addition of PPE during the year	3,559,852	3,225,603
Less: Payable to suppliers at year end	(1,166,346)	(1,237,732)
Add: Payment to suppliers for PPE acquired in previous year	1,237,732	642,087
	3,631,238	2,629,958

Rent concessions

Rent concessions were given by the lessors to the Group arising from the Rental Relief Framework which came into force on 31 July 2020 through the Amendment Act and the COVID-19 (Temporary Measures) (Rental and Related Measures) Regulations 2020, with the objective to help alleviate costs for businesses. During the financial year ended 31 March 2022, it allowed the Group to be relieved of lease payments amounting to $659,474 as described in Note 21.

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 2023

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 14.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2022*

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 2022. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company

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) 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 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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 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 *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	2 to 20 years
Office equipment	5 years
Staff accommodation	2 to 5 years
Motor vehicles	3 to 5 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 ***Leases*** *(cont'd)*

(a) ***Group as a lessee*** *(cont'd)*

(i) Right-of-use assets (cont'd)

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 2.10.

(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.

(b) ***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 2.14). 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".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.10 *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.

2.11 *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.

2.12 *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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 *Associate (cont'd)*

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.

2.13 *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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

Subsequent measurement (cont'd)

***Investments in debt instruments** (cont'd)*

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(b) ***Financial liabilities*** *(cont'd)*

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.

2.14 ***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).

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 *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.

2.16 *Inventories*

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

2.17 *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.

2.18 *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.

2.19 *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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 *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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.20 *Taxes (cont'd)*

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

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.

2.21 ***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 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 *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.

2.23 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 2.14 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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

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.

As at 31 March 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 2023

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 $	Course fees $	Management fee $	Traditional Chinese medicine ("TCM") clinics services $	Other ancillary services $	Total $
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
– China	86,667	408,716	–	–	–	–	–	495,383
	15,225,720	6,106,284	21,286,591	4,258	–	860,804	477	43,484,134
Related corporation								
– Singapore	–	–	–	–	23,400	–	–	23,400
	15,225,720	6,106,284	21,286,591	4,258	23,400	860,804	477	43,507,534
2022								
Third parties								
– Singapore	10,879,560	3,435,496	18,642,789	27,818	–	762,100	110	33,747,873
– Malaysia	3,304,207	1,464,243	–	–	–	–	–	4,768,450
– China	64,660	300,740	–	–	–	–	–	365,400
	14,248,427	5,200,479	18,642,789	27,818	–	762,100	110	38,881,723
Related corporation								
– Singapore	–	–	–	–	23,400	–	–	23,400
	14,248,427	5,200,479	18,642,789	27,818	23,400	762,100	110	38,905,123
Timing of transfer of goods or services								
2023								
Over time	15,225,720	6,106,284	21,286,591	4,258	23,400	–	–	42,646,253
At a point in time	–	–	–	–	–	860,804	477	861,281
	15,225,720	6,106,284	21,286,591	4,258	23,400	860,804	477	43,507,534
2022								
Over time	14,248,427	5,200,479	18,642,789	27,818	23,400	–	–	38,142,913
At a point in time	–	–	–	–	–	762,100	110	762,210
	14,248,427	5,200,479	18,642,789	27,818	23,400	762,100	110	38,905,123

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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.

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 affiliated corporations and related corporation. 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	
	2023	**2022**	**1 April 2021**
	$	**$**	**$**
Trade receivables (Note 17)	1,502,426	1,226,710	1,440,350
Receivables for operating subvention grants (Note 17)	1,637,037	1,206,140	817,591
Contract liabilities	189,094	147,418	60,032

The Group has recognised reversal of impairment losses on receivables arising from contracts with customers amounting to $35,290 (2022: impairment losses of $100,757).

Contract liabilities are home fees collected in advance (Note 24) 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 $147,418 (2022: $60,032).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

5. OTHER INCOME

		Group	
	Note	2023 $	2022 $
Other government grants			
– Grants on special employment credit, temporary employment credit and wages credit scheme		152,337	106,717
– Grants on Jobs Support Scheme		–	128,170
– Grants on staff accommodation		102,000	218,400
– S Pass and work permit levy transition support		–	159,674
– Employment grant		–	23,647
– Grants on Senior Management Associate Scheme		19,478	151,913
– Grant on Job Growth Incentive		171,295	369,608
– Eldercare centre baseline service transition grants		389,847	419,835
– Grants for Equity Market Singapore		–	200,000
– Work-life grants		–	70,000
– Workforce Development grant		88,000	–
– Grants on community care salary enhancements		727,186	384,427
– Grants on Healthcare Hiring In Advance Initiatives		283,950	311,598
– Rental subsidy/subvention grants		2,931,042	985,725
– Pre-operations funding		2,935,439	176,288
– Furniture and equipment funding		326,945	–
Rent concessions	21	–	659,474
Rental income		261,145	259,348
Amortisation of deferred capital grants	20	320,773	178,124
Service fees		31,585	105,948
Dividend income from quoted securities		–	7,590
Gain on lease termination		32	76,412
Others		455,912	215,569
		9,196,966	5,208,467

Jobs Support Scheme grants are provided to help the Group to retain local employees by providing cashflow support or mitigate the financial impact of COVID-19 containment measures for employees.

Staff accommodation grants are a form of funding support to help staff find temporary lodging in the Agency for Integrated Care-coordinated hotels in the interim and to help the Group to make further enhancements to its onsite dormitories for adherence to split zones and safe distancing.

Senior Management Associate Scheme programme is provided to help the Group in recruiting local leadership talents to support Community Care organisations' growth and development.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

5. OTHER INCOME (cont'd)

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

Rent concessions were given by the lessors to the Group arising from the Rental Relief Framework which came into force on 31 July 2021 through the Amendment Act and the COVID-19 (Temporary Measures) (Rental and Related Measures) Regulations 2021, with the objective to help alleviate costs for businesses. It allowed the Group to be relieved of lease payments during the period of the rent concession.

6. FINANCE INCOME AND COSTS

	Group	
	2023	**2022**
	$	**$**
Exchange gain, net	77,800	–
Interest income from bank deposits	213,901	1,991
Interest income from finance lease receivables	152	1,028
Finance income	291,853	3,019
Exchange loss, net	–	(30,240)
Interest expense from borrowings	(268,126)	(262,171)
Unwinding of discount on provision for restoration cost	(6,962)	(3,422)
Interest expense from lease liabilities	(1,243,526)	(1,167,417)
Finance costs	(1,518,614)	(1,463,250)
Net finance costs	(1,226,761)	(1,460,231)

7. PROFIT BEFORE TAX

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

	Group	
	2023	**2022**
	$	**$**
Audit fees:		
– auditors of the Company	241,250	195,000
– other auditors	60,066	42,977
Non-audit fees:		
– auditors of the Company	187,160	100,000
– other auditors	84,886	71,000
Initial public offering expenses	–	60,891
Expenses relating to short-term leases presented in 'staff costs'	218,146	247,074
Repair and maintenance expenses	1,512,084	1,448,919
Write-off of property, plant and equipment	66,633	363,819
Contributions to defined contribution plans included in staff costs	1,258,565	1,048,053
Directors' fees	174,226	85,214
Impairment loss on property, plant and equipment	568,166	–
Impairment loss on rights-of-use assets	379,875	–
Loss on investment in quoted securities*	–	(3,354,476)

* This relates to the Group's investment in quoted equity securities, which were measured at fair value through profit or loss. The Group acquired and disposed the investment during the year ended 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

8. TAX EXPENSE

	Group 2023 $	Group 2022 $
Current tax expense		
Current year	1,097,622	1,025,757
Under/(over)provision related to prior years	258,558	(2,543)
	1,356,180	1,023,214
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	45,838	(176,000)
Changes in estimates related to prior years	65,723	69,426
	111,561	(106,574)
Tax expense	1,467,741	916,640
Reconciliation of effective tax rate		
Profit before tax	5,630,050	860,676
Tax using the Singapore tax rate of 17% (2022: 17%)	957,109	146,315
Effect of tax rates in foreign jurisdictions	(164,650)	(117,325)
Share of results of associate	5,069	5,083
Non-deductible expenses	475,964	820,375
Tax exempt income, incentives and rebate	(291,519)	(211,884)
Changes in estimates related to prior years	324,281	66,883
Deferred tax assets not recognised	161,487	207,193
	1,467,741	916,640

9. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 March 2023 and 31 March 2022 is based on the profit attributable to ordinary shareholders of $4,849,248 and $350,114, respectively and the weighted-average number of ordinary shares outstanding during the years, as follows:

	Group 2023 No. of shares	Group 2022 No. of shares
Weighted-average number of ordinary shares	257,000,000	254,397,260

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 2023

10. 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 $	Total $
Group									
Cost									
At 1 April 2021	1,302,633	9,615,773	50,874	8,841,373	3,483,771	2,501,370	786,567	198,495	26,780,856
Additions	–	–	1,043,042	620,817	1,108,733	310,946	142,065	–	3,225,603
Disposals	–	–	–	–	(22,686)	(47,424)	(1,172)	–	(71,282)
Write off	–	–	–	(1,215,458)	(294,570)	(148,569)	(20,448)	–	(1,679,045)
Reclassifications	–	–	(32,657)	–	–	–	32,657	–	–
Translation differences on consolidation	(9,920)	(73,226)	17,376	29,361	(3,925)	(665)	1,248	(883)	(40,634)
At 31 March 2022 and 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	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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

10. 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 $	Total $
Accumulated depreciation and impairment losses									
At 1 April 2021	–	1,415,642	–	4,632,776	1,725,385	1,831,574	574,534	124,593	10,304,504
Depreciation charge for the year	–	191,465	–	507,530	293,896	212,893	146,609	26,915	1,379,308
Disposals	–	–	–	–	(20,693)	(43,647)	(425)	–	(64,765)
Write off	–	–	–	(928,340)	(253,457)	(113,644)	(19,785)	–	(1,315,226)
Translation differences on consolidation	–	(11,394)	–	(2,110)	(1,917)	(2,084)	(27)	(671)	(18,203)
At 31 March 2022 and 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	–	1,667,873	–	5,138,552	2,115,621	2,088,411	829,991	170,817	12,011,265
Carrying amounts									
At 31 March 2022	1,292,713	7,946,834	1,078,635	4,066,237	2,528,109	730,566	240,011	46,775	17,929,880
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

During the financial year ended 31 March 2023, the Group has written off property, plant and equipment of carrying amount $66,633 (2022: $363,819) (included in "Other operating expenses" line item in the consolidated income statement). In 2022, the write off largely pertains to assets attributable to a nursing home that has been closed during the year. As these assets are not movable and can no longer be used after the closure of the nursing home, these have been written off.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

10. 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 2021	2,473,850	153,634	215,477	82,477	2,925,438
Additions	–	1,950	39,575	–	41,525
At 31 March 2022 and 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	2,473,850	155,584	332,279	82,477	3,044,190
Accumulated depreciation					
At 1 April 2021	1,748,734	52,446	144,965	40,846	1,986,991
Depreciation charge for the year	77,470	21,903	50,394	16,495	166,262
At 31 March 2022 and 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	1,903,675	91,502	251,219	73,836	2,320,232
Carrying amounts					
At 31 March 2022	647,646	81,235	59,693	25,136	813,710
At 31 March 2023	570,175	64,082	81,060	8,641	723,958

(i) The carrying amounts of freehold land and buildings of the Group mortgaged as security for banking facilities (Note 23) are as follow:

	2023 $	2022 $
Freehold land	1,206,832	1,292,713
Buildings	7,240,715	7,946,834
	8,447,547	9,239,547

(ii) The Group performed impairment assessment of the property, plant and equipment relating to the Chongqing Nursing Home as described in Note 3. During the financial year ended 31 March 2023, the Group recognised an impairment loss of $568,166 with respect to the carrying amount of property, plant and equipment held by Chongqing Nursing Home. The Group has re-performed impairment assessment of the property, plant and equipment relating to clinics providing TCM services for the current financial year ended 31 March 2023 and has concluded that no reversal of impairment is to be made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

11. 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 2021	44,260,887	113,041	471,071	559,713	45,404,712
Additions	19,449,583	–	565,481	–	20,015,064
Lease modification	–	–	47,652	–	47,652
Derecognition*	(1,707,152)	–	–	–	(1,707,152)
Translation differences on consolidation	203,259	–	(80)	–	203,179
At 31 March 2022 and 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	68,793,454	127,931	1,493,336	559,713	70,974,434
Accumulated depreciation and impairment losses					
At 1 April 2021	17,841,525	12,972	229,041	166,955	18,250,493
Depreciation charge for the year	5,626,250	22,238	243,209	122,599	6,014,296
Derecognition*	(1,160,434)	–	–	–	(1,160,434)
Translation differences on consolidation	885	–	(10)	–	875
At 31 March 2022 and 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	29,790,173	62,411	963,560	412,153	31,228,297
Carrying amounts					
At 31 March 2022	39,898,351	77,831	611,884	270,159	40,858,225
At 31 March 2023	39,003,281	65,520	529,776	147,560	39,746,137

* Derecognition of right-of-use assets is a result of termination of lease.

For financial year ended 31 March 2023, certain leases for staff accommodations were terminated hence right-of-use assets of carrying amount $9,615 and its corresponding lease liabilities of $9,647 was derecognised, resulting in a gain on termination of $32. During the financial year ended 31 March 2022, the lease for a nursing home was early terminated following its closure during the year and hence right-of-use assets of carrying amount $546,718 and its corresponding lease liabilities of $623,130 was derecognised, resulting in a gain on termination of $76,412.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

11. RIGHT-OF-USE ASSETS (cont'd)

	Nursing homes and office premises $	Office equipment $	Motor vehicles $	Total $
Company				
Cost				
At 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	9,723,061	43,540	559,713	10,326,314
Accumulated depreciation				
At 1 April 2021	4,699,931	4,996	166,955	4,871,882
Depreciation charge for the year	1,532,681	8,566	122,599	1,663,846
At 31 March 2022 and 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 2022	7,765,293	22,128	412,153	8,199,574
Carrying amounts				
At 31 March 2022	3,490,449	29,978	270,159	3,790,586
At 31 March 2023	1,957,768	21,412	147,560	2,126,740

The Group performed impairment assessment of the rights-of-use assets relating to the Chongqing Nursing Home as described in Note 3. During the financial year ended 31 March 2023, the Group recognised an impairment loss of $379,875 with respect to the carrying amount of right-of-use assets held by Chongqing Nursing Home.

12. INVESTMENT PROPERTY

	Group	
	2023 $	**2022** $
At 1 April, at cost	8,091,822	8,153,915
Translation differences on consolidation	(537,580)	(62,093)
At 31 March, at cost	7,554,242	8,091,822

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.

Amounts recognised in profit or loss

	Group	
	2023 $	**2022** $
Rental income	259,589	220,966
Direct operating expenses	(5,594)	(5,751)

The fair value of the investment property, description of valuation techniques and inputs used in fair value measurement are disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

13. SUBSIDIARIES

	Note	Company 2023 $	Company 2022 $
Unquoted equity shares, at cost		8,390,226	8,390,226
Loans to subsidiaries	A	18,791,791	17,322,291
Investment in subsidiaries		27,182,017	25,712,517
Impairment losses		(1,813,047)	(1,813,047)
		25,368,970	23,899,470

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. Based on management's assessment, the Company recognised an impairment loss of $22,204 in the financial year ended 31 March 2022 on its investments in a subsidiary which had incurred continued operating losses. The management assessed the recoverable amount of these subsidiaries based on fair value less cost of disposal. The fair value less cost of disposal was determined based on recoverability of the subsidiaries' underlying assets and liabilities, which comprised mainly monetary assets and monetary liabilities.

The movement of allowance for impairment losses in respect of investment in and loans to subsidiaries during the year are as follows:

	Company 2023 $	Company 2022 $
At the beginning of the year	1,813,047	1,790,843
Impairment loss	–	22,204
At the end of the year	1,813,047	1,813,047

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

13. SUBSIDIARIES (cont'd)

Details of Singapore incorporated and significant foreign incorporated subsidiaries are as follows:

	Principal place of business/Country of Incorporation	Ownership interest 2023 %	Ownership interest 2022 %
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
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). In 2022, Chongqing Yikang Bailingbang Eldercare Co., Ltd. was audited by Ernst & Young Hua Ming LLP (Chengdu Branch, China).
(4) Audited by Anchorage Assurance (Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

14. ASSOCIATE

	Group 2023 $	Group 2022 $
Interest in associate	21,025	53,098

Name of associate/ Principal activity	Principal place of business/Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %	Voting rights held 2023 %	Voting rights held 2022 %
Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. Operation of a Nursing Home	China	20	20	20	20

As at 31 March 2023 and 31 March 2022, the associate has a registered capital of RMB5,000,000, which shall be paid-up before 31 January 2040. The Group injected capital of $Nil into this associate during the financial year ended 31 March 2023 (2022: $83,000).

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.

The following summarised financial information for the above associate, which is prepared in accordance with SFRS(I), modified for differences in the Group's accounting policies.

	Group 2023 $	Group 2022 $
Revenue	721,191	48,584
Loss for the year, representing total comprehensive income	(149,079)	(149,510)
Non-current assets	36,894	14,016
Current assets	538,704	663,535
Non-current liabilities	–	–
Current liabilities	(470,472)	(402,997)
Net assets	105,126	274,554
Carrying amount of interest in investee at end of the year	21,025	53,098

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

15. DEFERRED TAX

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2023 $	2022 $	2023 $	2022 $
Group				
Property, plant and equipment	–	–	807,497	656,960
Leases	(272,011)	(262,902)	–	–
Provisions	(23,196)	(24,402)	–	–
Tax loss and capital allowance carry-forwards	(194,344)	(145,982)	–	–
Deferred tax (assets)/liabilities	(489,551)	(433,286)	807,497	656,960
Set-off of tax within the same jurisdiction	381,989	300,271	(381,989)	(300,271)
Net deferred tax (assets)/liabilities	(107,562)	(133,015)	425,508	356,689
Company				
Property, plant and equipment	–	–	47,573	55,096
Leases	(29,696)	(49,697)	–	–
Provisions	(13,594)	(10,675)	–	–
Deferred tax (assets)/liabilities	(43,290)	(60,372)	47,573	55,096
Set-off of tax	43,290	55,096	(43,290)	(55,096)
Net deferred tax (assets)/liabilities	–	(5,276)	4,283	–

Movements in deferred tax balances

	As at 1 April 2021 $	Recognised in profit or loss (Note 8) $	Exchange difference $	As at 31 March 2022 $	Recognised in profit or loss (Note 8) $	Exchange difference $	As at 31 March 2023 $
Group							
Property, plant and equipment	689,920	(29,491)	(3,468)	656,961	182,205	(31,669)	807,497
Leases	(270,654)	8,106	(355)	(262,903)	(12,164)	3,056	(272,011)
Provisions	(25,184)	782	–	(24,402)	1,206	–	(23,196)
Tax loss and capital allowance carry-forwards	(60,749)	(85,971)	738	(145,982)	(59,686)	11,324	(194,344)
	333,333	(106,574)	(3,085)	223,674	111,561	(17,289)	317,946

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

15. DEFERRED TAX (cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2023	**2022**
	$	**$**
Deductible temporary differences	408,429	307,602
Tax losses	1,286,832	891,641
	1,695,261	1,199,243

At the end of reporting period, the Group has tax losses of $1,286,832 (2022: $891,641) 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. The tax losses from Malaysia and China have expiry date as shown below.

Expiry date	**Unrecognised tax losses $**
2026	609,296
2029	1,996
2032	231,268
2033	398,947
2034	45,325

16. INVENTORIES

	Group	
	2023	**2022**
	$	**$**
Medical and general supplies	9,544	13,475

During the financial year ended 2023, cost of inventories recognised in profit or loss amounted to $3,666 (2022: $98,695).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Trade receivables – third parties	1,775,240	1,590,407	–	–
Less: Impairment losses	(272,814)	(323,697)	–	–
	1,502,426	1,266,710	–	–
Trade amounts due from:				
– subsidiaries	–	–	3,638,495	2,118,055
Less: impairment losses	–	–	(690,288)	(355,722)
Total trade receivables	1,502,426	1,266,710	2,948,207	1,762,333
Receivables for operating subvention grants	1,637,037	1,206,140	–	–
Aggregate of trade receivables and receivables for operating subvention grants	3,139,463	2,472,850	2,948,207	1,762,333
Other government grant receivables	2,267,695	1,367,978	171,043	204,078
Other receivables	206,699	983,317	44,299	134,750
Staff advances	28,650	14,530	–	–
Deposits	1,991,181	2,003,026	766,159	766,159
Non-trade amounts due from subsidiaries	–	–	2,395,010	1,962,675
Less: impairment losses on non-trade amounts due from subsidiaries	–	–	(585,800)	(308,845)
	7,633,688	6,841,701	5,738,918	4,521,150
Prepayments	393,476	467,196	271,085	128,724
	8,027,164	7,308,897	6,010,003	4,649,874
Non-current	1,735,801	1,756,935	2,892,159	1,911,759
Current	6,291,363	5,551,962	3,117,844	2,738,115
	8,027,164	7,308,897	6,010,003	4,649,874

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 29.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

18. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Cash at bank and in hand	14,385,921	26,034,901	2,455,185	13,282,839
Fixed deposits	10,234,852	67,068	10,334,143	–
Cash and short-term deposits in statements of financial position	24,620,773	26,101,969	12,789,328	13,282,839
Less: Fixed deposits with maturity more than 90 days at year end	(34,852)	(34,852)		
Less: Restricted fixed deposit	(29,289)	(32,216)		
Cash and cash equivalents in consolidated statement of cash flows	24,556,632	26,034,901		

The Group's effective interest rate relating to fixed deposits with financial institutions was 3.1% (2022: Nil%) 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 0.3% (2022: 0.30%) per annum.

19. PROVISION FOR RESTORATION COSTS

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
At beginning of financial year	632,118	504,208	216,558	215,317
Provision made during the year	657	137,990	–	–
Provision reversed during the year	(404)	–	–	–
Utilised	–	(13,502)	–	–
Unwinding of discount	6,962	3,422	1,260	1,241
At the end of financial year	639,333	632,118	217,818	216,558

20. DEFERRED CAPITAL GRANTS

		Group	
	Note	2023	2022
		$	$
At 1 April		1,606,194	276,625
Capital grants received during the year		1,980,105	1,505,330
Amortisation for the year	5	(320,773)	(178,124)
Exchange differences		(68,512)	2,363
At 31 March		3,197,014	1,606,194

Deferred capital grants comprise government grants received for the purpose of furnishing and equipping of the nursing homes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

21. 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 $17,931,588 (2022: $14,744,961) 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 for adherence to safe distancing measures as a result of the COVID-19 pandemic and ambulance vehicles. 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	
	2023	**2022**
	$	**$**
Interest expense on lease liabilities	1,243,526	1,167,417
Interest income from finance lease arrangements	(152)	(1,028)
Income from sub-leasing right-of-use assets presented in 'other income'	(1,556)	(38,382)
Expenses relating to short-term leases presented in 'staff costs'	218,146	247,074

Amounts recognised in consolidated statement of cash flows

	Group	
	2023	**2022**
	$	**$**
Total cash outflow for leases	8,826,560	5,723,145

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 lease asset.

Leases as lessor

The Group leases out its leased property as well as investment property as disclosed in Note 12. All leases are classified as operating leases from a lessor perspective with the exception of a sub-lease, which the Group has classified as a finance sub-lease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

21. LEASES (cont'd)

Finance lease

The Group has 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 (2022: $1,028).

The following table sets out a maturity analysis of finance lease receivables, showing the lease payments (undiscounted and discounted) to be received after the reporting date.

	Group	
	2023	2022
	$	$
Within 1 year	–	18,360
1 to 5 years	–	–
Total undiscounted lease receivable	–	18,360
Unearned finance income	–	(152)
Net investment in the lease	–	18,208
Within 1 year	–	18,208
1 to 5 years	–	–
Total discounted lease receivable	–	18,208

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 2023 was $261,145 (2022: $259,348).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2023	2022
	$	$
Within 1 year	270,559	1,556
1 to 5 years	288,596	–
	559,155	1,556

Rent concessions

Rent concessions were given by the lessors to the Group arising from the Rental Relief Framework came into force on 31 July 2021 through the Amendment Act and the COVID-19 (Temporary Measures) (Rental and Related Measures) Regulations 2021. The Group applied the practical expedient for COVID-19-related rent concessions consistently to all eligible rent concessions.

The amount recognised in profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for COVID-19-related rent concessions is $Nil (2022: $659,474) as disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22. LEASE LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Non-current liabilities	35,542,467	35,747,894	1,023,858	2,247,101
Current liabilities	6,770,360	7,083,354	1,221,206	1,724,628
	42,312,827	42,831,248	2,245,064	3,971,729

The terms and conditions of lease liabilities are as follows:

	Currency	Nominal interest rate %	Year of maturity	Face value $	Carrying amount $
Group					
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
31 March 2022					
Lease liabilities	SGD	0.48% – 3.13%	2023 – 2034	35,091,100	32,467,574
	MYR	4.32% – 5.67%	2023 – 2039	3,944,430	2,551,986
	RMB	4.90%	2039 – 2040	11,827,941	7,811,688
				50,863,471	42,831,248
Company					
31 March 2023					
Lease liabilities	SGD	2.07% – 3.01%	2026	2,307,948	2,245,064
31 March 2022					
Lease liabilities	SGD	2.07% – 3.01%	2026	4,100,700	3,971,729

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

23. LOANS AND BORROWINGS

	Group 2023 $	Group 2022 $
Non-current liabilities		
Unsecured bank loans	–	717,935
Secured bank loans	1,798,157	2,429,509
	1,798,157	3,147,444
Current liabilities		
Unsecured bank loans	2,815,298	3,484,843
Secured bank loans	469,262	478,253
Overdraft	–	34,343
	3,284,560	3,997,439
Total loans and borrowings	5,082,717	7,144,883

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 2023 and 2022.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 29.

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 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
31 March 2022						
Group						
Unsecured bank loans		SGD	SIBOR + 2%	2023	1,948,680	1,948,680
Secured bank loans	A	MYR	Base lending rate – 1.25%	2027	2,907,762	2,907,762
Unsecured revolving credit		MYR	Cost of funds + 1.50%	2023	2,254,098	2,254,098
Overdraft	A	MYR	Base lending rate – 1.25%	2023	34,343	34,343
					7,144,883	7,144,883

Note A

The bank loan and overdraft is secured on the Group's freehold land and building amounting to $8,447,547 (2022: $9,239,547) (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

23. LOANS AND BORROWINGS (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	Liabilities			Total
		Bank loans and revolving credit	Lease liabilities	Interest payable	
		$	$	$	$
Balance at 1 April 2022		7,144,883	42,831,248	4,432	49,980,563
Changes from financing cash flows					
Proceed from borrowings		–	–	–	–
Repayment of borrowings		(1,732,893)	–	–	(1,732,893)
Payment 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	11	–	678,632	–	678,632
Lease modification	11	–	7,283,022	–	7,283,022
Derecognition	11	–	(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
Balance at 1 April 2021		10,361,180	28,760,976	21,062	39,143,218
Changes from financing cash flows					
Proceed from borrowings		130,020	–	–	130,020
Repayment of borrowings		(3,306,272)	–	–	(3,306,272)
Payment of lease liabilities		–	(4,880,806)	–	(4,880,806)
Interest paid		–	(842,339)	(278,801)	(1,121,140)
Total changes from financing cash flows		(3,176,252)	(5,723,145)	(278,801)	(9,178,198)
The effect of change in foreign exchange rates		(40,045)	(154,112)	–	(194,157)
Liability-related other changes					
New leases	11	–	20,015,064	–	20,015,064
Lease modification	11	–	47,652	–	47,652
Derecognition	11	–	(623,130)	–	(623,130)
Rent concessions	5, 21	–	(659,474)	–	(659,474)
Interest expense	6	–	1,167,417	262,171	1,429,588
Total liability-related other changes		–	19,947,529	262,171	20,209,700
Balance at 31 March 2022		7,144,883	42,831,248	4,432	49,980,563

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Trade payables				
– third parties	1,050,066	905,948	–	–
Non-trade amount due to subsidiaries	–	–	1,010,750	2,548,237
Accrued operating expenses	2,915,557	3,603,952	927,400	940,987
Interest payables	3,195	4,432	–	–
Other payables	666,511	473,108	81,222	164,677
Payables to suppliers of property, plant and equipment	1,166,346	1,237,732	330,278	330,278
Refundable deposits	1,465,078	1,422,232	–	–
Financial liabilities at amortised cost	7,266,753	7,647,404	2,349,650	3,984,179
Deferred grant income	320,657	3,308,896	–	–
Liability for short-term accumulated compensated absences	140,287	147,312	79,962	62,790
Home fees collected in advance	189,094	147,418	–	–
	7,916,791	11,251,030	2,429,612	4,046,969

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 2023 and 31 March 2022, 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 29.

25. SHARE CAPITAL

	Number of shares		Amount	
	2023	2022	2023	2022
			$	$
Group and Company				
Issued and fully paid ordinary shares, at par value:				
At beginning of period	257,000,000	207,000,000	28,254,576	15,000,000
Shares issued pursuant to initial public offering	–	50,000,000	–	13,254,576*
At the end of period	257,000,000	257,000,000	28,254,576	28,254,576

* Derived after offsetting $745,424 against proceeds from shares issued pursuant to initial public offering of $14,000,000.

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.

Initial public offering

On 19 April 2021, the Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST) and issued 50,000,000 shares representing approximately 19.46 percent of the Company's issued shares. The Company raised gross proceeds of $14,000,000 and its share capital increased to 257,000,000 shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

26. 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.

27. NON-CONTROLLING INTERESTS

Names of subsidiaries	Principal places of business/Country of incorporation	Ownership interests held by NCI 2023 %	2022 %
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				
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

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For the financial year ended 31 March 2023

27. 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				
2022				
Revenue	1,130,306	365,401	–	1,495,707
Loss for the year	(712,210)	(255,800)	(300,318)	(1,268,328)
Other comprehensive income	9,699	78,112	(10,200)	77,611
Total comprehensive income	(702,511)	(177,688)	(310,518)	(1,190,717)
Attributable to NCI				
– Loss	(213,663)	(102,320)	(90,095)	(406,078)
– OCI	2,910	31,245	(3,060)	31,095
– **Total comprehensive income**	(210,753)	(71,075)	(93,155)	(374,983)
Non-current assets	2,544,656	2,573,134	7,613,274	12,731,064
Current assets	376,351	1,590,986	427,281	2,394,618
Non-current liabilities	–	(1,506,952)	(6,519,868)	(8,026,820)
Current liabilities	(4,597,297)	(820,264)	(552,145)	(5,969,706)
Net (liabilities)/assets	(1,676,290)	1,836,904	968,542	1,129,156
Net (liabilities)/assets attributable to NCI	(502,887)	734,762	40,947	272,822
Cash flows (used in)/generated from operating activities	(167,866)	551,645	(11,841)	371,938
Cash flows used in investing activities	(510,239)	(186,671)	(1,086,491)	(1,783,401)
Cash flows from financing activities	560,813	–	1,253,558	1,814,371
Net (decrease)/increase in cash and cash equivalents	(117,292)	364,974	155,226	402,908

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

28. 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.

		Carrying amount		
	Note	**Financial assets measured at amortised cost $**	**Other financial liabilities $**	**Total carrying amount $**
Group				
31 March 2023				
Financial assets not measured at fair value				
Cash and short-term deposits	18	24,620,773	–	24,620,773
Trade and other receivables^	17	7,633,688	–	7,633,688
		32,254,461	–	32,254,461
Financial liabilities not measured at fair value				
Loans and borrowings	23	–	(5,082,717)	(5,082,717)
Trade and other payables*	24	–	(7,266,753)	(7,266,753)
		–	(12,349,470)	(12,349,470)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

28. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

***Fair value hierarchy** (cont'd)*

	Note	Carrying amount		
		Financial assets measured at amortised cost $	Other financial liabilities $	Total carrying amount $
Group				
31 March 2022				
Financial assets not measured at fair value				
Cash and short-term deposits	18	26,101,969	–	26,101,969
Trade and other receivables^	17	6,841,701	–	6,841,701
		32,943,670	–	32,943,670
Financial liabilities not measured at fair value				
Loans and borrowings	23	–	(7,144,883)	(7,144,883)
Trade and other payables*	24	–	(7,647,404)	(7,647,404)
		–	(14,792,287)	(14,792,287)

	Note	Carrying amount		
		Financial assets measured at amortised cost $	Other financial liabilities $	Total carrying amount $
Company				
31 March 2023				
Financial assets not measured at fair value				
Cash and short-term deposits	18	12,789,328	–	12,789,328
Trade and other receivables^	17	5,738,918	–	5,738,918
		18,528,246	–	18,528,246
Financial liabilities not measured at fair value				
Trade and other payables*	24	–	(2,349,650)	(2,349,650)
31 March 2022				
Financial assets not measured at fair value				
Cash and short-term deposits	18	13,282,839	–	13,282,839
Trade and other receivables^	17	4,521,150	–	4,521,150
		17,803,989	–	17,803,989
Financial liabilities not measured at fair value				
Trade and other payables*	24	–	(3,984,179)	(3,984,179)

^ Excludes prepayments.
* 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 2023

28. FAIR VALUE OF ASSETS AND LIABILITIES (cont'd)

Measurement of fair values

Other financial assets and liabilities

The notional amount 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.

Assets measured at fair value

The table below analyses assets measured at fair value.

	Level 1 $	Level 2 $	Level 3 $	Total $
Group				
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 2023				
Investment property	–	–	7,546,000	7,546,000
31 March 2022				
Investment property	–	–	8,082,000	8,082,000

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 properties 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 2023

29. 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.

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	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Singapore	6,561,298	6,205,514	5,738,918	4,521,150
Malaysia	295,791	252,399	–	–
China	776,599	383,788	–	–
	7,633,688	6,841,701	5,738,918	4,521,150

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

29. FINANCIAL RISK MANAGEMENT (cont'd)

***Credit risk** (cont'd)*

Exposure to credit risk (cont'd)

The maximum exposure to credit risk for trade and other receivables, excluding prepayments at the reporting date by customer type was:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Group				
Individuals	1,502,426	1,121,602	–	–
Corporations	1,991,181	2,148,134	766,159	766,159
Government and government agencies	4,050,751	3,535,290	171,043	204,078
Subsidiaries	–	–	4,757,417	3,416,163
Others	89,330	36,675	44,299	134,750
	7,633,688	6,841,701	5,738,918	4,521,150

The maximum exposure to credit risk for trade and other receivables, excluding prepayments at the reporting date by operating segment was:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$	**$**	**$**	**$**
Group				
Medicare centres and nursing homes	6,548,939	5,468,618	–	–
Other operation and ancillary services	1,084,749	1,373,083	5,738,918	4,521,150
	7,633,688	6,841,701	5,738,918	4,521,150

The ageing of trade and other receivables, excluding prepayments at the reporting date was:

	2023		2022	
	Not credit-impaired	**Credit-impaired**	**Not credit-impaired**	**Credit-impaired**
	$	**$**	**$**	**$**
Group				
No credit terms	6,131,262	–	5,574,991	–
Not past due	847,654	–	645,558	–
Past due 1 – 30 days	239,564	–	200,548	–
Past due 31 – 180 days	415,163	–	371,252	2,572
Past due 181 – 365 days	10,472	–	77,685	31,744
More than one year	1,035	261,352	4,486	256,562
Total gross carrying amount	7,645,150	261,352	6,874,520	290,878
Loss allowance	(11,462)	(261,352)	(32,819)	(290,878)
	7,633,688	–	6,841,701	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

29. FINANCIAL RISK MANAGEMENT (cont'd)

***Credit risk** (cont'd)*

Exposure to credit risk (cont'd)

	2023		2022	
	Not credit-impaired $	**Credit-impaired $**	**Not credit-impaired $**	**Credit-impaired $**
Company				
No credit terms	2,790,711	585,800	2,758,817	308,845
Not past due	165,245	–	203,876	–
Past due 1 – 30 days	161,711	14,226	126,384	–
Past due 31 – 180 days	946,271	78,093	437,715	–
Past due 181 – 365 days	346,680	50,932	942,784	–
More than one year	1,328,300	547,037	51,574	355,722
Total gross carrying amount	5,738,918	1,276,088	4,521,150	664,567
Loss allowance	–	(1,276,088)	–	(664,567)
	5,738,918	–	4,521,150	–

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.

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 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)
		1,775,240	(272,814)
31 March 2022			
Not past due	0.11%	645,558	(703)
Past due 1 – 30 days	1.73%	200,548	(3,472)
Past due 31 – 180 days	2.31%	373,824	(8,623)
Past due 181 – 365 days	48.01%	109,429	(52,532)
More than one year	98.97%	261,048	(258,367)
		1,590,407	(323,697)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

29. FINANCIAL RISK MANAGEMENT (cont'd)

***Credit risk** (cont'd)*

Movements in allowance for impairment in respect of trade receivables

The movements in the allowance for impairment in respect of trade receivables during the year were as follows:

	Group	
	2023	**2022**
	$	**$**
At 1 April	323,697	228,362
(Reversal of)/impairment loss recognised	(35,290)	100,757
Utilised	(15,593)	(5,422)
At 31 March	272,814	323,697

Cash and bank balances

The credit risk on cash and short-term deposits is limited because the counterparty is a bank with credit ratings assigned by international credit rating agencies.

Receivables for operating subvention grants, other government grant receivables, staff advances, other receivables, finance lease 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	
	2023	**2022**
	$	**$**
At 1 April	355,722	355,722
Impairment loss recognised	334,566	–
At 31 March	690,288	355,722

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

29. FINANCIAL RISK MANAGEMENT (cont'd)

***Credit risk** (cont'd)*

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	
	2023	**2022**
	$	**$**
At 1 April	308,845	340,945
Impairment loss recognised/(reversed)	276,955	(32,100)
At 31 March	585,800	308,845

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 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)
31 March 2022					
Non-derivative financial liabilities					
Loans and borrowings	7,144,883	(7,571,427)	(4,166,421)	(3,104,977)	(300,029)
Lease liabilities	42,831,248	(50,863,471)	(8,671,205)	(26,912,684)	(15,279,582)
Trade and other payables*	7,647,404	(7,647,404)	(7,647,404)	–	–
	57,623,535	(66,082,302)	(20,485,030)	(30,017,661)	(15,579,611)

* 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 2023

29. FINANCIAL RISK MANAGEMENT (cont'd)

***Liquidity risk** (cont'd)*

	Carrying amount $	Contractual cash flows $	Cash flows: Within 1 year $	Cash flows: 1 to 5 years $	Cash flows: More than 5 years $
Company					
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)	–
31 March 2022					
Non-derivative financial liabilities					
Lease liabilities	3,971,729	(4,100,700)	(1,792,752)	(2,307,948)	–
Trade and other payables*	3,984,179	(3,984,179)	(3,984,179)	–	–
	7,955,908	(8,084,879)	(5,776,931)	(2,307,948)	–

* Excludes home fees collected in advance, liability for short-term accumulated compensated absences and deferred grant income

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 2023 $	Nominal amount 2022 $
Group		
Fixed rate instruments		
Fixed deposits	10,234,852	67,068
Finance lease receivables	–	18,208
Lease liabilities	(42,312,827)	(42,831,248)
	(32,077,975)	(42,745,972)
Variable rate instruments		
Loans and borrowings	(5,082,717)	(7,144,883)
Company		
Fixed rate instruments		
Lease liabilities	(2,245,064)	(3,971,729)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

29. FINANCIAL RISK MANAGEMENT (cont'd)

***Market risk** (cont'd)*

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 (2022: 200) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $101,654 (2022: $142,898) 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.

30. 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.

	Group	
	2023	**2022**
	$	**$**
Total liabilities	60,745,761	64,798,157
Less: cash and short-term deposits	(24,620,773)	(26,101,969)
Net debt	36,124,988	38,696,188
Total equity	38,524,893	35,940,658
Net debt to equity ratio	0.94	1.08

No changes were made in the objectives, policies or processes during the years ended 31 March 2023 and 2022.

As disclosed in Note 23, 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 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. 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:

	2023 $	2022 $
Bank loan guaranteed by the Company in respect of facilities drawn down by a subsidiary		
Facility amount		
– Term loan and overdraft^	5,200,743	5,570,842
– Revolving credit#	2,104,347	2,254,098
Outstanding amount		
– Term loan and overdraft^	2,267,419	2,942,105
– Revolving credit#	2,014,161	2,254,098

^ 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 10.
# The bank loan is guaranteed by corporate guarantee from the Company.

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.

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 2023

32. 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	
	2023	**2022**
	$	**$**
Post-employment benefits	43,945	52,619
Non-monetary benefit	152,076	26,564
Short term employee benefits including director fees	1,146,590	1,124,792
	1,342,611	1,203,975

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. Two directors have waived their entitlement under the profit sharing scheme for year ended 31 March 2022.

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	
	2023	**2022**
	$	**$**
Ultimate holding company		
Payment made on behalf	–	(10,751)
Related corporations*		
Management fee income	(23,400)	(23,400)
Payment made on behalf	–	(1,300)

* Related corporations are other related parties not within the Group that are owned by the majority shareholder.

33. 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 2023

33. 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 $	Other operation and ancillary services $	Eliminations $	Total $
Group				
2023				
Revenue				
External revenue	42,618,595	888,939	–	43,507,534
Inter-segment revenue	–	9,332,952	(9,332,952)	–
Results:				
Segment results	6,393,521	187,944	246,234	6,827,699
Finance costs, net	(2,748,644)	127,884	1,393,999	(1,226,761)
Share of results of associate	–	–	–	(29,816)
Unallocated expenses: Fair value gains on investments in quoted securities	–	–	–	58,928
Profit before tax	3,644,877	315,828	1,640,233	5,630,050
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	1,300,713	176,633	–	1,477,346
Depreciation of right-of-use assets	6,032,236	1,839,830	–	7,872,066
Amortisation of deferred capital grant	(318,085)	(2,688)	–	(320,773)
Reversal of impairment losses on trade receivables	(35,290)	–	–	(35,290)
Impairment loss on property, plant and equipment	568,166	–	–	568,166
Impairment loss on rights-of-use assets	279,875	–	–	279,875

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

33. OPERATING SEGMENTS (cont'd)

***Information about reportable segments** (cont'd)*

	Medicare centres and nursing homes $	Other operation and ancillary services $	Eliminations $	Total $
Group				
2022				
Revenue				
External revenue	38,091,695	813,428	–	38,905,123
Inter-segment revenue	–	8,208,209	(8,208,209)	–
Results:				
Segment results	5,032,129	746,831	(12,784)	5,766,176
Finance costs, net	(1,505,208)	(112,272)	157,249	(1,460,231)
Share of results of associate	–	–	–	(29,902)
Unallocated expenses: Listing expenses	–	–	–	(60,891)
Unallocated expenses: Loss on investment in unquoted securities	–	–	–	(3,354,476)
Profit before tax	3,526,921	634,559	144,465	860,676
Assets:				
Segment assets	85,624,098	69,718,861	(54,967,385)	100,375,574
Tax assets	353,754	9,487	–	363,241
Total assets	85,977,852	69,728,348	(54,967,385)	100,738,815
Liabilities:				
Segment liabilities	81,556,867	36,400,012	(54,491,406)	63,465,473
Tax liabilities	1,271,962	60,722	–	1,332,684
Total liabilities	82,828,829	36,460,734	(54,491,406)	64,798,157
Capital expenditure	3,177,363	48,240	–	3,225,603
Significant non-cash items				
Depreciation of property, plant and equipment	1,194,853	184,455	–	1,379,308
Depreciation of right-of-use assets	4,209,227	1,805,069	–	6,014,296
Amortisation of deferred capital grant	(175,436)	(2,688)	–	(178,124)
Impairment losses on trade receivables	100,757	–	–	100,757

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

33. 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	
	2023	**2022**
	$	**$**
Revenue		
Singapore	37,681,775	33,771,272
Malaysia	5,330,376	4,768,450
China	495,383	365,401
	43,507,534	38,905,123
Non-current assets[1]		
Singapore	37,964,285	36,223,472
Malaysia	20,250,748	22,301,480
China	9,170,363	10,165,008
	67,385,396	68,689,960

(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 non-current finance lease receivables.

34. COMMITMENTS

The Group has commitments for the following capital expenditures:

	Group	
	2023	**2022**
	$	**$**
Property, plant and equipment	328,507	3,296,805

The commitments mainly relate to the renovation of nursing home in Malaysia, purchase of nursing home equipment and tools and construction of the Group's nursing home in China.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

35. DIVIDENDS

	Group and Company	
	2023	2022
	$	$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final exempt (one-tier) dividend for 2021 of 0.78 cent per share	–	2,004,600
– Interim exempt (one-tier) dividend for 2022 of 0.22 cent per share	–	565,400
– Interim exempt (one-tier) dividend for 2023 of 0.23 cent per share	591,100	–
	591,100	2,570,000
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 2023: 0.44 cent (2022: Nil cent) per share	1,130,800	–

36. SUBSEQUENT EVENTS

In May 2023, the Company had fully disposed its investments in quoted securities. The Company recorded $18,000 dividends declared and received subsequent to year end and a realised gain on disposal of $32,000.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 30 June 2023.

STATISTICS OF SHAREHOLDINGS

As at 21 June 2023

Class of Shares	:	Ordinary share
No. of Shares (excluding treasury shares and subsidiary holdings)	:	257,000,000
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	221	13.41	208,500	0.08
1,001 – 10,000	964	58.50	3,108,800	1.21
10,001 – 1,000,000	457	27.73	25,582,800	9.95
1,000,001 and above	6	0.36	228,099,900	88.76
Total	**1,648**	**100.00**	**257,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Econ Healthcare Pte Ltd	207,000,000	80.54
2	DBS Nominees (Private) Limited	13,606,700	5.29
3	Raffles Nominees (Pte.) Limited	3,247,500	1.26
4	Tiger Brokers (Singapore) Pte. Ltd.	1,873,600	0.73
5	Phillip Securities Pte Ltd	1,274,700	0.50
6	iFAST Financial Pte. Ltd.	1,097,400	0.43
7	Chong Ngiet Fah	1,000,000	0.39
8	Maybank Securities Pte. Ltd.	780,000	0.30
9	Citibank Nominees Singapore Pte Ltd	771,800	0.30
10	OCBC Securities Private Limited	758,000	0.29
11	Sim Siang Eng	669,900	0.26
12	Lam Mee Lian	508,600	0.20
13	Tan Sien Chuan	500,000	0.19
14	Ng Poh Mui	450,000	0.18
15	Chua Leong Hai @ Chua Leang Hai	420,000	0.16
16	Lee Cheow Yin	400,000	0.16
17	Tan Keh Mui	394,000	0.15
18	Rachel Kor Mei Hui	300,000	0.12
19	Wong Kar Seng	256,700	0.10
20	Tan Keh Joo	231,800	0.09
	Total	**235,540,700**	**91.64**

STATISTICS OF SHAREHOLDINGS

As at 21 June 2023

SUBSTANTIAL SHAREHOLDERS AS AT 21 JUNE 2023

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Econ Healthcare Pte Ltd ("EHPL")[1]	207,000,000	80.54	–	–
Ong Chu Poh[1]	–	–	207,000,000	80.54
Econ Investment Holding Pte Ltd ("EIH")[1]	–	–	207,000,000	80.54

Note:

(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 2023, 19.46% 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 Thursday, 27 July 2023 at 10.00 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 2023, together with the Auditors' Report thereon.

   (Resolution 1)

2. To approve the final dividend (one-tier tax exempt) of 0.44 Singapore cent for the financial year ended 31 March 2023.

   (Resolution 2)

3. To approve the payment of Directors' fees of S$161,000 for the financial year ending 31 March 2024, to be paid semi-annually in arrears. (2023: 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 Siau Kai Bing **(Resolution 4)**
   Dr Ong Seh Hong **(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,

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, 7 July 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr Siau Kai Bing will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Audit Committee, a member of the Nominating Committee and the Remuneration Committee of the Company. The Board considers Mr Siau Kai Bing to be independent for the purposes of Rule 704(7) of the Catalist Rules. Further detailed information on Mr Siau Kai Bing can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report 2023.

Dr Ong Seh Hong will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nominating Committee of the Company. The Board considers Dr Ong Seh Hong to be independent for the purposes of Rule 704(7) of the Catalist Rules. Further detailed information on Dr Ong Seh Hong can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report 2023.

(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.

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 shall specify the proportion of his 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 10.00 a.m. on 24 July 2023**, 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 18 July 2023 at 10.00 a.m.; or

   (b) "live" 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 18 July 2023 at 10.00 a.m., as this will allow the Company sufficient time to address and respond to these questions on or before 21 July 2023. The responses will be published on (i) the SGX-ST's website; and (ii) the Company's corporate website.

* A Relevant Mandatory 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.

NOTICE OF ANNUAL GENERAL MEETING

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 notice has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this notice. This notice has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this notice, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this notice.

The contact persons of the Sponsor are Mr Goh Chyan Pit, Managing Director and Mr Kelvin Wong, Senior Vice President, who can be contacted at 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone +65 6878 8888.

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 Thursday, 27 July 2023 at 10.00 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 2023			
2	Approval of final dividend (one-tier tax exempt) of 0.44 Singapore cent for the financial year ended 31 March 2023			
3	Approval of Directors' fees amounting to S$161,000 for the financial year ending 31 March 2024, to be paid semi-annually in arrears			
4	Re-election of Mr Siau Kai Bing as a Director			
5	Re-election of Dr Ong Seh Hong 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 ____________________ 2023

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.
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.
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 10.00 a.m. on 24 July 2023**, 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.
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.

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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. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investors**") and wishes 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 7 July 2023.

Second fold

Affix
Postage
Stamp

Attention: Share Registrar

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

Third fold and glue overleaf. Do not staple.

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

DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

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

United Overseas Bank Ltd.
1 Raffles Place
One Raffles Place
Singapore 048616

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