ECON HEALTHCARE (ASIA) LIMITED

(Company Registration Number 200400965N)
(Incorporated in Singapore on 28 January 2004)

Offering in respect of 50,000,000 Offering Shares, comprising:
(i) 48,200,000 Placement Shares; and
(ii) 1,800,000 Public Offer Shares,
payable in full on application.

Offering Price: S$0.28 per Offering Share.

THE LARGEST PRIVATE NURSING HOME OPERATOR IN SINGAPORE AND MALAYSIA[1] WITH PRESENCE IN CHINA

[1] Based on revenue receipts in 2019 according to Euromonitor International Limited (**"Euromonitor"**).

OFFER DOCUMENT DATED 9 APRIL 2021

(Registered by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), acting as agent on behalf of the Monetary Authority of Singapore (the "**MAS**"), on 9 April 2021)

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully, and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

THIS OFFERING (AS DEFINED HEREIN) IS MADE IN OR ACCOMPANIED BY THIS OFFER DOCUMENT (THE **"OFFER DOCUMENT"**) WHICH HAS BEEN REGISTERED BY THE SGX-ST, ACTING AS AGENT ON BEHALF OF THE MAS, ON 9 APRIL 2021.

This is the initial public offering of the ordinary shares (the "**Shares**") of Econ Healthcare (Asia) Limited (the "**Company**" and together with our subsidiaries, the "**Group**"). We are issuing and making an offering of 50,000,000 Shares (the "**Offering Shares**") for subscription by investors at the Offering Price (as defined below). The Offering (as defined below) comprises: (i) a placement of 48,200,000 Offering Shares to investors (the "**Placement Shares**"), including institutional and other investors in Singapore (the "**Placement**") and (ii) an offering of 1,800,000 Offering Shares (the "**Public Offer Shares**") by way of a public offer in Singapore (the "**Public Offering**" and together with the Placement, the "**Offering**"). The Offering will consist of an aggregate of 50,000,000 Offering Shares. The Offering Shares may be re-allocated between the Placement and the Public Offering at the discretion of the Sponsor, Issue Manager, Underwriter and Placement Agent (as defined below) (in consultation with us), subject to any applicable laws. See *"Plan of Distribution"*. The offering price (the "**Offering Price**") for each Offering Share is S$0.28.

The Offering is underwritten by DBS Bank Ltd. ("**DBS**" or the "**Sponsor, Issue Manager, Underwriter and Placement Agent**") at the Offering Price.

Prior to the Offering, there was no public market for the Shares. An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, all our issued Shares and the Offering Shares on the Catalist Board of the SGX-ST ("**Catalist**") (the **"Listing"**). Such permission will be granted when our Company has been admitted to the Official List of Catalist. Acceptance of applications for the Offering Shares will be conditional upon, among others, the issue of the Offering Shares and permission being granted by the SGX-ST to deal in and for quotation of all our issued Shares. Monies paid in respect of any application accepted will be returned to you, at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the Offering is not completed because the said permission is not granted or for any other reason, and you will not have any right or claim against us or the Sponsor, Issue Manager, Underwriter and Placement Agent. The dealing in and quotation of the Shares will be in Singapore dollars. Our Company's admission to the Official List of Catalist is not to be taken as an indication of the merits of the Offering, our Company, any of our subsidiaries and associated companies and the Shares (including the Offering Shares). The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Offer Document.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the Shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the MAS. Neither the MAS nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the MAS nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that our Company is suitable to be listed and complies with the Catalist Rules (as defined herein). Neither the MAS nor the SGX-ST has in any way considered the merits of the Shares being offered for investment. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the MAS, does not imply that the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), or any other legal or regulatory requirements, or requirements under the Catalist Rules, have been complied with.

We have not lodged or registered this Offer Document in any other jurisdiction.

After the expiration of six months from the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the MAS, no person may make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

Investing in the Shares involves risks. See "*Risk Factors*" for a discussion of certain risks to be considered in connection with an investment in the Shares.

Prospective investors applying for Offering Shares by way of Application Forms or Electronic Applications (both as referred to in "*Appendix F – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore*") in the Public Offering will pay the Offering Price on application, subject to refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against us or the Sponsor, Issue Manager, Underwriter and Placement Agent), where (i) an application is rejected or accepted in part only, or (ii) the Offering does not proceed for any reason.

SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT

DBS

THE LARGEST PRIVATE NURSING HOME OPERATOR IN SINGAPORE AND MALAYSIA[2] WITH PRESENCE IN CHINA

ABOUT ECON HEALTHCARE

Our Group is the leading premium private nursing home operator in Singapore and Malaysia. According to Euromonitor, our Group is the largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia, with a market share of 26.9% and 43.2% respectively.

As at the Latest Practicable Date, we operate 10 medicare centres and nursing homes in Singapore and Malaysia with a total bed capacity of 1,376. Further, our Chongqing Nursing Home is expected to commence operations in 2021 after receipt of the necessary licences and approvals.

We have also been appointed as an operator under the BOL Scheme for two upcoming nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson, which is expected to be operational in the second half of 2022, and ECON Medicare Centre and Nursing Home – Jurong East, which is expected to be operational in 2025. It is presently estimated that ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East will have an indicative bed capacity of up to 236 and up to 732 beds, respectively, bringing our estimated total bed capacity to 2,388 by 2025[3].

MEDICARE CENTRES AND NURSING HOMES

7 IN SINGAPORE **3** IN MALAYSIA **1** IN CHINA[4]

MARKET SHARE[2]

26.9% IN SG **43.2%** IN MY

1,094 RESIDENTS[5]

88.4% OCCUPANCY RATE[5]

1,376 TOTAL BED CAPACITY[6]

2,388 ESTIMATED TOTAL BED CAPACITY BY 2025[3]

APPOINTED AS OPERATOR FOR TWO UPCOMING MEDICARE CENTRES AND NURSING HOMES IN HENDERSON AND JURONG EAST

[2] Based on revenue receipts in 2019 according to Euromonitor.
[3] Excludes the proposed Chengdu Nursing Home and proposed Changshou Nursing Home which have not been established.
[4] Our Chongqing Nursing Home is pending commencement of operations.
[5] Average for 6M2021.
[6] As at the Lastest Practicable Date.

KEY BUSINESS SEGMENTS:

(i) Medicare Centres and Nursing Homes
- Residential nursing care services
- Rehabilitation services and Traditional Chinese Medicine (TCM) treatments
- Clinical services
- Home care services

(ii) Other Operations and Ancillary Services
- Healthcare training services
- TCM services
- Operation of senior activity centres

COMPETITIVE STRENGTHS

Leading private nursing home operator, well positioned to capitalise on the growing ageing population in the region

- Largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia with a market share of 26.9% and 43.2% respectively[7]
- We believe our existing markets present attractive opportunities for growth as they benefit from a range of factors such as affluent and rapidly ageing populations outpacing population growth, as well as an increasing demand for quality nursing home services, underpinned by supportive government policies
- Revenue receipts of private nursing homes in Singapore, Malaysia and China are expected to experience a CAGR growth of 13.6%, 11.5% and 16.6% respectively, from 2020 to 2024[7]

The Centre of Excellence for Eldercare

- We believe that the "Econ" brand name is well-recognised and trusted in the private nursing home industry in the markets in which we operate, due to our dedication and commitment as a premium medicare centre and nursing home operator in Singapore and Malaysia
- We offer an eco-system of care and provide a wide range of services encompassing aspects of eldercare to support families
- Our employees received 46 awards from the Silver, Gold and Star award categories at the Singapore Health Quality Service Awards 2020, and we were also awarded the Best Geriatric Healthcare Operator Award and the Best Rehabilitation Operator Award at the 5th Asia Pacific Eldercare Innovation Awards in 2017
- We were the first in the nursing home industry to be awarded the Singapore Service Class Certification in recognition of our commendable performance in service excellence

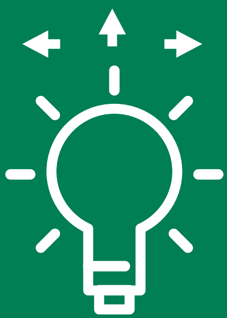
Strong operational know-how and track record of 30 years

- We believe we have built up a resilient business model and excellent operational know-how that we can leverage as we expand and grow our business in existing and new markets
- Despite the inherent barriers, our extensive operating experience and know-how, and the strength of our brand have allowed us to venture out of Singapore. We established our first medicare centre and nursing home in Malaysia in 2004 and our flagship premium centre in Taman Perling, Johor in 2014. We have also ventured into China with the establishment of our Chongqing Nursing Home which is expected to commence operations in 2021 after receipt of the necessary licences and approvals
- For the past three years our average occupancy rate was 87.1% in Singapore and 82.0% in Malaysia; for 6M2021, our average occupancy rate was at 94.1% in Singapore and 75.5% in Malaysia[8]

[7] According to Euromonitor.
[8] Figures as at 30 September 2020 and excludes ECON Medicare Centre and Nursing Home – Puchong which commenced operations after 30 September 2020.

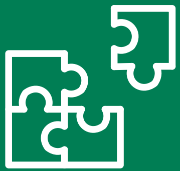
BUSINESS STRATEGIES AND FUTURE PLANS

Asset-light strategy to scale up future expansion



1

Expand business operations organically and through, among others, investments, merger and acquisitions, joint ventures and/or strategic collaborations



2

Enhance productivity through human capital investment, and technology and innovations

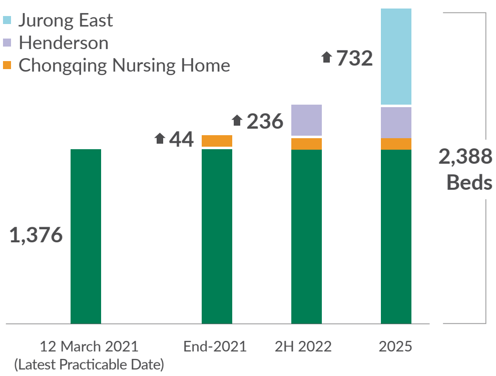
3

Upgrade existing facilities

4

SECURED EXPANSION PIPELINE FOR NEAR-TERM GROWTH

Estimated bed capacity



Upcoming projects:

CHONGQING NURSING HOME
Expected to be operational **in 2021**
Est Bed Capacity **44**

ECON MEDICARE CENTRE AND NURSING HOME – HENDERSON
Expected to be operational **in 2H2022**
Est Bed Capacity up to **236**

ECON MEDICARE CENTRE AND NURSING HOME – JURONG EAST
Expected to be operational **in 2025**
Est Bed Capacity up to **732**

Secured expansion pipeline for near-term growth

- Our ECON Medicare Centre and Nursing Home – Puchong in Kuala Lumpur, Malaysia recently commenced operations in December 2020 and has a bed capacity of 138 beds; our Chongqing Nursing Home, with a bed capacity of 44 beds, is expected to commence operations in 2021 after receipt of the necessary licences and approvals
- In Singapore, we have been appointed as an operator under the BOL Scheme for two upcoming nursing homes at Henderson and Jurong East which are presently estimated to have an indicative bed capacity of up to 236 and up to 732 beds, respectively

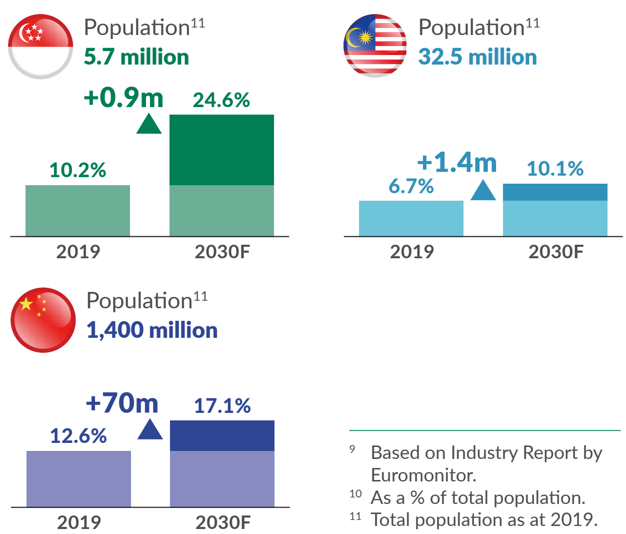
Strong management team supported by experienced founder, Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh

- We believe our track record of successful growth is a testament to the experience and commitment of our management team, led by our experienced founder, Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh
- Our key management team is supported by an experienced operational team that has essential on-the-ground knowledge and experience of the day-to-day management of our business and operations

INDUSTRY OUTLOOK AND PROSPECTS[9]

- Revenue receipts of private nursing homes are expected to grow
- Increased demand of nursing homes and senior care services arising from:
  - Growing affluence
  - Shrinking family sizes, and
  - Growing number of dual-income families
- Singapore, Malaysia and China are experiencing an increasing proportion of its population who are aged 65 and above

Population aged 65 and above[10]



[9] Based on Industry Report by Euromonitor.
[10] As a % of total population.
[11] Total population as at 2019.

INTENDED DIVIDEND RECOMMENDATION[12]

AT LEAST 35% of net profit after tax attributable to our Shareholders generated in each of FY2021, FY2022 and FY2023

[12] Investors should note that these are merely statements of our present intention and shall not constitute legally binding obligations of our Company or legally binding statements in respect of our future dividends (including those proposed for FY2021, FY2022 and FY2023), which may be subject to modification (including reduction or non-declaration thereof) at our Directors' sole and absolute discretion. Investors should also not treat the proposed dividends for FY2021, FY2022 and FY2023 as an indication of our future dividend policy.

APPLICATION FOR THE PUBLIC OFFERING SHARES MAY BE MADE THROUGH:

- ATMs and internet banking websites of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
- Mobile banking interfaces of DBS Bank Ltd. and United Overseas Bank Limited
- Printed WHITE Application Forms for Public Offer Shares which accompanies and forms part of this Offer Document

IMPORTANT DATES:

Opening date and time of the Public Offering	10 April 2021, 7.00 am
Closing date and time of the Public Offering	15 April 2021, 12.00 noon
Commence trading on Catalist Board of the SGX-ST	19 April 2021, 9.00 am

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NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this Offer Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of us or the Sponsor, Issue Manager, Underwriter and Placement Agent. Neither the delivery of this Offer Document nor any offer, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as at any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in our affairs, condition and prospects or the Shares since the date hereof. In the event any changes occur, where such changes are material or required to be disclosed by applicable laws and/or the SGX-ST, or if we otherwise determine, we will make an announcement of the same to the SGX-ST and, if required, issue and lodge an amendment to this Offer Document or a supplementary document or replacement document pursuant to Section 240 or, as the case may be, Section 241 of the SFA and take immediate steps to comply with the said sections. Investors should take notice of such announcements and documents and upon release of such announcements or documents shall be deemed to have notice of such changes.

None of us, the Sponsor, Issue Manager, Underwriter and Placement Agent or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers are making any representation or undertaking to any investors in the Shares regarding the legality of an investment by such investor under appropriate investment or similar laws. In addition, investors in the Shares should not construe the contents of this Offer Document or its appendices as legal, business, financial or tax advice. Investors should be aware that they may be required to bear the financial risks of an investment in the Shares for an indefinite period of time. Investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Shares.

By applying for the Offering Shares on the terms and subject to the conditions in this Offer Document, each investor in the Offering Shares represents and warrants that, except as otherwise disclosed to the Sponsor, Issue Manager, Underwriter and Placement Agent in writing, he is not (i) a director of our Company (a "**Director**") or Substantial Shareholder (as defined herein) of our Company, (ii) an associate of any of the persons mentioned in (i), or (iii) a connected client of the Sponsor, Issue Manager, Underwriter and Placement Agent or lead broker or distributor of the Offering Shares.

We are subject to the provisions of the SFA and the Catalist Rules regarding the contents of this Offer Document. In particular, if after this Offer Document is registered by the SGX-ST, acting as agent on behalf of the MAS, but before the close of the Offering, we become aware of:

(a) a false or misleading statement in this Offer Document;

(b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or

(c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the MAS, but which would have been required by Section 243 of the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement document with the SGX-ST, acting as agent on behalf of the MAS, pursuant to Section 241 of the SFA.

Where applications have been made under this Offer Document to subscribe for the Offering Shares prior to the lodgement of the supplementary or replacement document and the Offering Shares have not been issued to the applicants, we shall either, among others:

(i) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to withdraw their applications and take all reasonable steps to make available within a reasonable period of time the supplementary or replacement document, as the case may be, to the applicants if they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement document;

(ii) within seven days from the date of lodgement of the supplementary or replacement document, provide the applicants with a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to withdraw their applications; or

(iii) treat the applications as withdrawn and cancelled and return all monies paid in respect of any applications received (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against us and the Sponsor, Issue Manager, Underwriter and Placement Agent), to the applicants within seven days from the date of lodgement of the supplementary or replacement document.

Where applications have been made under this Offer Document to subscribe for the Offering Shares prior to the lodgement of the supplementary or replacement document and the Offering Shares have been issued to the applicants, we shall either, among others:

(1) within two days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to return to our Company the Offering Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period of time the supplementary or replacement document, as the case may be, to the applicants if they have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement document;

(2) within seven days from the date of lodgement of the supplementary or replacement document, provide the applicants with a copy of the supplementary or replacement document, as the case may be, and provide the applicants with an option to return to us, those Offering Shares that the applicants do not wish to retain title in; or

(3) subject to compliance with the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and our Constitution, treat the issue of the Offering Shares as void and return all monies paid in respect of any applications received (without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk and without any right or claim against us and the Sponsor, Issue Manager, Underwriter and Placement Agent), within seven days from the date of lodgement of the supplementary or replacement document.

Any applicant who wishes to exercise his option to withdraw his application or return the Offering Shares issued to him shall (as the case may be), within 14 days from the date of lodgement of the supplementary or replacement document, notify us and (in the case of a return of the Offering Shares, return all documents, if any, purporting to be evidence of title of those Offering Shares to us), whereupon we shall, within seven days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk and without any right or claim against us.

Under the SFA, the MAS may in certain circumstances issue a stop order (the "**Stop Order**") to us, directing that no or no further Offering Shares be allotted, issued or sold. Such circumstances will include a situation where this Offer Document (i) contains a statement which, in the opinion of the MAS, is false or misleading, (ii) omits any information that is required to be included in accordance with the SFA or (iii) does not, in the opinion of the MAS, comply with the requirements of the SFA.

Where the MAS issues a Stop Order pursuant to Section 242 of the SFA, and:

(A) in the case where the Offering Shares have not been issued to the applicants, the applications for the Offering Shares pursuant to the Offering shall be deemed to have been withdrawn and cancelled and we shall, within 14 days from the date of the Stop Order, return to the applicants all monies paid by the applicants on account of their applications for the Offering Shares; or

(B) in the case where the Offering Shares have been issued to the applicants, the issue of the Offering Shares shall be deemed to be void and we shall, within seven days from the date of the Stop Order, return to the applicants all monies paid by the applicants on account of their applications for the Offering Shares.

Where monies paid in respect of applications received or accepted are to be returned to the applicants, such monies will be returned at the applicants' own risk, without interest or any share of revenue or other benefit arising therefrom, and the applicants will not have any claim against us and the Sponsor, Issue Manager, Underwriter and Placement Agent.

The distribution of this Offer Document and the offer, subscription, purchase, sale or transfer of the Shares may be restricted by law in certain jurisdictions. We and the Sponsor, Issue Manager, Underwriter and Placement Agent require persons into whose possession this Offer Document comes to inform themselves about and to observe any such restrictions at their own expense and without liability to us or the Sponsor, Issue Manager, Underwriter and Placement Agent. This Offer Document does not constitute or form part of an offer or sale of, or a solicitation or invitation of any offer to purchase or subscribe for, any of the Shares in any jurisdiction in which such offer, sale, solicitation or invitation would be unlawful or unauthorised, nor does it constitute an offer or sale, or a solicitation or invitation to purchase or subscribe for, any of the Shares to any person whom it is unlawful to make such an offer, sale, solicitation or invitation. Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

We are entitled to withdraw the Offering at any time before closing, subject to compliance with certain conditions set out in the Management and Underwriting Agreement (as defined herein). We are making the Offering subject to the terms described in this Offer Document and the Management and Underwriting Agreement.

Notification under Section 309B of the SFA: The Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Copies of this Offer Document, the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:

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

and where applicable, members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Offer Document is also available on the SGX-ST's website at https://www.sgx.com.

The Application List will open at 7.00 a.m. on 10 April 2021, and will remain open until 12.00 noon on 15 April 2021 or such other period or periods as we may at our absolute discretion, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, decide, subject to any limitation under any applicable laws and regulations. In the event a supplementary offer document or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the MAS, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application for the Offering Shares are set out in "*Appendix F – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore*".

FORWARD-LOOKING STATEMENTS

This Offer Document contains forward-looking statements which are statements that are not historical facts, including statements about our beliefs and expectations. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as “may”, “will”, “could”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “seek”, “estimate”, “project” and similar terms and phrases. These statements include, among others, statements regarding our business strategies, future financial results of operations, and plans and objectives of our management for future operations. Forward-looking statements are, by their nature subject to substantial risks and uncertainties, and investors should not unduly rely on such statements.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors, many of which are beyond our control, including:

- changes in political, economic and social conditions, as well as government policies, laws and regulations in the jurisdictions in which our Group operates or has a presence in;
- the regulatory environment in the jurisdictions in which our Group operates or has a presence in;
- competition in the industries in the jurisdictions in which our Group operates or has a presence in;
- the overall economic environment and general market and economic conditions in the jurisdictions in which our Group operates or has a presence in;
- the ability of our Group to execute our strategies, plans and objectives;
- changes in the need for capital and the availability of financing and capital to fund these needs;
- the ability of our Group to anticipate and respond to changes in the industries in which we operate, and in customer demands, trends and preferences;
- the impact of the COVID-19 pandemic on our business and operations;
- man-made or natural disasters, including war, acts of international or domestic terrorism, civil disturbances, occurrences of catastrophic events and acts of God such as floods, earthquakes, typhoons and other adverse weather and natural conditions that affect the business or assets of our Group;
- the loss of key personnel of our Group and the inability to replace such personnel on a timely basis or on terms acceptable to our Group;
- legal, regulatory and other proceedings arising out of the operations of our Group;
- other factors beyond the control of, and other matters not yet known to, our Group; and
- other factors discussed under “*Risk Factors*”.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Management’s Discussion and Analysis of Results of Operations and Financial Position*”, “*Business*” and “*Appendix C – Nursing Home Industry in Singapore, Malaysia and China (in particular, Chongqing)*” of this Offer Document. Because of these factors, we caution you not to place undue reliance on any of our forward-looking statements. Forward-looking statements we make represent our judgment on the dates such statements are made. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. Save as required by all applicable laws of applicable jurisdictions, including the SFA, and/or rules of the SGX-ST, we assume no obligation to update any information contained in this Offer Document or to publicly release the results of any revisions to any forward-looking statements to reflect events or circumstances that occur, or that we become aware of, after the date of this Offer Document.

PRESENTATION OF FINANCIAL AND STATISTICAL INFORMATION

This Offer Document contains the audited consolidated financial statements for the financial years ended 31 March 2018 ("**FY2018**"), 2019 ("**FY2019**") and 2020 ("**FY2020**") of our Group together with the related notes thereto, as set out in Appendix A to this Offer Document, and the unaudited condensed consolidated interim financial statements for the six-month period ended 30 September 2020 ("**6M2021**") of our Group, together with the related notes thereto, as set out in Appendix B to this Offer Document, each of which has been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). Further, this Offer Document contains selected unaudited condensed consolidated interim financial statements for the six-month period ended 30 September 2019 ("**6M2020**") set out in "*Selected Consolidated Financial Information*" and "*Management's Discussion and Analysis of Results of Operations and Financial Position*".

SFRS(I) differs in certain respects from generally accepted accounting principles in certain other countries, including the United States. We have not provided a quantitative reconciliation or narrative discussion of these differences in this Offer Document. Investors should consult their own professional advisers for an understanding of the differences between SFRS(I) and generally accepted accounting principles in other countries, including the United States and how those differences might affect such financial statements and financial information and, more generally, the financial results of our Group going forward.

The preparation of our consolidated financial statements in conformity with SFRS(I) at times requires our management to make subjective estimates and judgments regarding matters that are inherently uncertain. Such estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and judgments affect reported amounts and disclosures. Our results of operations may differ if prepared under different estimates and judgments.

We will, in accordance with the relevant laws and regulations in Singapore, prepare all future periodic financial reports which we will release on SGXNET, and all audited financial statements which we will provide to our Shareholders, in accordance with SFRS(I).

Certain numerical figures set out in this Offer Document, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data in this Offer Document may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "*Management's Discussion and Analysis of Results of Operations and Financial Position*" of this Offer Document are approximate figures and have been calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in this Offer Document, as applicable, and not using the numerical data in the narrative description thereof.

INDUSTRY AND MARKET DATA

This Offer Document includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information.

We have commissioned Euromonitor International Limited ("**Euromonitor**") to prepare a report (the "**Industry Report**") on the nursing home industry in Singapore, Malaysia and China for the purpose of inclusion in this Offer Document, including data (actual, estimated and forecast) relating to, among other things, demand and market share information. See "*Appendix C – Nursing Home Industry in Singapore, Malaysia and China (in particular, Chongqing)*" for further details. Reports and industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While we and the Sponsor, Issue Manager, Underwriter and Placement Agent believe that the third party information and data contained in this Offer Document are reliable, and we and the Sponsor, Issue Manager, Underwriter and Placement Agent have taken reasonable actions to ensure that the information is extracted accurately and in its proper context, we and the Sponsor, Issue Manager, Underwriter and Placement Agent cannot ensure the accuracy of the information or data, and we, the Sponsor, Issue Manager, Underwriter and Placement Agent and any of our or their respective affiliates or advisers have not independently verified this information or data or ascertained the underlying assumptions relied upon therein. Consequently, none of us, the Sponsor, Issue Manager, Underwriter and Placement Agent or their respective officers, agents, employees and advisers makes any representation as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

CERTAIN DEFINED TERMS AND CONVENTIONS

In this Offer Document, references to "S$" or "Singapore dollars" or "Singapore cents" are to the lawful currency of Singapore, references to "MYR" or "Malaysian Ringgit" are to the lawful currency of Malaysia and references to "RMB" or "Renminbi" are to the lawful currency of China.

In this Offer Document, references to the "Latest Practicable Date" refer to 12 March 2021, which is the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the MAS.

Any discrepancies in any tables, graphs or charts included in this Offer Document between the totals and the sums of the amounts listed are due to rounding.

The information on our website, any website directly or indirectly linked to our website or the websites of any of our related corporations or other entities in which we may have an interest, or any website, is not incorporated by reference into this Offer Document and should not be relied on.

In this Offer Document, references to "our Company" are to Econ Healthcare (Asia) Limited and, unless the context otherwise requires, "we", "us", "our" and "our Group" refer to Econ Healthcare (Asia) Limited and its subsidiaries taken as a whole. All references to "our Board" or "our Directors" are to the board of directors of Econ Healthcare (Asia) Limited.

Unless we indicate otherwise, all information in this Offer Document is presented on the basis of our Group (after the completion of the Restructuring Exercise (as defined herein)).

In this Offer Document, references to "Shareholders" are to registered holders of the Shares, except where the registered holder is The Central Depository (Pte) Limited ("**CDP**"), the term "Shareholders" shall, in relation to such Shares, mean the Depositors (as defined in the SFA) whose Securities Accounts (as defined herein) with CDP are credited with Shares.

In this Offer Document, the definitions and explanation of terms found in this section and "*Defined Terms and Abbreviations*" apply throughout where the context so admits.

In addition, unless we indicate otherwise, all information in this Offer Document assumes that no Offering Shares have been re-allocated between the Placement and the Public Offering.

Any reference to dates or times of day in this Offer Document, the Application Forms and, in relation to the Electronic Applications, the instructions appearing on the screens of the ATMs (as defined herein) or the relevant pages of the internet banking websites of the relevant Participating Banks (as defined herein) or the mobile banking interfaces of DBS Bank Ltd. and United Overseas Bank Limited, are to Singapore dates and times unless otherwise stated.

Any reference in this Offer Document, the Application Forms and, in relation to the Electronic Applications, the instructions appearing on the screens of the ATMs or the relevant pages of the internet banking websites of the relevant Participating Banks or the mobile banking interfaces of DBS Bank Ltd. and United Overseas Bank Limited, to any statute or enactment is to that statute or enactment as amended or re-enacted.

CORPORATE INFORMATION

Company	Econ Healthcare (Asia) Limited
Directors	Mr Ong Chu Poh (Executive Chairman and Group Chief Executive Officer) Ms Ong Hui Ming (Executive Director and Deputy Chief Executive Officer, Singapore) Mr Siau Kai Bing (Lead Independent Director) Mr Lim Yian Poh (Independent Director) Dr Ong Seh Hong (Independent Director)
Company Secretary	Shirley Tan Sey Liy, Associate Member of the Chartered Secretaries Institute of Singapore
Registered Office and Principal Place of Business	160 Changi Road #05-01-13 Hexacube Singapore 419728
Company Registration Number	200400965N
Sponsor, Issue Manager, Underwriter and Placement Agent	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
Legal Advisers to our Company as to Singapore Law	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to our Company as to Malaysia Law	Rahmat Lim & Partners Suite 33.01 Level 33 The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Malaysia
Legal Advisers to the Sponsor, Issue Manager, Underwriter and Placement Agent as to Singapore Law	Rajah & Tann Singapore LLP 9 Straits View #06-07 Marina One West Tower Singapore 018937
Legal Advisers to the Sponsor, Issue Manager, Underwriter and Placement Agent as to China Law	Jingtian & Gongcheng (北京市竞天公诚律师事务所) 34th Floor, Tower 3, China Central Place 77 Jianguo Road, Chaoyang District Beijing 100025 People's Republic of China
Independent Auditors and Reporting Accountants	KPMG LLP Public Accountants and Chartered Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Partner-in-charge: Tan Yek Lee Doreen (A member of the Institute of Singapore Chartered Accountants)

Industry Consultant	Euromonitor International Limited 60-61 Britton Street London EC1M 5UX United Kingdom
Principal Banker	DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
Receiving Bank	DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982

OFFERING SUMMARY

You should read the following summary together with the more detailed information regarding us and the Offering Shares being offered in the Offering, including our financial statements and related notes appearing elsewhere in this Offer Document. You should carefully consider, among other things, the matters discussed in "Risk Factors".

OVERVIEW

Our Group is the leading premium private nursing home operator in Singapore and Malaysia. According to Euromonitor, our Group is the largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia, with a market share of 26.9% and 43.2% respectively. Our Group has also expanded into China with the establishment of Chongqing Nursing Home, our first nursing home in China, which is expected to commence operations in 2021 after receipt of the necessary licences and approvals.

Our operations have two key business segments:

(i) **Medicare Centres and Nursing Homes** – the provision of residential nursing care services, home care services, rehabilitation services (such as physiotherapy), clinical services and TCM treatments in our medicare centres and nursing homes; and

(ii) **Other Operations and Ancillary Services** – the provision of healthcare training services, the offering of TCM services at our TCM clinics and the operation of senior activity centres in Singapore.

As at the Latest Practicable Date, we operate 10 medicare centres and nursing homes in Singapore and Malaysia with a total bed capacity of 1,376. We have also been appointed as an operator under the BOL Scheme for two upcoming nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson, which is expected to be operational in the second half of 2022, and ECON Medicare Centre and Nursing Home – Jurong East, which is expected to be operational in 2025. It is presently estimated that ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East will have an indicative bed capacity of up to 236 and up to 732 beds, respectively, bringing our estimated total bed capacity to 2,388 by 2025[1]. Further, our Chongqing Nursing Home is expected to commence operations in 2021 after receipt of the necessary licences and approvals.

We have also entered into a joint venture, Sichuan Guangda Bailingbang Yikang, with Guangda Bailingbang Eldercare Industry and two other local partners. It is intended that Sichuan Guangda Bailingbang Yikang will lease and operate a new nursing home to be established in the vicinity of Chengdu, China (the "**Chengdu Nursing Home**") with an expected bed capacity of 400 beds. As a minority passive investor in Sichuan Guangda Bailingbang Yikang, we will not be involved in the day-to-day operations and management of the Chengdu Nursing Home. We also intend to enter into the Changshou Shareholders Agreement with Guangda Bailingbang Eldercare Industry and one other local partner to establish another joint venture, being Changshou Yikang Bailingbangyanjia (which, as at the date of this Offer Document, has not been incorporated) to establish and operate our proposed second nursing home in Chongqing, China (the "**Changshou Nursing Home**"), which is expected to have a bed capacity of 280 beds.

The target is for the Chengdu Nursing Home and the Changshou Nursing Home to commence operations by 2022, assuming that commercial agreement is reached and the necessary licences and approvals are obtained. Our vision is to expand our total bed capacity in our medicare centres and nursing homes in China to approximately 2,000 beds by 2025.

We had an average of 1,094 residents with an average bed occupancy rate of 88.4% for 6M2021. Our medicare centres and nursing homes are strategically located at convenient locations near residential areas or workplaces. For FY2020 and 6M2021, we recorded an aggregate revenue and operating subvention grants of S$37.3 million and S$18.6 million respectively from our operations, and profit for the year/period of S$3.9 million and S$3.5 million respectively.

1 Excludes the proposed Chengdu Nursing Home and proposed Changshou Nursing Home which have not been established.

OUR COMPETITIVE STRENGTHS

Leading private nursing home operator, well positioned to capitalise on the growing ageing population in the region

We are the largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia with a market share of 26.9% and 43.2% respectively, according to Euromonitor. As at the Latest Practicable Date, we operate 10 medicare centres and nursing homes in Singapore and Malaysia, with a total bed capacity of 1,376.

We believe our existing markets present attractive opportunities for growth as they benefit from a range of factors such as affluent and rapidly ageing populations outpacing population growth, as well as an increasing demand for quality nursing home services, underpinned by supportive government policies. We believe that we are well positioned to scale and expand our service offerings to meet the demand of a growing ageing population in Singapore, Malaysia and China.

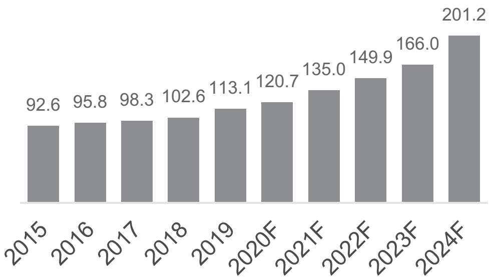
According to Euromonitor, Singapore, Malaysia and China are experiencing an increase in the proportion of population who are aged 65 and above as socioeconomic developments and/or improvements in healthcare have resulted in lower fertility rates and increasing life expectancy.

Singapore

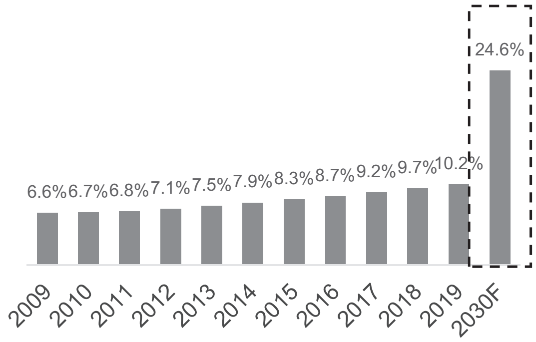
The demand for nursing homes has grown as "baby boomers" age and require more elderly care services. According to Euromonitor, there has also been a rise in demand within major hospitals and community hospitals, resulting in a lack of beds for chronically ill elderly people. As a result, more elderly people need to be cared for in residential long-term care facilities. To meet rising demand, the number of nursing home beds in Singapore has increased from 9,442 in 2009 to 16,059 in 2019, which suggests that Singapore is on track to meet the government's target of having 17,000 nursing home beds by 2020. Against this backdrop, Euromonitor has reported that private nursing home operators have reported a high occupancy rate. Average occupancy rate for private nursing homes stood around 90% to 95% in 2019, while some operators have reported having a waiting list for their premium packages, such as single-bedded rooms or 2-bedded rooms.

According to Euromonitor, revenue receipts of private nursing homes grew at a CAGR of 5.1% between 2015 and 2019, and is expected to experience a CAGR growth of 13.6% from S$120.7 million in 2020 to S$201.2 million in 2024, driven mainly by the ageing population and rising income level of Singaporeans. Singapore's elderly population is expected to increase at a faster pace than other demographic groups. It is projected that the number of elderly aged 65 and above will increase from 0.58 million in 2019 to 1.49 million in 2030, comprising 10.2% and 24.6% of the population in the respective years. This represents a CAGR of 8.9% for the population of elderly aged 65 and above from 2019 to 2030, which is higher than the CAGR of the total population that is expected to be 0.6% from 2019 to 2030. As the Singapore economy continues to expand, disposable income is expected to continue to rise and as family members become more affluent, they are more likely to spend on premium private nursing homes to attain the best quality of care for their elderly.

Singapore Private Nursing Home Revenue Receipts (2015 - 2024F) (S$'m)



Singapore Proportion of Population Aged 65 and Above



Source: Industry Report

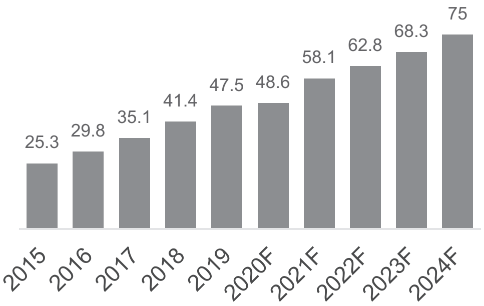
In addition, according to Euromonitor, Singapore has fewer available private nursing home beds per 1,000 elderly aged 65 and above (6.6 beds in 2019 compared to 8.5 beds in 2015). To meet rising demand, the private nursing home industry is expected to provide an estimated 5,577 beds by 2024, representing a CAGR growth of 7.7% from 3,858 beds in 2019. Notwithstanding the addition of new beds by 2024, with the fast pace of growth for population aged 65 and above in Singapore, the availability of private nursing home beds per 1,000 elderly aged 65 and above in Singapore will continue to decline to 5.2 beds in 2024. Hence, we believe that the demand for private nursing home beds will continue to rise and we believe we are well-positioned to scale and expand our operations to capture this demand.

Malaysia

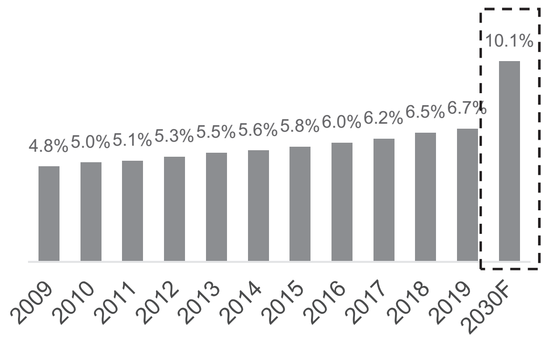
We believe that the outlook for the private nursing home industry in Malaysia remains positive. According to Euromonitor, Malaysia's population is expected to grow at a CAGR of 0.9% from 32.5 million in 2019 to 35.7 million in 2030, while the elderly population aged 65 and above is expected to grow at CAGR of 4.7% from 2.2 million in 2019 to 3.6 million in 2030. This represents a proportion of about 6.7% in 2019 and 10.1% in 2030 to the total population. Revenue receipts of private nursing homes grew at a CAGR of 17.0% between 2015 and 2019, and is expected to experience a CAGR growth of 11.5% from MYR48.6 million in 2020 to MYR75.0 million in 2024, driven by increasing ageing population and number of dual-income families, as well as the expected improvement in the perception of nursing homes in general. As families and elderly become more aware of the service offerings, the benefits of staying in a nursing home and new nursing home concepts, it is expected that the elderly will become more open to the idea of staying in a long-term nursing home. This saw the number of private nursing beds increasing from 539 beds in 2015 to 883 beds in 2019, and it is expected to continue to grow.

According to Euromonitor, the private nursing home industry is expected to have an estimated 1,180 beds by 2024, representing CAGR growth of 6.0% from 2019. Notwithstanding the addition of new beds by 2024, with the expected fast pace of growth for the population aged 65 and above in Malaysia, the availability of private nursing home beds per 1,000 elderly aged 65 and above in Malaysia is expected to only increase slightly to 0.42 beds in 2024 as compared to 0.41 beds in 2019.

Malaysia Private Nursing Home Revenue Receipts (2015 - 2024F) (RM'm)



Malaysia Proportion of Population Aged 65 and Above



Source: Industry Report

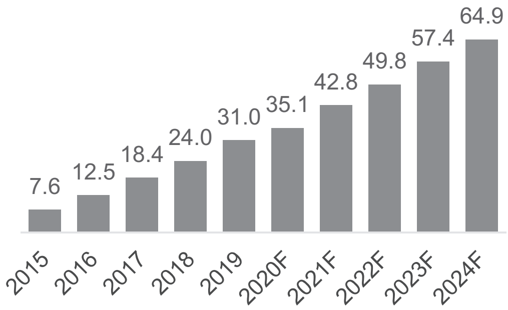
China

According to Euromonitor, China's growing elderly population has been a key driver for the nursing home industry arising from the increasing population of disabled elderly and super senior population. Revenue receipts of private nursing homes in China grew at a CAGR of 42.1% between 2015, when the private nursing home industry was at its infancy in China, and 2019. Going forward, the private nursing home industry is expected to be more mature and to experience a CAGR growth of 16.6% from RMB35.1 billion in 2020 to RMB64.9 billion in 2024. At the end of 2019, there were 176 million people who were aged 65 and above, representing 12.6% of the total population. China's elderly population is expected to increase at a faster pace than other demographic groups. It is projected that by 2030 the number of elderly aged 65 and above will increase to 246 million, up from 176 million in 2019, accounting for 17.1% and 12.6% of the total population respectively. This represents a CAGR growth of 3.1% for the number of elderly aged 65 and above from 2019 to 2030, which is higher than the growth of the total population that is expected to grow from 1,400 million in 2019 to 1,441 million in 2030, representing a CAGR of 0.1% from 2019 to 2030. In addition, by 2020, it is also estimated that

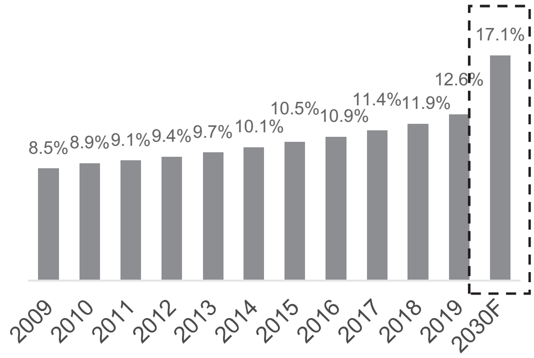
China will have more than 42 million disabled elderly and over 29 million aged 80 and above together accounting for 30% of the total ageing population. The increasing population of disabled elderly and elderly aged 80 and above, who may need intensive care in a nursing home, is expected to underpin strong growth of the private nursing home industry from 2020 to 2024.

In addition, the average family size has been shrinking. The average number of people in a household decreased from 4.0 people in 1990 to 3.0 in 2018. This is exacerbated by more than three decades of the one-child policy, which translates to the group aged 65 to 75 years old presently tending to have only one child. This group of elderly requires elderly care services as they do not have the traditionally large family nor many children to depend on. As there are more people living in the urban areas and more dual-income families, modern families prefer to rely on elderly care services such as nursing homes to take care of their ageing parents. In order to address the issue of ageing population, the Chinese Government abolished the one-child policy in 2015. However, the birth rate resumed its downward trend after seeing only a slight increase in 2016, mainly attributable to young couples not having more children due to rising living and childcare costs.

China Private Nursing Home
Revenue Receipts (2015 - 2024F)
(RMB'b)



China Proportion of Population
Aged 65 and Above



Source: Industry Report

The Centre of Excellence for Eldercare

We believe that the "Econ" brand name is well-recognised and trusted in the private nursing home industry in the markets in which we operate, due to our dedication and commitment as a premium medicare centre and nursing home operator in Singapore and Malaysia. Our strong "Econ" brand which centres on the provision of quality services and assurance has been instrumental in our efforts to expand our operations both locally and overseas. We place a strong emphasis on the delivery of quality care services and all members of our care team go through induction and regular competency training with our in-house training academy and senior nurse educators, to ensure that their skills are enhanced and relevant to provide appropriate and quality care.

We offer an eco-system of care and provide a wide range of services encompassing aspects of eldercare to support families who require (i) residential nursing care with round-the-clock support, (ii) integrated home and day care services to enable ageing-in-place, (iii) community care services such as the senior activity centres, (iv) respite care programmes to support family caregivers who need some relief, and (v) education and training for family caregivers to equip them with the skills to care for their loved ones at home.

Our care model is built upon a resident's care continuum, and provides for the health and medical support, social, psychological and rehabilitation needs of an elderly individual, as well as support for the caregivers. Leveraging both eastern and western medicine philosophies, we aim to harness the optimal rehabilitation and care benefits for our residents through complementing the prescribed western medicine treatments and rehabilitation with TCM. Our medicare centres and nursing homes each house a physiotherapy facility supervised by an in-house physiotherapist as well as in-house TCM practitioners to provide TCM treatments.

Over the years, we believe we have gained the trust of our residents and their families, and are recognised as a leading nursing service provider in Singapore and Malaysia. Many of our customers are generally referred to us by word of mouth through past and existing customers, or external partners such as hospitals. We and our employees have also received many awards and accolades from various government bodies and industry authorities for the services we provide. For instance, our employees received 46 awards from the Silver, Gold and Star award categories at the Singapore Health Quality Service Awards 2020. We were also awarded the Best Geriatric Healthcare Operator Award and the Best Rehabilitation Operator Award at the 5th Asia Pacific Eldercare Innovation Awards in 2017 and were the first in the nursing home industry to be awarded the Singapore Service Class Certification in recognition of our commendable performance in service excellence.

Strong operational know-how and track record of 30 years that can be leveraged on for our expansion across the region

As at the Latest Practicable Date, we operate 10 medicare centres and nursing homes, with total bed capacity of 1,376. With 30 years of operating history in the nursing home industry, we believe we have built up a resilient business model and excellent operational know-how that we can leverage as we expand and grow our business in existing and new markets.

The nursing home industry has high barriers to entry due to comprehensive and stringent regulatory compliance standards, labour shortages and high setup costs and, in the case of Singapore, land scarcity. Please refer to "*Regulatory Environment*" for a summary of certain laws and regulations applicable to our Group, and also to "*Risk Factors – Risks Relating to our Business and Operations – Our business operations are subject to extensive and evolving government laws, regulations, licensing and accreditation requirements, and we could suffer penalties, additional costs and restrictions to our operations if we fail to comply*". Despite the inherent barriers, our extensive operating experience and know-how, and the strength of our brand have allowed us to venture out of Singapore. We established our first medicare centre and nursing home in Malaysia in 2004 and our flagship premium centre in Taman Perling, Johor in 2014. We have also ventured into China with the establishment of our Chongqing Nursing Home which is expected to commence operations in 2021 after receipt of the necessary licences and approvals. Over the years, we have increased our total bed capacity as well as improved our average occupancy rate. As at the Latest Practicable Date, our total bed capacity was 1,376 beds, and for the past three years our average occupancy rate was 87.1% in Singapore and 82.0% in Malaysia. For 6M2021, our average occupancy rate was at 94.1% in Singapore and 75.5% in Malaysia.[2] While our average bed occupancy rate in Malaysia was affected by the outbreak of COVID-19 pandemic, we expect that after the COVID-19 pandemic recedes or stabilises and movement restrictions and safe distancing measures are lifted or lessened and the expected economic recovery, our occupancy rate should gradually recover.

We believe our operational expertise is also exemplified by the steps taken in response to the COVID-19 pandemic. We have taken precautionary measures against the spread of COVID-19 in our medicare centres and nursing homes in line with stringent regulatory requirements, such as frequent cleaning and disinfection of common areas, restricting the number of visitors per day and the duration of visits, ensuring that visitors comply with safe distancing and other guidelines imposed by MOH Singapore and the Ministry of Health of Malaysia, restricting visitors' access only to designated visitation areas, testing new residents transferred from hospitals for COVID-19, isolation of new residents in special isolation wards, ensuring separate zones and split teams for our employees, and strict movement control of our residents and employees. We believe that we have reacted swiftly to the COVID-19 pandemic and have emerged stronger due to our strong operational know-how. There has been an increase in occupancy at our medicare centres and nursing homes in Singapore which we believe may be due to positive perception by the public in recognition of our quality management and the safety measures imposed at our medicare centres and nursing homes.

Our Group's geographical operating network spanning Singapore, Malaysia and China also helps facilitate better operational efficiency of our business, especially in the transfer of industry know-how and the cross-pollination of innovation across our various medicare centres and nursing homes. In Singapore, we participate in various programmes run by the Agency for Integrated Care ("**AIC**") which was set up to coordinate and support efforts in integrating care for the elderly such as being a member of the Community Care Manpower Committee where we represent the community care sector in manpower-related interests as well as participate in identifying key drivers and ideas for productivity

2 Figures as at 30 September 2020 and excludes ECON Medicare Centre and Nursing Home – Puchong which commenced operations after 30 September 2020.

improvement in the sector. With seven medicare centres and nursing homes in Singapore and three in Malaysia as at the Latest Practicable Date, we are able to benefit from economies of scale, including our ability to negotiate better terms with our suppliers and enjoy larger purchasing volumes, and to enjoy cost savings arising from the implementation of productivity tools and software across our network of medicare centres and nursing homes.

Secured expansion pipeline for near-term growth

We have a secured pipeline for near-term growth.

Our ECON Medicare Centre and Nursing Home – Puchong in Kuala Lumpur, Malaysia recently commenced operations in December 2020 and our first nursing home in China, Chongqing Nursing Home in Chongqing, China, under the joint venture partnership with Guangda Bailingbang Eldercare Industry is expected to commence operations in 2021 after receipt of the necessary licences and approvals. These two centres have an aggregate bed capacity of 182 beds as at the Latest Practicable Date. We also intend to establish and/or invest in two additional nursing homes in China, being the Chengdu Nursing Home and the Changshou Nursing Home as described in "*Business – Overview*".

Our ECON Medicare Centre and Nursing Home – Puchong has a bed capacity of 138 beds and is located within walking distance to a light rail transit station and a residential community. Besides nursing care, the centre also offers medical/post-operation management services and rehabilitation services such as orthopaedic and respiratory rehabilitation services. Our ECON Medicare Centre and Nursing Home – Puchong focuses on providing a "home-like privacy" to our residents and our vision is to offer residents "a home away from home" experience when staying at our medicare centre and nursing home. As at the Latest Practicable Date, we have 27 residents in our ECON Medicare Centre and Nursing Home – Puchong and we expect the occupancy rate to gradually increase in due course.

Our Chongqing Nursing Home has a bed capacity of 44 beds and is housed in a 4-storey newly renovated building. It is located in the Jiefangbei area, the central business district of Yuzhong District in Chongqing, China. We have incorporated technology and innovation at this nursing home which has state-of-the-art facilities such as an automated robotic kitchen and intelligent eldercare panel (智慧养老屏幕显示) offering round-the-clock monitoring of the well-being of elderly residents. Our Chongqing Nursing Home has also been awarded as one of the top ten innovation projects in the Yuzhong Free Trade Zone. Our Chongqing Nursing Home is intended to showcase our Group's nursing home standards in China and serves as a model for our Group's future nursing homes in China. Our Chongqing Nursing Home is expected to commence operations in 2021 and we intend to expand the capacity of our Chongqing Nursing Home should there be positive reception and demand for our services in China.

In addition, in Singapore, we have been appointed as an operator under the BOL Scheme for two upcoming nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson, which is expected to be operational in the second half of 2022, and ECON Medicare Centre and Nursing Home – Jurong East, which is expected to be operational in 2025. It is presently estimated that ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East will have an indicative bed capacity of up to 236 and up to 732 beds, respectively.

We believe the full operation of our ECON Medicare Centre and Nursing Home – Puchong and Chongqing Nursing Home, as well as the future completion and operation of ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East, will contribute significantly to our revenue and income in the future.

Strong management team supported by experienced founder, Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh

We believe our track record of successful growth is a testament to the experience and commitment of our management team, led by our experienced founder, Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh.

Mr Ong Chu Poh has been recognised for his commitment in community services. He has received the Public Service Medal (PBM – Pingkat Batkti Masyarakat) conferred by the Prime Minister's Office of the Republic of Singapore for his dedication to serving the community and for his volunteer works, the

Public Service Star (BBM – Bintang Bakti Masyarakat) conferred by the Prime Minister's Office of the Republic of Singapore for his contributions to the community and the Entrepreneur of The Year Award granted by Rotary-ASME in 2002. Mr Ong Chu Poh established his first nursing home in 1987 and under his leadership and vision, we have grown to offer a comprehensive eco-system of care services and have expanded to Malaysia and China.

Mr Ong Chu Poh is supported by our Executive Director and Deputy Chief Executive Officer, Singapore, Ms Ong Hui Ming, who has been with our Group for 14 years, our Group Chief Financial Officer, Ms Kang Shwu Huey, who has more than 15 years of experience in financial management and audit and our Head, Development, Dr Ong Xin De, who oversees strategic development, growth, technology and innovation of our Group. Our key management team is also supported by an experienced operational team that has essential on-the-ground knowledge and experience of the day-to-day management of our business and operations.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans are as follows:

Asset-light strategy to scale up future expansion

Our strategy is to utilise an asset-light business model to generate high investment returns, with a focus on efficiently deploying and optimising the use of capital and reducing our capital expenditure. We seek to achieve this through leasing premises at locations that are appropriate to be used as medicare centres and nursing homes, and entering into lease agreements to operate such facilities at these locations. Further, we also seek to partner with landowners whereby such landowners will build and bear the costs of constructing new medicare centres and nursing homes while we are to operate such facilities. Currently, other than ECON Medicare Centre and Nursing Home – Taman Perling, we do not own the land on which our medicare centres and nursing homes are located. Instead, we lease the premises from the respective landlords for such duration as set out in *"Business – Properties*".

Further, we are the operator under the BOL Scheme for ECON Medicare Centre and Nursing Home – Yio Chu Kang and have been appointed as the operator for the upcoming ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East, which are expected to be operational in the second half of 2022 and in 2025, respectively. Under the BOL Scheme, all development and construction cost of the buildings are borne by MOH Singapore and not by us, and we only bear the costs of procuring the furniture, fixtures and equipment components for the initial set up (save for the costs of certain approved items which are reimbursed by MOH Singapore) and operation of such medicare centres and nursing homes.

Expand our business operations organically and through, among others, investments, merger and acquisitions, joint ventures and/or strategic collaborations

We intend to increase the pace of our expansion either through organic growth or through investments, mergers and acquisitions, joint ventures and/or strategic collaborations with parties who can provide synergistic value to our business.

Through such investments, merger and acquisitions, joint ventures and/or strategic collaborations, we aim to strengthen our market position, enhance our service offerings and/or expand into new areas and geographies that are complementary to our existing business. For merger and acquisition targets, we seek to identify those with potential to integrate or co-operate with our existing network of medicare centres and nursing homes.

We will carefully consider any such opportunities and undertake a comprehensive review and evaluation to determine whether such transactions will benefit our business before entering into any such transaction. Key factors that our Group will take into consideration when assessing such opportunities include, among others, return on investments, expected market demand and commercial viability. See also "*Management and Corporate Governance – Corporate Governance – Investment Process*".

Singapore

According to Euromonitor, Singapore's approach to long-term care focuses on home and community-based care and is nested within an overarching Action Plan for Successful Ageing. It aims to build "A

Nation for All Ages" which is focused on three key pillars. At the individual level, it aims to help Singaporeans live long, live well and age confidently. At the community level, it aims to build a cohesive society with inter-generational harmony. Lastly, at the city level, it aims to build an age-friendly city that enables seniors to live actively and "age-in-place" confidently. According to Euromonitor, the BOL Scheme is a key strategy of the Singapore Government to increase nursing home bed capacity, where the Singapore Government bears the development costs and tenders the operating rights to both private and VWO operators. Operators are evaluated based on their quality and fee proposals. We were the first private operator to be appointed by MOH Singapore under the BOL Scheme to manage our ECON Medicare Centre and Nursing Home – Yio Chu Kang in 2011 and we have also been appointed as operator for two upcoming nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East. We intend to continue to participate in tenders for such BOL opportunities as well as in areas where there are synergies with our existing business in the senior-care industry.

Malaysia

Given our market leading position by revenue receipts in Malaysia, we intend to continue to build on our strength to serve the continued strong growth opportunities in Malaysia due to the market's attractive demand and supply dynamics and competition landscape.

As Malaysia has a larger geographical landscape than Singapore, we believe there would be more opportunities to source for attractive strategic locations for medicare centres and nursing homes in Malaysia. According to Euromonitor, the high costs of private nursing homes in Singapore have driven more Singaporean families to consider private nursing homes in Johor Bahru, Malaysia. We have Singaporean residents who have chosen to stay at our ECON Medicare Centre and Nursing Home – Taman Perling.

According to Euromonitor, the competition landscape in Malaysia is very fragmented and consists of a large number of unlicensed operators (more than 1,000 unlicensed nursing homes) with varying degrees of quality. The Private Aged Healthcare Facilities and Services Act 2018 (the "**PAHFS Act**") was gazetted on 29 March 2018 and it is expected to come into force in the near future. The PAHFS Act is intended to provide a more holistic regulatory environment for elderly care in Malaysia and ensure that all private healthcare centres and services are licensed and regulated. This will be the first time a specific law has been introduced to regulate and protect the standards of care for the elderly in Malaysia. Under the PAHFS Act, any person providing private aged healthcare facilities and services to four or more aged persons will require an operating licence from the Director General of the Ministry of Health of Malaysia. Our medicare centres and nursing homes in Malaysia, being licensed private nursing homes under the Private Healthcare Facilities Act, are not required to comply with the PAHFS Act. With a more stringent regulatory landscape, rising income and continued economic development, we believe that there would be increased demand for our medicare centres and nursing homes which we believe are of best in class services and facilities. We believe that this will appeal to a more premium clientele from the Southeast Asia region. Our ECON Medicare Centre and Nursing Home – Puchong in Puchong, Kuala Lumpur, which has a bed capacity of 138 beds, commenced operations in December 2020. According to Euromonitor, Malaysia has been selected as one of the top 10 retirement destinations in the world with higher-end retirement communities expected to enjoy strong growth in the next decade. We may also explore opportunities with potential partners such as developers and investors to develop a land plot that we own in Cheras, Malaysia that is located next to a mass rapid transit station, into a senior care hub which may consist of assisted living homes as well as a holistic range of eldercare services such as geriatrics specialist clinics, a pharmacy and active ageing facilities.

China

In respect of our operations in China, we believe that the socioeconomic climate coupled with maturing policies and bilateral government ties between China and Singapore will lead to increased opportunities for us to establish a stronger presence in China not just in Chongqing, China, but also in other cities in China.

According to Euromonitor, to cope with the ageing population, the Chinese Government has been pushing to develop the nursing home industry and promoting the establishment of more nursing and retirement homes as well as raising subsidies for private nursing homes. The Chinese Government has also proposed a series of measures to encourage private capital to invest in the industry. According to Euromonitor, to further encourage foreign capital investment in the nursing home industry in China, the State Council mentioned in the Directional Guideline for the Promotion of the Elderly Care Service Development in 2019 that foreign capital should enjoy the same subsidies as local capital in the nursing home industry. In particular, the Chongqing Government introduced the Chongqing Community/In-home Elderly Care Services Full Coverage Implementation Plan in November 2019 with the objective of increasing the number of private elderly care institutions by another 100 by 2022. According to Euromonitor, Chongqing is the sixth most ageing city in China in 2019 with its elderly population aged 65 and above having reached 4.67 million people in 2019. This represents 15.0% of the total population of the city, and is higher than the national average of 12.6%. It is expected that the total revenue receipts by the private nursing homes in Chongqing will grow at a CAGR of 18.6% between 2020 to 2024, mainly driven by rising demand for nursing care in the city.

Leveraging our established premium brand name, we believe that we are the only operator among the leading Singapore-based private nursing home operators which has entered China's eldercare industry and established working relationships with relevant government ministries and state-owned enterprises and private operators. Our Group has provided, and will continue to explore opportunities to provide, healthcare and eldercare training services to healthcare professionals in China. In 2018, our Group entered into a memorandum of understanding with Chongqing Civil Affairs Bureau to collaborate on the operation management, medical care and nursing, planning and design, and educational training, relating to eldercare services in Chongqing, China and became the first eldercare provider under the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity. We believe that the aforementioned platforms offer many potential entry points for us to collaborate with one or more local operators to establish joint venture opportunities in China.

Leveraging the above and the inter-government China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity, we have also entered into and/or are in advanced discussions to enter into joint ventures with local partners. We believe that joint ventures with established partners will allow our Group to be well positioned to quickly penetrate the growing eldercare industry in China. Such joint ventures are expected to further provide opportunities for our Group to collaborate with other local operators in China and allow our Group to provide eldercare services in China. See "*Our History and Development*" for further details.

Enhance productivity through human capital investment, and technology and innovations

Developing human capital

Being in the business of caring for elderly, human capital is a core component of our business. Growing and nurturing a highly motivated and efficient workforce and developing our talent pool is critical to our Group achieving successful growth and operations in the region.

With the strength of our human capital in Singapore, and strong growth prospects for our overseas markets, we expect to step up our efforts in the area of human capital. To serve our growing regional customer base, we intend to sustainably scale our base of care staff, supervisory and management team.

We intend to grow our training arm and focus on enhancing our learning culture by reinforcing and building stronger talent management practices focusing on the development of our people. We also intend to promote workplace-based learning through structured approaches to develop technical and leadership competencies. Apart from conventional training, work-learn initiatives encompassing on-the-job training and self-managed training will form part of the strategies to develop the skills of our employees. These efforts can also be optimised and leveraged to offer training consultancy and programmes to other care organisations in the countries in which we operate.

We intend to also build upon our culture of excellence and enhance our employee engagement programmes. We believe these strategies will enable us to deliver consistent high quality services across our growing regional business.

Proactively embrace technologies to improve our service delivery and operating efficiencies

Innovation is at the heart of ECON's care model. We constantly innovate, deploy and integrate suitable technologies to enable quality care delivery. Our innovations seek to increase quality assurance, productivity and holistic care in our medicare centres and nursing homes. See "*Business – Research and Development, Innovation and Technology*" for more details of the innovative initiatives which we have implemented in our medicare centres and nursing homes.

We believe that our residents can be increasingly assured of the quality of ECON's services as we increase our rate of digitisation to build a foundation for our digital data strategy. We invest in indoor positioning technology (i.e. RFID) integrated with fall detection and reduction solutions to improve efficiencies in patient care as well as manage and account for the care our residents would receive. We invest in technology to help with certain care tasks, where technology analyses data, locates and monitors our residents, and accordingly enables our staff to focus on care delivery for our residents, which in turn reinforces the trust that our customers place in us.

Our digital and technology investment strategy aims to scale our service quality across our new and existing medicare centres and nursing homes. Our digitisation efforts seek to reduce time that our care professionals spend on routine administration tasks so that they can focus more on care delivery to residents. We plan to implement various initiatives such as an e-learning platform to enable the continued competency and know-how development of our staff, piloting the use of autonomous mobile robots to reduce laborious logistical tasks such as the transportation of food and linen carts and automations like robotics in meal preparations in our larger medicare centres and nursing homes. Together, these innovations make personalisation possible in residential care.

Leveraging our established foundation in residential care, our Group also plans to invest in systems to integrate care delivery across the residential, day care, and home care settings. The integrated systems will allow seamless care transitions and integration of care with other community care partners. We intend to introduce a customer care management platform to enable ageing-in-place and increase quality of care for the elderly, allowing family members of our customers to be more involved in the care of their loved ones where they can access updates and information.

We constantly explore the adoption of technology built by start-ups or established companies in areas such as rehabilitation, bed-side management, medication management, and fall prevention and detection. Our Group intends to work with promising start-ups in the future to build a senior care launchpad to enable such companies involved in the business of elderly care to grow regionally with us.

Upgrading of our existing facilities

As we always aim to offer quality services to our residents, we plan to upgrade some of our existing facilities and equipment used at our medicare centres and nursing homes to improve our service environment, such as implementing innovative technologies to increase our service quality and productivity to provide a holistic care, as outlined in "*– Proactively embrace technologies to improve our service delivery and operating efficiencies*".

COMPANY BACKGROUND

Our Company was incorporated in Singapore on 28 January 2004 under the Companies Act as a private company limited by shares under the name EHL (S) Pte. Ltd. On 16 February 2006, our Company changed its name to Econ Healthcare (S) Pte. Ltd. Following the Restructuring Exercise, our Company became the holding company of our Group. On 26 February 2021, our Company changed its name to Econ Healthcare (Asia) Pte. Ltd. On 29 March 2021, our Company was converted into a public company limited by shares and changed its name to Econ Healthcare (Asia) Limited.

Our telephone number is +65 6447 8788, our facsimile number is +65 6449 7707 and our email is enquiries@econhealthcare.com. Our website address is www.econhealthcare.com.

THE OFFERING

Our Company . . . . Econ Healthcare (Asia) Limited, a company incorporated under the laws of Singapore.

The Offering . . . . 50,000,000 Offering Shares offered under the Placement and the Public Offering. The completion of the Placement and the Public Offering are each conditional upon the completion of the other. The Offering will, subject to certain conditions, be underwritten by the Sponsor, Issue Manager, Underwriter and Placement Agent.

The Placement . . . . 48,200,000 Offering Shares are being offered by way of a placement to investors at the Offering Price, including institutional and other investors in Singapore.

The Public Offering . . . . 1,800,000 Offering Shares are being offered at the Offering Price by way of a public offer in Singapore.

Offering Price . . . . S$0.28 per Share.

Clawback and Re-allocation . . . . The Offering Shares may be re-allocated between the Placement and the Public Offering, at the discretion of the Sponsor, Issue Manager, Underwriter and Placement Agent (in consultation with us), subject to any applicable laws and regulations.

Application Procedures for the Public Offering . . . . Investors applying for the Public Offer Shares must follow the application procedures set out in "*Appendix F – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore*". Applications must be paid for in Singapore dollars. No fee is payable by applicants for the Public Offer Shares, save for an administration fee of S$2.00 for each application made through ATMs, the internet banking websites of the Participating Banks or the mobile banking interfaces of DBS Bank Ltd. and United Overseas Bank Limited. The minimum initial application is for 1,000 Offering Shares. An applicant may apply for a larger number of Offering Shares in integral multiples of 100 Offering Shares.

Use of Proceeds . . . . We estimate that the net proceeds from the Offering will be approximately S$11.5 million.

We intend to use the net proceeds from the Offering primarily for the following purposes:

- expansion plans in Singapore as well as overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments;
- upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure; and
- general corporate and working capital purposes.

Market Capitalisation . . . . The market capitalisation of our Company upon the Listing based on the Offering Price of S$0.28 and the post-Offering share capital of 257,000,000 Shares will be approximately S$72.0 million.

Lock-up . . . . We have agreed with the Sponsor, Issue Manager, Underwriter and Placement Agent that, subject to certain exemptions, from the date of the Management and Underwriting Agreement until the date falling six months from the Listing Date (both dates inclusive), our Company will not, and no person acting on our behalf will, without the consent of the Sponsor, Issue Manager, Underwriter and Placement Agent, directly or indirectly, (i) allot, offer, issue, sell, contract to issue, grant any option, warrant or other right to subscribe or purchase, grant security over, encumber (whether by way of mortgage, assignment of rights, charge, pledge, pre-emption rights, rights of first refusal or otherwise), or otherwise dispose of or transfer, any Shares or any other securities of our Company or any subsidiary of our Company (including any equity-linked securities, perpetual securities and any securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of our Company or any subsidiary of our Company), or enter into a transaction that would have the same effect, whether such transaction is to be settled by delivery of Shares or other securities of our Company or any subsidiary of our Company, or in cash or otherwise, (ii) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any securities of our Company or any subsidiary of our Company, or any interest in any of the foregoing (including any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of our Company or any subsidiary of our Company), whether such transaction is be settled by delivery of Shares or other securities of our Company or any subsidiary of our Company (including any securities convertible into, or exercisable or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of our Company or any subsidiary of our Company), or in cash or otherwise, (iii) deposit any Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of our Company or any subsidiary of our Company) in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with the obligations under the moratorium undertaking), (iv) enter into any transaction which is designed or which may reasonably be expected to result in any of the above, or (v) announce or publicly disclose any intention to do any of the above, provided, however, that the foregoing restrictions shall not apply in respect of the Offering Shares.

Each of our Controlling Shareholders, Mr Ong Chu Poh, Econ Investment Holdings Pte. Ltd. ("**EIH**") and Econ Healthcare Pte. Ltd. ("**EHPL**"), has agreed to lock-up arrangements with the Sponsor, Issue Manager, Underwriter and Placement Agent.

See "*Plan of Distribution – No Sale of Similar Securities and Lock-up*" for further information on the lock-up arrangements.

Dividends . . . . Our Company currently does not have a fixed dividend policy. Our Board intends to recommend and distribute dividends of at least 35% of our net profit after tax attributable to our Shareholders generated in each of FY2021, FY2022 and FY2023, as we wish to reward our Shareholders for participating in our Group's growth. Investors should note that the foregoing statements are merely statements of our present intention and shall not constitute legally binding obligations of our Company or legally binding statements in respect of our future dividends (including those proposed for FY2021, FY2022 and FY2023), which may be subject to modification (including reduction or non-declaration thereof) at our Directors' sole and absolute discretion. Investors should also not treat the proposed dividends for FY2021, FY2022 and FY2023 as an indication of our future dividend policy. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends. See "*Dividends*".

Listing and Trading . . . . Prior to the Offering, there was no public market for the Shares. An application has been made to the SGX-ST for permission to list all our issued Shares and the Offering Shares on Catalist. Such permission will be granted when the Shares have been admitted to the Official List of Catalist. Acceptance of applications for the Offering Shares will be conditional upon, among others, permission being granted by the SGX-ST to deal in and for quotation of all our issued Shares and the Offering Shares on Catalist.

The Shares are expected to commence trading on a "ready" basis at 9.00 a.m. on 19 April 2021 (Singapore time). See *"Indicative Timetable"*.

The Shares will, upon their listing and quotation on the SGX-ST, be traded on the SGX-ST under the book-entry (scripless) settlement system of CDP. Dealing in and quotation of the Shares will be in Singapore dollars. The Shares will be traded in board lots of 100 Shares.

Risk Factors . . . . You should carefully consider certain risks connected with an investment in the Shares, as discussed in "*Risk Factors*".

INDICATIVE TIMETABLE

An indicative timetable for trading in the Shares is set forth below for the reference of applicants for the Offering Shares:

Date and time (Singapore)	Event
10 April 2021, 7.00 a.m.	Opening date and time for the Public Offering in Singapore.
15 April 2021, 12.00 noon	Closing of Application List.
16 April 2021	Balloting of applications in the Public Offering, if necessary (in the event of an over-subscription for the Public Offer Shares). Commence returning or refunding of application monies to unsuccessful or partially successful applicants, if necessary.
19 April 2021, 9.00 a.m.	Commence trading on a "ready" basis.
21 April 2021	Settlement date for all trades done on a "ready" basis.

The above timetable is indicative only and is subject to change at our discretion, with the agreement of the Sponsor, Issue Manager, Underwriter and Placement Agent. It assumes: (i) that the closing of the Application List is on 15 April 2021, (ii) that the Listing Date is on 19 April 2021, (iii) compliance with the SGX-ST's shareholding spread requirement, and (iv) the Offering Shares will be issued and fully paid up prior to 19 April 2021. All dates and times referred to above are Singapore dates and times. The above timetable and procedures may also be subject to such modifications as the SGX-ST may in its discretion decide, including the Listing Date. The commencement of trading on a "ready" basis will be entirely at the discretion of the SGX-ST. All persons trading in the Shares before their Securities Accounts with CDP are credited with the relevant number of Shares do so at the risk of selling Shares which neither they nor their nominees, as the case may be, have been allotted or are otherwise beneficially entitled to.

We may at our discretion, with the agreement of the Sponsor, Issue Manager, Underwriter and Placement Agent and subject to all applicable laws and regulations and the rules of the SGX-ST, agree to extend or shorten the period during which the Offering is open, provided that the Public Offering may not be less than two Market Days (as defined herein).

In the event of the extension or shortening of the time period during which the Offering is open, we will publicly announce the same:

(a) through a SGXNET announcement to be posted on the internet at the SGX-ST website https://www.sgx.com; and/or

(b) in one or more major Singapore newspapers such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao.*

Investors should consult the SGX-ST announcement on the "ready" listing date on the internet at the SGX-ST website, or the newspapers, or check with their brokers on the date on which trading on a "ready" basis will commence.

We will provide details of and the results of the Public Offering through SGXNET and/or in one or more major Singapore newspapers, such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Offering Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allocation, due consideration will be given to the desirability of allocating the Offering Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.

In respect of an application made under the Public Offering, where any such application is rejected, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 24 hours after the balloting of applications (provided that such refunds are made in accordance with the procedures set forth in "*Appendix F – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore*").

In respect of an application made under the Public Offering, where any such application is accepted in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom, and the applicant will not have any claims against us or the Sponsor, Issue Manager, Underwriter and Placement Agent) to the applicant, at his own risk, within 14 Market Days after the close of the Application List (provided that such refunds are made in accordance with the procedures set forth in "*Appendix F – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore*").

The manner and method of applications and acceptances under the Placement will be determined by us and the Sponsor, Issue Manager, Underwriter and Placement Agent. See "*Appendix F – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore*" for further information.

Where the Offering does not proceed for any reason, the full amount of application monies received will be returned (without interest or any share of revenue or other benefit arising therefrom) to the applicants under the Offering, at their own risk, within three Market Days after the Offering is discontinued (provided that such refunds are made in accordance with the procedures set forth in "*Appendix F – Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore*").

An investment in the Shares involves risks. Prospective investors should carefully consider all of the information in this Offer Document and, in particular, the risks described below before making an investment decision. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition, results of operations and prospects may be materially and adversely affected by any of these risks. The trading price and value of the Shares could decline due to any of these risks and you may lose all or part of your investment.

This Offer Document also contains forward-looking statements which involve risks and uncertainties. The actual results of our operations could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face as described below and elsewhere in this Offer Document. See "Notice to Investors – Forward-Looking Statements".

Before deciding to invest in the Shares, prospective investors should seek professional advice from their advisers about their particular circumstances.

RISKS RELATING TO OUR BUSINESS AND OPERATIONS

Our business operations are subject to extensive and evolving government laws, regulations, licensing and accreditation requirements, and we could suffer penalties, additional costs and restrictions to our operations if we fail to comply.

Our business operations are highly regulated and subject to extensive laws, regulations, licensing and accreditation requirements in Singapore, Malaysia and China. See "*Regulatory Environment*" for a summary of the laws, regulations, licensing and accreditation requirements to which we are subject. Such laws, regulations, licensing and accreditation requirements cover many aspects of our business, including but not limited to:

- the conduct of our operations, the construction and operation of our medicare centres and nursing homes and other premises and the ownership of our assets;
- the provision of services;
- the quality of healthcare facilities, equipment and services;
- the handling and disposal of regulated items such as hazardous waste and associated environmental regulations for healthcare facilities;
- the qualifications of medical and other healthcare personnel (including traditional Chinese medicine ("**TCM**") practitioners and allied health professionals);
- the confidentiality and maintenance of, and security issues associated with, personal data, health-related information and medical records of our customers; and
- promotion and advertising in the healthcare industry.

Any non-compliance may result in fines or penalties being imposed or other enforcement action being taken against us and/or our directors and officers, which may adversely affect our business, financial condition, results of operations and prospects.

The qualifications and practising activities of our medical and healthcare professionals are also highly regulated under the laws and regulations of the jurisdictions in which we operate, as well as by other applicable codes of professional conduct or ethics. If our medical professionals, nurses and care staff fail to obtain or comply with their professional licensing requirements, we may be subject to penalties including fines, loss of licences or restrictions on our medicare centres and nursing homes, which could materially and adversely affect our business and reputation. While there has not, as at the Latest Practicable Date, been any occurrence of the foregoing which had a material adverse impact on our Group's business, financial condition, results of operations and prospects, there is no assurance that there will not be any such occurrence in the future.

In addition, other government regulations or policies which may be introduced from time to time may affect our operations and/or may result in increased cost of compliance. Compliance with more stringent laws or regulations, as well as more vigorous enforcement policies, could require substantial expenditure by us and may have a material adverse effect on our business, financial condition, results of operations and prospects if we are unable to pass on such cost to our customers. Further, the introduction of new legislation, regulations or regulatory guidelines which may have the effect of incentivising potential competitors to enter into or expand their operations in the industry in which we operate may have the effect of increasing competition and result in a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to various licensing requirements and our licences are subject to regular renewal, and we may not be able to obtain, maintain or renew such licences on a timely basis or at all.

There are various licensing requirements governing different aspects of our business, including primary and secondary healthcare services, which we must comply with and which may impose conditions that may restrict our operations. Generally, our registrations, licences and permits are subject to conditions stipulated in the registrations, licences and permits and/or in the relevant laws, rules or regulations under which they have been issued, which conditions must be complied with for the duration of the licences and permits. Where there is a failure to comply fully with the stipulated conditions, the relevant authorities have the power to revoke our registrations, licences or permits. While we have not, as at the Latest Practicable Date, had any of our registrations, licences or permits revoked by the regulatory authorities for failure to comply fully with stipulated conditions, there is no assurance that there will not be any such occurrence in the future and upon the occurrence of any of the foregoing, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Further, regulatory authorities may exercise broad discretion in assessing our compliance with licensing requirements, varying licensing requirements or introducing new licensing requirements, and we may incur significant costs and suffer operational restrictions that could adversely affect our business.

There is no assurance that we will always be able to obtain the requisite registrations, certifications, licences and permits on a timely basis or at all. We may also not be able to renew existing registrations, certifications, licences and permits on a timely basis or at all when they lapse, if for example, we do not, among others, satisfy the conditions for application or renewal. For example, as disclosed in “Business – Licences”, we are licensed by MOH Singapore and the Ministry of Health of Malaysia to operate our medicare centres and nursing homes in Singapore and Malaysia, respectively. Such operating licences are generally issued for a two year term and each of MOH Singapore and the Ministry of Health of Malaysia conducts an inspection of the relevant medicare centre and nursing home in connection with the renewal of such operating licence. While we have, to date, been able to successfully renew all of such operating licences for our medicare centres and nursing homes in Singapore and Malaysia, there is no assurance that this will always remain the case. Further, the approval or renewal of registrations, certifications, licences and permits may be at the discretion of the relevant authorities and may be subject to conditions imposed by the relevant authorities. There is also no assurance that the registrations, certifications, licences and permits will be granted on terms acceptable to us, or at all.

If we fail to obtain or renew the requisite registrations, certifications, licences and permits by the requisite time, we and/or our directors and officers may be subject to penalties and/or other enforcement action by the relevant authorities. While as at the Latest Practicable Date, we have not been subject to any such penalties or other enforcement action which had a material adverse effect on our Group’s business, financial condition, results of operations and prospects, there is no assurance that we and/or our directors and officers will not in the future be subject to any such penalties or other enforcement action if we are found by the relevant authorities to not be or have been compliant with applicable laws or regulations. Should any of the foregoing occur, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We are affected by policies in Malaysia concerning ownership of equity interest.

Our Group operates medicare centres and nursing homes in Malaysia. Our revenue and operating subvention grants attributable to our operations in Malaysia accounted for 13.8%, 14.2%, 14.7% and 12.0% of our aggregate revenue and operating subvention grants for 6M2021, FY2020, FY2019 and FY2018, respectively.

Our business and operations in Malaysia are regulated by healthcare laws and regulations in Malaysia and the Ministry of Health of Malaysia. The Ministry of Health of Malaysia issues and publishes various policies and guidelines in relation to, among others, the business and operations of private healthcare facilities, including certain policies on foreign equity participation in private healthcare facilities in Malaysia.

The Ministry of Health of Malaysia has published in the "frequently asked questions" section of its website, its policies on foreign equity participation in private healthcare facilities in Malaysia which stipulates that, effective from 29 July 2015, up to 70% foreign equity ownership is allowed for nursing homes, with at least 30% equity ownership to be held by local Malaysian shareholders ("**2015 Equity Policy**").

Rahmat Lim & Partners, the legal advisers to our Company as to Malaysia laws, have advised that the 2015 Equity Policy and any guidelines which may be issued by the Ministry of Health of Malaysia ("**MOH Guidelines**") are not legislation but policies and guidelines issued by the Ministry of Health of Malaysia from time to time, and accordingly they do not technically have force of law.

We do not believe that the requirements under the 2015 Equity Policy are intended to have retroactive effect over any registrations and licences granted in respect of existing nursing homes prior to 29 July 2015. Our belief is premised on the fact that we have to date been able to obtain renewal of licences or re-issuance or fresh issuance of certificates for our medicare centres and nursing homes in Pudu, Kuala Lumpur (the "**ECON Medicare Centre and Nursing Home – Pudu**") and Taman Perling, Johor (the "**ECON Medicare Centre and Nursing Home – Taman Perling**") that were established prior to 29 July 2015 under the Private Healthcare Facilities and Services Act 1998 of Malaysia (the "**Private Healthcare Facilities Act**"), without having to change the original investment structure for these medicare centres and nursing homes (which are wholly-owned by our Group).

However, as with all policies and guidelines, any equity policy issued by the Ministry of Health of Malaysia and the MOH Guidelines are subject to change from time to time. Rahmat Lim & Partners have been informed by the Ministry of Health of Malaysia that they intend to formulate a new policy on foreign equity participation in private healthcare facilities in Malaysia ("**New Equity Policy**"). There is no assurance that any New Equity Policy will not result in more stringent requirements being imposed on our Group. There is also no assurance that any New Equity Policy will not have retroactive effect over any registrations and licences granted in respect of existing nursing homes prior to the effective date of the 2015 Equity Policy or the effective date of any such New Equity Policy.

As the 2015 Equity Policy, any New Equity Policy and the MOH Guidelines represent and/or will represent the policy of the Malaysian Government, they are and/or will be given effect by the Ministry of Health of Malaysia and its officers as and when certificates or licences under the Private Healthcare Facilities Act are issued, renewed (if applicable) or as a continuing condition of the certificates or licences. Under the Private Healthcare Facilities Act, the Director-General of Health has the power to serve a show cause notice and after due process, suspend, revoke or refuse to renew (as applicable) the approvals, licences or certificates issued to private healthcare facilities if the holder has, among others, (a) breached any term or condition imposed by the Director-General on the approval, licence or registration or (b) failed to comply with any direction, order or guidelines given to him or it by the Minister of Health of Malaysia or the Director-General.

As at the Latest Practicable Date, no policy on foreign equity participation in private healthcare facilities in Malaysia has come into force as law through change of laws or other means with such *de facto* effect. In the event that any New Equity Policy comes into force as law or if the Ministry of Health of Malaysia applies any New Equity Policy (including retrospectively on any of our medicare centres and nursing homes in Malaysia), our Group will, if necessary, consider alternative investment structures to minimise the adverse impact to the contributions that may be received by our Group, such as partnering with a local joint venture partner, in order to comply with any New Equity Policy.

For example, notwithstanding that the 2015 Equity Policy has not come into force as law, the Ministry of Health of Malaysia applied this policy to our new medicare centre and nursing home in Puchong, Kuala Lumpur (the "**ECON Medicare Centre and Nursing Home – Puchong**"). To comply with the requirements of the 2015 Equity Policy, our Group divested 30% of our shareholdings in Econ Healthcare (M) Sdn Bhd to a third party local joint venture partner. Currently, our subsidiary, Econ Healthcare (M) Pte. Ltd., holds 70% of the issued and paid-up share capital of Econ Healthcare (M) Sdn Bhd, the legal owner and operator of our ECON Medicare Centre and Nursing Home - Puchong, while the third party local joint venture partner holds the remaining 30%. We expect that in the future, we will have to partner with a local joint venture partner (or adopt such other investment structure acceptable to the Ministry of Health of Malaysia) when acquiring or establishing new medicare centres and nursing homes in Malaysia.

If our Group does not comply with such laws and requirements as may come into force as law in the future, our registrations, licences, certificates and/or approvals required to operate or provide private healthcare facilities or services in Malaysia may not be issued, re-issued or renewed (as the case may be), or we may not be able to establish or acquire new nursing homes in Malaysia (unless such facility is set up together with a local partner holding the requisite amount of equity in the entity applying for the requisite registrations, licences, certificates and/or approvals as required under the prevailing policy on foreign equity participation at the relevant time).

We have, to date, continued to (i) renew our existing licences to operate or provide a private healthcare facility or service prior to expiry, and (ii) apply for and obtain re-issuances or fresh issuances of the existing certificates of registrations of our ECON Medicare Centre and Nursing Home - Pudu and ECON Medicare Centre and Nursing Home – Taman Perling as and when required under the Private Healthcare Facilities Act. In particular, our licences in respect of the operation of each of our ECON Medicare Centre and Nursing Home – Pudu and ECON Medicare Centre and Nursing Home – Taman Perling were renewed by the Ministry of Health of Malaysia in February 2020 and January 2020, respectively, and the renewal of such licences were not subject to any condition in respect of the 2015 Equity Policy.

However, there is no assurance that we will be able to continue to renew our licences and/or obtain re-issuances or fresh issuances of the certificates or registrations in respect of our ECON Medicare Centre and Nursing Home – Pudu and ECON Medicare Centre and Nursing Home – Taman Perling if any New Equity Policy comes into force as law or is given effect by the Ministry of Health of Malaysia and its officers, nor is there any assurance that the future renewal of licences, certificates or registrations will not be subject to conditions under any New Equity Policy and/or the MOH Guidelines.

If we are unable to obtain re-issuances or fresh issuances of the licences, certificates or registrations in respect of our medicare centres and nursing homes in Malaysia or if such re-issuances or fresh issuances are subject to conditions under any New Equity Policy and/or the MOH Guidelines, this could affect our ability to continue to successfully maintain our medicare centres and nursing homes in Malaysia under their present equity structure, in which event our Group may have to alter or adopt alternative investment structures to comply with any requirements as given effect by the Ministry of Health of Malaysia.

If any of the foregoing events occur, our Group’s business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be materially and adversely affected by spread of diseases or an outbreak of any contagious or virulent diseases and pandemics/epidemics.

The outbreak of communicable or virulent diseases and pandemics/epidemics such as Severe Acute Respiratory Syndrome, H5N1 avian flu, Middle East Respiratory Syndrome, Ebola and most recently, the outbreak in late 2019 of a novel strain of coronavirus being COVID-19, in countries which we operate may materially and adversely affect our operations. In addition, any such occurrence could result in sporadic or prolonged market and/or supply disruptions, an economic downturn or recession, volatilities in domestic and/or international financial markets and may materially and adversely affect the Singapore and other economies. The occurrence or developments of any of these events may materially and adversely affect our Group’s business, financial condition, results of operations and prospects.

In particular, the global outbreak of COVID-19 triggered a global downturn and economic contraction and resulted in disruption of supply chains of medical supplies, personal protective equipment and medical equipment, causing a global shortage of, and delay in obtaining, such medical supplies and equipment. While our Group has not, as at the Latest Practicable Date, been materially and adversely affected by such disruption and shortage, there can be no assurance that this will remain the case, in particular if there is a further worsening of the COVID-19 pandemic or resurgence in cases of COVID-19 in the countries in which we operate.

Border control and movement restrictions imposed by governments as a response to the COVID-19 pandemic also affected our foreign staff from returning to work and our ability to hire foreign nursing staff and led to workforce constraints. As at the Latest Practicable Date, this has not materially and adversely impeded our ability to operate and serve our customers as we have sought alternative solutions in response to the workforce constraints, such as the hiring of temporary or contract employees or arranging for our employees to work overtime. However, there is no assurance that we will be able to continue to operate and serve our customers at the current levels or that there will not be any deterioration in service levels and/or quality.

The COVID-19 pandemic is ongoing and the actual extent of the pandemic and its impact on the domestic, regional and global economy remains uncertain. Accordingly, the actual extent of the impact on our Group's business, financial condition, results of operations and prospects will depend on, among other things, the duration of the COVID-19 pandemic, the severity and length of the economic downturn and the speed and strength of the subsequent recovery. The COVID-19 pandemic could result in protracted volatility in international markets and/or result in a global recession. The foregoing may result in reduced investment and spending and severe unemployment, and an economic downturn of this scale may pose significant challenges to our business, and may also affect the ability of our residents and/or customers' to afford our services and/or result in delays in the payment for our services. As at the Latest Practicable Date, the COVID-19 pandemic has not materially and adversely impacted the demand for our services or our Group's financial position or results of operations. Conversely, there has been an increase in occupancy at our medicare centres and nursing homes in Singapore and we have not faced any material delays in the payment for our services as a result of the COVID-19 pandemic. However, there is no assurance that this will remain the case.

In addition, there have been a number of reported cases globally of COVID-19 outbreaks in nursing homes and long-term care facilities which resulted in fatalities. If there is an outbreak of COVID-19 (or any other infectious disease) in any of our medicare centres and nursing homes, we may be required to temporarily shut down the affected medicare centres and nursing homes or other facilities, and quarantine the affected staff for an indeterminate period of time to contain the spread of the disease. As at the Latest Practicable Date, there has not been an outbreak of COVID-19 in any of our medicare centres and nursing homes which resulted in us being required to shut down our medicare centres and nursing homes or which materially and adversely affect our Group's business, financial condition, results of operations and prospects. However, the occurrence of any of the foregoing, or if there is continued negative publicity around outbreaks and fatalities in other nursing homes and long-term care facilities, could lead to reduced demand for the eldercare services which we provide, a decrease in the occupancy rates at our medicare centres and nursing homes and adversely impact our business and operations. There is also no assurance that the occupancy rates at our medicare centres and nursing homes will maintain at the current levels when the COVID-19 pandemic abates.

We have taken precautionary measures against the spread of COVID-19 in our medicare centres and nursing homes in line with stringent regulatory requirements, such as frequent cleaning and disinfection of common areas, restricting the number of visitors per day and the duration of visits, ensuring that visitors comply with safe distancing and other guidelines imposed by MOH Singapore and the Ministry of Health of Malaysia, restricting visitors' access only to designated visitation areas, testing new residents transferred from hospitals for COVID-19, isolation of new residents in special isolation wards, ensuring separate zones and split teams for our employees, strict movement control of our residents and employees and arranging for our residents and our employees to be vaccinated against COVID-19. While we believe we have reacted swiftly to the COVID-19 pandemic and implemented precautionary measures to ensure the safety and well-being of our employees and residents, there can be no assurance that the precautionary measures we take will always be effective in preventing the spread of COVID-19. For instance, not all of our residents and employees may choose to be vaccinated against COVID-19 and further, there can be no assurance that the vaccine will be risk-free and effective with no harmful side effects. Accordingly, it is not possible to completely eradicate the risk of transmission of COVID-19 in our medicare centres and nursing homes or other facilities. Further, any failure by us to comply with the stringent regulatory requirements may also result in penalties being imposed on us including, in the worst case, that the medicare centre and nursing home or facility at which any material non-compliance occurred may have to temporarily cease operations.

Further, the precautionary measures taken by our Group against the spread of COVID-19 in our medicare centres and nursing homes as well as workforce constraints due to imposition of movement restriction measures have also resulted in higher operating expenses for our Group. While the Singapore Government has introduced support and relief measures to businesses in Singapore in response to the COVID-19 pandemic pursuant to which our Group has received the relevant grants including grants pursuant to the Jobs Support Scheme ("**JSS**"), foreign worker levy ("**FWL**") rebates, rent concessions and property tax rebates, such measures are only for a finite duration and further, there is no assurance that our Group will continue to be entitled to such support or relief measures or that such measures will be sufficient to cover all additional costs.

We are dependent on the continued employment and performance of key personnel and the availability of adequately skilled healthcare professionals. Inability to retain or attract these personnel may adversely affect our operations.

Our success has largely been due to the contributions of our management team, including our founder, Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh. Our continued success and growth will depend, to a large extent, on our ability to retain the services of the individuals in our management team. The loss of services of any of the individuals in our management team without suitable and timely replacements may adversely affect our operations.

If one or more of our Executive Officers or key personnel do not continue in their present positions, we may not be able to replace them easily or at all and may incur additional expenses to recruit and train new personnel. Consequently, our business may be severely disrupted, and our business, financial condition, results of operations and prospects may be materially and adversely affected. In addition, if any of our Executive Officers or key personnel joins a competitor or forms a competing company, we may lose know-how, trade secrets, customers and key professionals and staff.

Additionally, as a service provider, we depend on our healthcare professionals, including nursing staff, for the quality of services rendered and our performance is dependent on our ability to attract and retain skilled and qualified healthcare professionals, including nursing staff. We are required to comply with the requirements and guidelines on the ratio of care staff to residents as prescribed by the regulatory authorities in each jurisdiction that we operate in. There is strong competition for qualified nurses and care staff in the healthcare industry and we may not be able to retain or recruit suitably qualified personnel to replace those who resign, or may have to pay higher salaries or otherwise enhance our remuneration packages in order to attract or retain suitably qualified personnel. Difficulty in retaining our existing healthcare professionals or attracting new suitably qualified personnel may affect our expansion plans or may result in non-compliance with the relevant requirements and guidelines on the ratio of care staff to residents as prescribed by the regulatory authorities in each jurisdiction that we operate in and accordingly, may adversely affect our results of operations and/or our expansion plans. Payment of higher salaries and/or more attractive remuneration packages in order to attract or retain suitably qualified personnel may also significantly increase our aggregate employee costs, which may in turn adversely affect our business, financial condition, results of operations and prospects in the event that we are unable to pass on such increased costs to our customers.

We are subject to labour and immigration laws and policies that govern the employment of foreign workers.

We employ a significant number of foreigners and we expect to continue to employ a significant number of foreign nursing staff for our operations, where necessary. We are therefore subject to applicable laws, regulations and policies imposed by governments in jurisdictions in which we operate or of those of the foreigners' countries of origin in relation to the employment of foreign workers. For instance, the relevant government authorities may set a limit on the number of such workers we may hire and impose levies on each foreign worker hired by us. Further, border control and movement restrictions imposed by governments as a response to the COVID-19 pandemic also affected our ability to hire foreign nursing staff and led to workforce constraints and increase in manpower costs. Any changes in applicable laws, regulations or policies of the governments in jurisdictions in which we operate or those of the foreigners' countries of origin, such as a decrease in the number of foreign workers we may employ or an increase in levies imposed, may result in labour shortages and/or increased operating costs and may adversely affect our business, financial condition, results of operations and prospects.

For instance, the availability of foreign employees in Singapore is regulated by the Ministry of Manpower, through policy instruments such as the imposition of levies and quotas, being the percentage of foreign employees permitted in a company's total workforce. We are susceptible to any increase in such levies and any changes in the supply and/or quota of foreign employees that we are permitted to hire. As a result of these measures, our costs of hiring foreign employees may increase. We are also required to comply with the conditions and qualifying requirements in order for work passes to be issued to foreign employees. The Ministry of Manpower of Singapore has tightened work pass requirements by updating the minimum qualifying salary for S pass holders from S$2,200 to S$2,300 from 1 January 2019 and to S$2,400 from 1 January 2020. The S pass minimum qualifying salary has been further raised from S$2,400 to S$2,500 with effect from 1 October 2020, with qualifying salaries for older and more experienced S pass candidates revised accordingly. Such changes to S pass qualifying salaries will apply to new applicants from 1 October 2020 and to renewal applicants from 1 May 2021. Further, the Ministry of Manpower of Singapore has since 1 May 2020 tightened work pass requirements by updating the minimum qualifying salary for employment pass holders to S$3,900 and further raising it to S$4,500 for all new applicants from 1 September 2020, with qualifying salaries for older and more experienced employment pass candidates revised correspondingly, with such new salary requirements coming into effect from 1 May 2021 for renewal applicants. Such changes, and any further changes in government policies, could result in higher operation costs and workforce constrains, and adversely affect our business, financial condition, results of operations and prospects.

Our business operates in competitive markets and we may face constraints in increasing our customer volumes or our rates.

The healthcare industry in Singapore, Malaysia and China is competitive, with many nursing home providers both in the private and public sectors. We generally face competition from private group practices and public nursing homes (such as government-owned operators, voluntary welfare organisations ("**VWO**"), quasi-public organisations ("**QPOs**")) in the jurisdictions in which we operate. Despite the high barriers to entry, other nursing home providers may have the facilities and personnel to provide healthcare services similar to that of ours and may compete with us by offering newer facilities or different programmes or services or by accepting lower margins for their services.

Further, the Singapore Government has provided operating grants to private and VWO operators through various schemes. Such grants could lower the barriers of entry for private and VWO operators, thereby resulting in increased competition for our Group. For example, the Singapore Government introduced the Portable Subsidy Scheme, pursuant to which persons who are ascertained to be eligible for subsidies under MOH Singapore's means-testing framework will be subsidised for intermediate to long-term care services. MOH Singapore has the discretion to determine the amount of subvention granted to each subsidised resident based on a means-testing framework and the number of subsidised beds to be allocated in each facility through a request for proposal process. We are currently a participant of the Portable Subsidy Scheme.

The Singapore Government has also introduced the Build-Own-Lease scheme (the "**BOL Scheme**"), whereby the Singapore Government builds the new aged care facilities and appoints operators to run such facilities by way of tender. Operators appointed under the BOL Scheme, whether private or VWO operators, receive operating grants to serve subsidised patients, subject to the operators meeting the service requirements under the tender, which includes setting aside certain specified number of beds for subsidised residents. Residents will be assessed under MOH Singapore's means-testing framework to ascertain if they qualify for subsidies for intermediate to long-term care services. MOH Singapore will determine the amount of subvention granted, which will apply to all nursing homes operated under the BOL Scheme.

We were first appointed as an operator under the BOL Scheme for ECON Medicare Centre and Nursing Home – Yio Chu Kang in 2011 and were last re-appointed for the period from 1 January 2020 for a term of three years with options by MOH Singapore to extend for three years upon its expiry and another three years thereafter. We have also been appointed as an operator under the BOL Scheme for two upcoming medicare centres and nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson, which is expected to be operational in the second half of 2022, and ECON Medicare Centre and Nursing Home – Jurong East, which is expected to be operational in 2025. For each of the aforementioned medicare centres and nursing homes, we were appointed for a period of three years, which can be further extended by MOH Singapore for two terms of three years each.

For so long as we operate nursing homes under the BOL Scheme, we will have to set aside a specified percentage of our licensed bed capacity in the relevant medicare centre and nursing home for subsidised residents. In addition, there can be no assurance that we will be or will continue to be (as the case may be) appointed by MOH Singapore as an operator under the BOL Scheme. The BOL Scheme may also result in increased competition for our Group through lowering barriers of entry for other operators, as operators under the BOL Scheme do not have to incur significant capital expenditure or pay rent (subject to compliance with the terms of the BOL Scheme).

Our continued success depends on our ability to compete effectively against our existing and future competitors. There can be no assurance that we will be able to compete successfully in the future. Furthermore, with the potential influx of new competitors, our ability to retain our existing customers and to attract new customers is important to our continued success. If our competitors are better able to attract residents, recruit key personnel and/or expand services at their facilities than we are, we may experience a decline in customer volumes which in turn could adversely affect our business, financial condition, results of operations and prospects.

We receive operating subvention grants from MOH Singapore, and our financial performance may be significantly affected by governmental spending on eldercare services.

We have received operating subvention grants from MOH Singapore to offset the bills of elderly individuals needing care. Further details of such operating subvention grants are set out in "*Management's Discussion and Analysis of Results of Operations and Financial Position — Principal Components of Consolidated Income Statements – Aggregate Revenue and Operating Subvention Grants*" of this Offer Document. Any reduction in the operating subvention grants received from MOH Singapore may adversely affect our business, financial condition, results of operations and prospects.

Governmental spending on eldercare services may be cyclical in nature and vulnerable to fluctuations based on the prevailing economic and political conditions, as well as policy considerations, which may change from time to time. Therefore, to the extent that we receive payments and subsidies from governmental bodies, the amount and rate of such subsidies may fluctuate as a result of the changes in the government's budgetary policies. If the amount and rate of government subsidies we receive decrease due to a reduction in governmental spending on eldercare services, our business, financial condition, results of operations and prospects may be adversely affected.

Some of our medicare centres and nursing homes are subject to lease renewals and relocation risks.

While we do not preclude acquiring land and premises (whether for nursing home purposes or otherwise), we generally operate on the basis of an asset-light business model and of the 10 medicare centres and nursing homes which we operate as at the Latest Practicable Date, 9 are located on premises leased by us. For further details on the leases, see "*Business – Properties*" and "*Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Lease agreements and sub-lease agreements for medicare centres and nursing homes".* In particular, our ECON Medicare Centre and Nursing Home – Braddell, ECON Medicare Centre and Nursing Home – Choa Chu Kang, ECON Medicare Centre and Nursing Home – Upper East Coast and ECON Medicare Centre and Nursing Home – Recreation Road are leased from our interested persons EHPL and Econ Medicare Centre Holdings Pte Ltd ("**Econ Medicare Centre Holdings**"). In view of our asset-light business model, we did not acquire such properties from EHPL pursuant to the Restructuring Exercise. Our ECON Medicare Centre and Nursing Home – Chai Chee is also sub-leased from EHPL. We also lease a number of other premises used for our operations, such as the premises where we operate our ECONLIFE! Hub programme. There is no assurance that we will be able to renew these leases on favourable terms or at all, or that the leases will not be terminated prior to its expiry. In particular, as disclosed in "*Business – Properties*", the landlord of our ECON Medicare Centre and Nursing Home – Pudu has the right to terminate the tenancy by giving us three months' notice.

The strategic locations of our medicare centres and nursing homes have enabled us to conveniently serve our residents. However, there is no assurance that we will always be able to keep our medicare centres and nursing homes at these locations. For example, in the event that there is an increase in rental and/or redevelopment and/or upgrading works being carried out by landlords on properties where our medicare centres and nursing homes are located, we may be forced to relocate or absorb the higher rental costs, as the case may be. Higher rental costs may adversely affect our business, financial condition, results of operations and prospects in the event that we are unable to pass on such increased costs to our customers. Relocation will cause disruptions to our normal business operations and we may have to incur additional expenses associated with relocation. Moreover, the inability to relocate our medicare centres and nursing homes that are in close proximity to the existing premises may lead to a loss of our existing pool of residents. If any of the foregoing occurs, our business, financial condition, results of operations and prospects may be adversely affected.

While we are not aware that the landlords of the material properties which we lease do not have valid title to such premises, there can be no assurance that our landlords have valid title to such premises. In the event that any of our landlords do not have valid title to such premises, we may be required to relocate the affected operations. Failure to renew any of these leases or early termination of these leases may force us to relocate the affected operations.

There is no assurance that our business strategies and expansion plans will be successful.

As described in "*Business – Business Strategies and Future Plans*", we intend to expand our existing geographical coverage in Singapore, Malaysia and in particular, China. We have entered into and/or are in advanced discussions to enter into joint ventures to operate and/or invest in nursing homes in China and intend to further expand in China as described in "*Business – Overview*". We also intend to further expand into new jurisdictions in accordance with our business strategies and future plans if and when suitable opportunities arise.

Such expansion plans into the regions in which we have operations or new jurisdictions may involve numerous risks, including our ability to secure suitable locations for our medicare centres and nursing homes, to engage third party suppliers and subcontractors to provide us with the necessary supplies and/or services in order to conduct our business and operations in new jurisdictions which may be unfamiliar to us. There is also no assurance that every risk associated with the business, asset or company that we acquire or enter into partnership with will be identified through due diligence.

There can be no assurance that such expansion plans will be commercially successful or that we will be able to enter new geographical markets to expand our business and operations. For instance, our Chongqing Nursing Home which is expected to commence operations in 2021 does not have an established track record, and there is no assurance that our Chongqing Nursing Home or any other new nursing homes we establish or invest in will be able to achieve a sufficient level of revenue and be profitable. These expansion plans will require substantial capital expenditure, financial and management resources and are subject to factors beyond our control, such as government legislation, general economic conditions and global or local trends. As we expand our business into new regions, we may encounter regulatory, personnel, technological and other challenges that may increase our expenses or delay our ability to start our operations. We may also incur additional costs which were not initially budgeted. In the event that we are not able to achieve a sufficient level of revenue or manage our costs effectively or the commencement of these planned expansions are delayed or unsuccessful, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In particular, while we expect to continue to source for suitable locations for new medicare centres and nursing homes, there can be no assurance that we will be able to identify suitable locations for this purpose, or successfully secure such sites on favourable terms or at all.

Further, we may not succeed in expanding our business into new jurisdictions on a timely basis or in achieving profitability, and we may not be able to transfer skills and experience from one market to another or be able to deliver consistent quality of service across the markets we are targeting to expand into. In addition to regulatory barriers, we may also encounter regulatory, personnel, technological and other challenges in conducting operations in new jurisdictions with different cultures and legal systems where practices may not align with our business practices and corporate policies, or where we have limited knowledge and understanding of the local economy and businesses, an absence of business relationships, or unfamiliarity with local governmental and relevant laws and regulations. The different jurisdictions in which we operate (currently or in the future) may also present distinct market opportunities, risk profiles and competitive landscapes. We may not be able to achieve our growth strategies or growth strategies which we successfully adopt in one jurisdiction may not be viable for our business in another jurisdiction. For instance, we intend to use part of our proceeds from the Offering to upgrade existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure. Any renovation works at our medicare centres and nursing homes may result in the reduction of our Group's bed capacity and accordingly, our business, financial condition, results of operations and prospects may be materially and adversely affected. Further, there is also no assurance that our digital and technology investment strategy to, among others, invest in technological systems to integrate care delivery across our residential, day care and home care settings will be successful. There is no assurance we would be able to transplant and adapt our existing business model successfully to any other jurisdiction or that we would not risk prohibitive costs doing so. Any of the foregoing factors could materially and adversely affect our ability to successfully expand our business, and our failure to effectively manage any expansion may adversely affect our business, financial condition, results of operations and prospects.

Our business is dependent on the demand for eldercare and healthcare, which is affected by demographic and economic factors.

Our business is dependent on the demand for the services we provide. The demand for our services is, in turn, dependent on demographic and economic factors.

The populations in the markets in which we operate are ageing. An increased number of the elderly leads to an increased demand for our eldercare services. Should the number of the elderly in the markets where we operate not continue to increase, or if the demand for eldercare or healthcare decreases, for example as a result of a healthier ageing population, this could have an adverse effect on the demand for the eldercare and healthcare services provided by us.

The demand for healthcare can also be adversely affected by macroeconomic factors or economic downturns. For example, trade barriers or other policies applicable to jurisdictions in which we operate or have a presence in and any resultant retaliatory action could affect the costs of goods imported into such jurisdictions or if protracted, could have a material adverse effect on world trade and economy, potentially resulting in an economic downturn in countries which we operate in.

Such risks mentioned above could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to successfully execute our expansion into China due to legal, regulatory and other restrictions.

Our Company is a Singapore-incorporated company. Our Group has expanded our presence into China through the establishment of our Chongqing Nursing Home which will, on commencement of operations, be operated by Chongqing Yikang Bailingbang, our joint venture entity in China. We have also entered into and/or are in advanced discussions to enter into other joint ventures to establish and/or invest in additional nursing homes in China, as described in "*Business – Overview*". In China, various laws, regulations and rules restrict foreign ownership in, and restrict foreign invested enterprises from holding certain licences required to operate, healthcare businesses. While we are currently not subject to any restrictions on foreign investment in healthcare businesses in China, there is no assurance that the relevant authorities in China will not impose such restrictions and amend their policies to restrict foreign ownership in healthcare services businesses. As we execute our expansion strategy into China, we may have to rely on contractual arrangements to manage and control any China-incorporated entities we may become affiliates with should we be subject to such foreign ownership restrictions. Such contractual arrangements may not be as effective as direct ownership in providing us with control over China-incorporated entities we may become affiliated with and their subsidiaries, and we may not be able to direct the operations of any such affiliated China-incorporated entities and their subsidiaries in alignment with our interests, which may affect our business, financial condition, results of operations and prospects.

Our business and operations in China are subject to China laws, rules and regulations, including those governing corporate structure. If we, our subsidiaries or affiliates incorporated in China, or their respective subsidiaries are found to be in violation of any existing or future China laws, rules or regulations, our business, financial condition, results of operations and prospects may be materially affected. In addition, the relevant regulatory authorities may have broad discretion in dealing with such violations, including:

- revoking the business licences or operating licences of our China-incorporated subsidiaries or affiliated China-incorporated entities and their respective subsidiaries;
- discontinuing or restricting our operations in China, including shutting down our servers or blocking our websites or discontinuing or placing restrictions or onerous conditions on our operations;
- imposing fines or restricting our ability to collect revenues or confiscating our income or the income of our China-incorporated subsidiaries or affiliated China-incorporated entities;
- requiring us to undergo a costly and disruptive restructuring such as forcing us to transfer our equity interests in our China-incorporated subsidiaries to a domestic entity or invalidating the agreements that our China-incorporated subsidiaries have entered into with our affiliated China-incorporated entities and their respective shareholders;
- imposing additional conditions or requirements with which we may not be able to comply; and
- taking other regulatory or enforcement actions, including levying fines that could be harmful to our business.

There is no assurance that we would not be subject to laws, regulations and policies that would restrict the scope of our business activities in China, expose us to onerous compliance requirements, or subject us to any of the above or other penalties, fines or regulatory actions and proceedings. Any of these consequences may result in a material and adverse effect on our ability to conduct our business and a loss of our economic benefits in the assets and operations of our affiliated China-incorporated entities and their subsidiaries. If the imposition of any of these restrictions causes us to lose the rights to direct the activities of these affiliated entities or our right to receive their economic benefits, we may not be able to consolidate, control and/or derive economic benefits from these entities. Additionally, the Chinese Government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Under the existing foreign exchange regulations in China, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (国家外汇管理局) by complying with certain procedural requirements. However, approval from or registration or filing with the relevant government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The Chinese Government may also, at its discretion, restrict access to foreign currencies for current account transactions in future. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, our business, financial condition, results of operations and prospects may be adversely affected.

Such existing and future restrictions on currency exchange and remittance may limit the ability of our affiliated China-incorporated entities and their subsidiaries to pay dividends and distributions to us, purchase goods and services outside China, or otherwise fund any of their future business activities that may be conducted in currencies other than Renminbi. Regulatory restrictions related to foreign currency loans to, and non-ownership arrangements in, domestic China enterprises, may also limit our ability to finance the operations of our affiliated China-incorporated entities and their subsidiaries by loans or capital contributions.

If the corporate seals of our subsidiaries and associated companies in China are not kept safely, are stolen or are used by unauthorised persons or for unauthorised purposes, the corporate governance of these entities could be materially and adversely compromised.

Under the law and regulations in China, a corporate seal serves as the legal representation of the company towards third parties even when unaccompanied by a signature. Each legally registered company in China is required to maintain a corporate seal, which must be registered with the local public security bureau. In addition to this mandatory corporate seal, companies may have several other corporate seals which can be used for specific purposes. While the corporate seals of Chongqing Yikang Bailingbang, our subsidiary in China, are held securely by personnel designated or approved by us in accordance with our internal control procedures and are kept in safes at our corporate headquarters in Singapore (in the case of the legal representative seal) or our subsidiary's principal place of business (in the case of other corporate seals) and there have not been any past incidents of unauthorised use of such corporate seals, there can be no assurance that the corporate seals will be kept safely. In the event that the corporate seals are not kept safely, are stolen or are used by unauthorised persons or for unauthorised purposes, the corporate governance of our subsidiaries and associated companies in China could be materially and adversely compromised and we may be bound to abide by the terms of any documents so sealed, even if they were sealed by an individual who lacked the requisite power and authority to do so. In addition, if the corporate seals are misused by unauthorised persons, we could experience disruption to our normal business operations and may have to take corporate or legal action, which could involve significant time and resources to resolve while distracting management from our operations.

The M&A Rules and certain other regulations in China may establish complex procedures for certain acquisitions of domestic companies incorporated in China by foreign investors.

The Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (关于外国投资者并购境内企业的规定), as amended, modified or supplemented from time to time ("**M&A Rules**") include provisions that purport to require approval of Ministry of Commerce of China (中华人民共和国商务部) ("**MOFCOM**") in certain situations. For instance, if any domestic company, enterprise or natural person merges or acquires its affiliated domestic company in the name of an overseas company legally established or controlled by the aforesaid domestic company, enterprise or natural person, the approval of MOFCOM is required. The M&A Rules and some other regulations in China concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. For instance, the

Anti-Monopoly Law (反垄断法) requires that the MOFCOM be notified in advance of any concentration of undertakings if certain thresholds are triggered. In addition, the Circular of the General Office of State Council on Establishing the Security Review System for Merger and Acquisition of Domestic Enterprises by Foreign Investors (国务院办公厅关于建立外国投资者并购境内企业安全审查制度的通知), the Provisions of the Ministry of Commerce on the Implementation of the Security Review System for Merger and Acquisition of Domestic Enterprises by Foreign Investors (商务部实施外国投资者并购境内企业安全审查制度的规定) and the Measures for the Security Review of Foreign Investment (外商投资安全审查办法) stipulate that any foreign investment that has or possibly may have an impact on the national security of China shall be subject to security review by the Chinese Government, and that foreign investors shall be prohibited from any attempt to substantially evade a security review, including but not limited to structuring the transaction through a proxy or a contractual control arrangement.

We intend to expand our business in China via, among others, acquisitions. Complying with the requirements of the M&A Rules or other regulations in China to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the MOFCOM, may delay or inhibit the completion of such transactions, which could affect our ability to expand our business or maintain our market share. If any of our acquisitions were subject to the M&A Rules or other regulations in China and were found not to be in compliance with the requirements of the M&A Rules or other regulations in China in the future, the relevant regulatory authorities may impose fines and penalties on our operations in China, limit our operating privileges in China, or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes in China's political, economic and social conditions, laws, regulations and policies may have an adverse effect on our Group.

The economy in China differs from the economies of most developed countries in many respects, including:

- structure;
- level of government involvement and development;
- growth rate;
- control of foreign exchange; and
- allocation of resources.

The economy in China has been transitioning from a planned economy to a more market-oriented economy. For the past two decades, the Chinese Government has implemented economic reform measures emphasising utilisation of market forces in the development of the economy in China. In addition, the Chinese Government continues to play a significant role in regulating industries by imposing industrial policies. There is no assurance that changes in the political, economic and social conditions, laws, regulations and policies in China will not have any material adverse effect on our business, financial condition, results of operations and prospects.

Uncertainties in the Chinese legal system may adversely affect our business and limit the legal protection available to our Shareholders.

The Chinese legal system is a civil law system based on written statutes. Unlike the common law legal system, prior court decisions in a civil law system have little precedential value and can only be used as a reference. Furthermore, China's statutes are subject to the interpretation by the legislative bodies, the judicial authorities and the enforcement bodies, which increases the uncertainty. China has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commercial transactions, taxation and trade since 1978 when the Chinese Government started economic reforms. Many of these laws and regulations are relatively new and subject to frequent changes and uncertainties in implementation and interpretation. There may also be new laws and regulations to cover new economic activities in China. As we are unable to predict the future developments in the Chinese legal system, there is no assurance that these uncertainties in the Chinese legal system will not adversely affect our business, financial condition, results of operations or prospects, and limit the legal protection available to our Shareholders.

We face risks relating to the political, economic, regulatory, social and legal environments in the jurisdictions in which we currently or may in the future operate.

We have operations and/or a presence in Singapore, Malaysia and China, and may expand into other jurisdictions in the future. We are subject to certain risks inherent in conducting business, such as political, economic, regulatory, social and legal developments in each jurisdiction in which we currently or may in the future operate, many of which are beyond our control.

These risks include but are not limited to:

- laws and policies affecting trade, investment, foreign ownership restrictions and taxes, including laws and policies relating to the repatriation of funds and withholding taxes, and changes in these laws;
- differing degrees of protection for intellectual property;
- inflation, interest rates and general conditions;
- changes in laws, regulations, local regulatory requirements and accounting standards and the interpretation, application and/or enforcement thereof, including any unexpected changes thereto;
- the political and/or regulatory climate in such jurisdictions, including any instability of foreign economies and governments and any social unrest or political instability;
- fluctuating foreign exchange rates;
- expropriation or nullification of contracts;
- the spread of communicable diseases in such jurisdictions, which may impact business in such jurisdictions; and
- natural disasters, demonstrations, riots, coups, war and acts of terrorism.

The jurisdictions in which we currently or may in the future operate may be in a state of rapid political, economic and social changes, and may also be subject to unforeseeable circumstances such as natural disasters and other uncontrollable events, which will entail risks to our business and operations. There can also be no assurance that we will be able to adapt to the local conditions, regulations and business practices and customs. Any changes implemented by the government of these jurisdictions resulting in, among other things, currency and interest rate fluctuations, capital restrictions and changes in duties and taxes detrimental to our business could materially and adversely affect our business, financial condition, results of operations and prospects.

The political and/or economic conditions of the jurisdictions in which we operate may also be affected by geopolitical risks, including lingering trade tensions and other political disputes which have resulted in and may continue to lead to, among other things, the imposition of sanctions on or blacklisting of politically connected persons and corporations, or persons and corporations perceived to be politically connected. As at the Latest Practicable Date, we do not, to our knowledge, have business dealings with any person or corporation which is currently the subject of political sanctions. However, the geopolitical environment is constantly evolving and there is no assurance that we will not in the future be found to be in contravention of political sanctions, for example, should it transpire that any of our business partners or other persons or corporations with whom we have business dealings are or become the subject of political sanctions.

Our business may also be affected by macroeconomic factors, such as general economic conditions, market sentiment and consumer confidence in the jurisdictions we operate in, social and political unrest, regulatory, fiscal and other governmental policies, all of which are beyond our control.

Any adverse developments related to any of the abovementioned factors or other associated risks may have a material adverse effect on our business, financial condition, results of operations and prospects.

We have entered and may continue to enter into non wholly-owned investments and may face risks from these non wholly-owned investments.

We have entered into investments and may continue to invest in entities that are not wholly-owned by us. For example, to comply with the requirements of the 2015 Equity Policy, our Group has partnered with a third party local joint venture partner in connection with our ECON Medicare Centre and Nursing Home – Puchong, and we expect that in the future, we will have to partner with a local joint venture partner (or adopt such other investment structure acceptable to the Ministry of Health of Malaysia) when acquiring or establishing new medicare centres and nursing homes in Malaysia. In respect of our business operations in China, we have entered into and/or are in advanced discussions to enter into joint ventures as described in "*Our History and Development*" and "*Business – Overview*".

There may be disagreements between us and our current or future joint venture partners regarding the business and operations of our joint ventures which we may not be able to resolve amicably. Our joint venture partners may (i) have economic or business interests that are inconsistent with ours; (ii) take actions contrary to our instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with us as to the scope of their responsibilities and obligations. In particular, as a minority passive investor in Sichuan Guangda Bailingbang Yikang, we will not be involved in the day-to-day operations and management of the proposed Chengdu Nursing Home intended to be operated by Sichuan Guangda Bailingbang Yikang. In addition, as certain agreements may be entered into by our joint venture partner(s) on behalf of the joint venture entity, we may not be able to directly enforce agreements to which we are not a party. To the extent that the interests of our joint venture partner are not aligned with the joint venture entity or us in respect of such agreements, this may affect the joint venture entity's business, financial condition, results of operations and prospects. Any of these and other factors may materially and adversely affect the performance of our joint ventures, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

While we intend to take steps to maintain amicable and professional relations with our joint venture partners, there is no assurance that these measures will be adequate or successful. Any risks or problems with our partners or our non wholly-owned investments could result in impairment or writing-off of the assets of and/or shareholder loans provided by us to such joint ventures, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects. The resolution of disagreements or disputes between us and our joint venture partners may take time, and there can be no assurance that such disagreements or disputes will be resolved in our favour. While we have not, as at the Latest Practicable Date, had any material disagreement with our joint venture partners, there is no assurance that there will not be future disagreements with our joint venture partners or inability to arrive at a consensus, any of which may harm our reputation or impede our ability to grow our business in the relevant country or area of service, which may in turn adversely affect our business, financial condition, results of operations and prospects.

We rely on our reputation within the healthcare industry. In addition, we are exposed to inherent risks of caretaking incidents. Resolving caretaking incidents could result in significant costs and materially and adversely affect our reputation and business.

We consider that our success depends to a significant extent on the recognition of our reputation in the healthcare industry as a reliable service provider. Many factors, some of which are beyond our control, are important for maintaining and enhancing our reputation and may negatively impact our reputation if not properly managed, such as our ability to:

- maintain a comfortable, convenient and reliable resident experience;
- control the quality of our services and facilities, and to monitor the performance of our staff; and
- increase our brand awareness among existing and potential residents.

Our reputation could be harmed if, for example, our services or facilities fail to meet the expectation of our residents. Our failure to develop, maintain or enhance our reputation may materially and adversely affect the level of market recognition of, and trust in, our services, which could result in decreased revenue and loss of residents. We may also face challenges from others seeking to benefit from damaging our reputation. Any negative publicity in relation to our services, our facilities, our peers or our industry, regardless of veracity, could seriously harm our public image and reputation which in turn may result in a loss of residents and staff and have a material adverse effect on our business, financial condition, results of operations and prospects.

Our services include the provision of residential nursing care services, which involves, among others, medication administration in accordance with doctors' prescriptions, and nutritional management. Due to the nature of providing medication and food to residents with varying degrees of health and medical conditions, we are exposed to inherent risks in our operations even in cases in which we believe we were fully compliant with best practices in our field, and such risks cannot be eliminated entirely. While we have not, as at the Latest Practicable Date, had any such major occurrence relating to our medication administration and nutritional management services provided to our residents which resulted in a material adverse impact on our business, financial condition, results of operations and prospects, any failure by us to effectively manage medication administration and proper storage, handling and disposal of medication and ensure food safety may result in unsuccessful or unsatisfactory treatment outcomes and foodborne illness, respectively. In extreme cases, injuries or even death may be caused to the residents. Such incidents may be detrimental to our reputation in the healthcare industry as a reliable service provider and may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, due to the nature of our operations, we are also exposed to inherent risks of other incidents such as accidental falls and other types of physical injuries to the residents and disputes between residents which may result in physical injuries, which may taint our reputation and in turn adversely affect our business, financial condition, results of operations and prospects. Accidents or mishaps may occur even though we have put in place certain safety measures. While we have not, as at the Latest Practicable Date, had major incidents relating to physical injury or death resulting from physical injury to our residents at our medicare centres and nursing homes resulting from our employees' negligence, there is no assurance that we will not encounter such incidents of injury or death resulting from physical injury to our residents at our medicare centres and nursing homes in the future.

We are also susceptible to complaints from residents or their families associated with our services from time to time regarding, among others, the adequacy of patient care, treatment outcome, pricing and lapses or errors made in the course of the provision of services and further, it is possible that such complaints may become highly publicised in the media or result in regulatory or disciplinary actions or legal proceedings against us or our staff. While we have not, as at the Latest Practicable Date, encountered any of the foregoing which resulted in a material adverse effect on our reputation, business, financial condition, results of operations and professional standing, there is no assurance that such incidents will not occur in the future.

We may be adversely affected by negative publicity and proceedings arising from claims and complaints from our customers or other external parties.

We are a healthcare service provider and are therefore exposed to the risk of litigation arising from the performance of our services. We will be adversely affected if any damages are assessed against us or the legal costs incurred in connection with the legal action are substantial and/or judgment is made against us which harms our professional standing and reputation.

We may also be affected by complainants who may file claims or lodge complaints with, among others, the relevant healthcare authorities, which may in turn impose fines or other penalties on us. While we have not, as at the Latest Practicable Date, encountered any fines or penalties which had a material adverse impact on our business, financial condition, results of operations and prospects, there is no assurance that this will continue to be the case. Any fines or penalties imposed on us by the relevant healthcare authorities may result in our business, results of operations, financial condition and prospects being materially and adversely affected.

Our insurance coverage may not be adequate.

As at the Latest Practicable Date, we have obtained medical malpractice and third party liability insurance for all of our medicare centres and nursing homes in Singapore. However, there is no assurance that there will not be claims that are in excess of the amount covered by our insurance coverage. There can be no assurance that we will be able to renew all of our policies or obtain new policies on similar terms. The medical malpractice and third party liability insurance policies we purchase are subject to policy limitations. If the aggregate limit of any of our insurance policies is exhausted, in whole or in part, there could be a reduction of the limits available to pay any other material claims applicable to that policy period. Any losses not covered by or in excess of the amounts maintained under insurance policies will be funded from our working capital. In that case or if payments of claims exceed our estimates or are not covered by our insurance, it could have a material adverse effect on our business, financial condition, results of operations and prospects. See "*Business – Insurance*" for further details.

We have limited or no control over the quality of medical equipment, consumables and other supplies we use in our operations, and cannot guarantee that the products we use are not counterfeits, are free from defects and meet the relevant quality standards.

Medical equipment, consumables and other supplies used by us in our operations are procured by us either directly from our suppliers or through procurement programmes such as AIC's shared procurement programme which we are party to. AIC has been set up by MOH Singapore to oversee, coordinate and facilitate all efforts in care integration. As such supplies are not manufactured by us, while we evaluate product quality, we are not able to control whether such supplies are free from defects and meet the relevant quality standards and are not counterfeits. There is no assurance that we will not encounter incidents relating to defective or counterfeit products used by us, or that such incidents will not materially and adversely affect us. If the products provided by our suppliers are defective, counterfeit, of poor quality or are otherwise unsafe or ineffective, we could be subject to liability claims, complaints or adverse publicity, any of which may damage our public image and reputation as a reliable healthcare service provider and in turn adversely affect our results of operations and reputation. We may also need to source for and procure suitable replacement suppliers, if any, and if we are not able to procure sufficient alternative suppliers in a timely manner or at competitive rates, this may cause increased costs, supply shortages or delays that could lower our profit margins and result in delays in our operations.

We may require additional funding for our future growth which may not be available on terms favourable to us or at all.

Although we have identified our future growth plans set out in "*Business – Business Strategies and Future Plans*" as viable avenues to pursue growth in our business, the net proceeds from the Offering may not be sufficient to fully cover the estimated costs of implementing all these plans. There may also be opportunities to grow and expand from time to time which cannot be predicted at this juncture. Under such circumstances, issuances of debt and/or equity securities after the Offering may be necessary to raise the required capital to develop these growth opportunities. If new Shares are issued to new Shareholders after the Offering, they may be priced at a discount to the then prevailing market price of the Shares trading on Catalist, in which case, our existing Shareholders' equity interest may be diluted and our Share price may also decline. If we fail to utilise the new equity to generate a commensurate increase in earnings, our earnings per Share will be diluted and this could lead to a decline in our Share price. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, any future fundraising exercises and other financial and operational matters. Furthermore, there is no guarantee that we would be able to secure consents to incur any further indebtedness in such event.

In addition, uncertainty about the effects of COVID-19 has resulted in significant disruption to capital and securities markets, which, if it continues, may affect our ability to raise new capital and refinance our existing debt.

Furthermore, in respect of our foreign subsidiaries, local laws and regulations may also have differing requirements and restrictions on the ability of a foreign holding company to make loans, direct investments or additional capital contribution to our overseas operating subsidiaries. This may impede our ability to expand our business and operations and increase our presence in these jurisdictions where we are seeking to expand our healthcare business, and our future plans and growth may be adversely affected.

If we are unable to procure the additional funding that may be required on favourable terms or at all to fund the development and expansion of our business, or if we are unable to service our existing and new debt financing, our business, financial condition, results of operations and prospects may be adversely affected.

Our intellectual property rights may be infringed upon or we may infringe the intellectual property rights of third parties, and the Licence Agreement may be terminated.

Our healthcare services are marketed under the "Econ" brand and we believe that our brand has increasingly gained recognition in the healthcare industry in Singapore, Malaysia and China which enables us to provide our services at a premium. See "*Business – Intellectual Property*" and "*Business – Accreditations and Awards*" for further details.

However, there is no assurance that our intellectual property rights will not be infringed upon in Singapore, Malaysia, China or any other jurisdiction. Depending on whether we are able to discover any such infringement of our intellectual property rights or successfully enforce our legal rights in the jurisdictions where such infringements may occur, our business and branding may suffer as a result of any misuse of our intellectual property rights. In such circumstances, our reputation and business may be adversely affected. For instance, there have been instances of other companies using our brand name "Econ" in the course of their business. While we have in the past successfully protected our intellectual property rights, there is no assurance that we will be able to stop all such infringement of our intellectual property rights in the future. Further, if we decide to pursue action against such infringements, it could result in diversion of our resources (both financial and otherwise) and our results of operations may be adversely affected.

Similarly, there is no assurance that we will not infringe the intellectual property rights of third parties. Although we are not aware of any such infringement by us as at the Latest Practicable Date, there is no assurance that we will not infringe or have not infringed the intellectual property rights of any third party. In the event of any such infringement, we may be subject to claims or actions by such third party and our business, financial condition, results of operations and prospects may be adversely affected.

Further, our use of the "Econ" name and logo is pursuant to the Licence Agreement with our Controlling Shareholder, EHPL, pursuant to which EHPL granted us a perpetual, royalty-free licence to use certain exclusive intellectual property rights in respect of certain trademarks and domain names required or used for the business of our Group for a nominal one-off consideration of S$1.00.

EHPL has the right (but not the obligation) to terminate the Licence Agreement in the event that it ceases to have an interest in at least 50% of the issued and paid-up share capital of our Company. This is because it would not be commercially reasonable for EHPL to continue to grant our Company a perpetual, royalty-free licence for a consideration of S$1.00 should EHPL cease to have an interest in at least 50% of the issued share capital of our Company, taking into consideration that there are costs involved in maintaining and renewing such intellectual property rights. If EHPL exercises its right to terminate the Licence Agreement and at such time, should our Group still require such intellectual property rights for our business, we may seek to enter into a new licence agreement with EHPL on normal commercial terms. The termination of the Licence Agreement and entry into of a new licence agreement on normal commercial terms would result in increased costs for us, and further, there is no assurance that we will be able to enter into a new licence agreement with EHPL on terms which are acceptable to us, or at all. Our business may be adversely affected if we cease to have the right to use the "Econ" name and logo due to termination of the Licence Agreement or any other reason.

We could be exposed to risks relating to handling of personal information and medical data.

National laws, rules and regulations generally require healthcare establishments to protect the privacy of their customers and prohibit unauthorised disclosure of personal information and medical records.

Regulations in the jurisdictions in which we operate or may operate in the future may require licensees of a healthcare establishment to keep and maintain proper medical records. In this regard, such licensees are generally required to take all reasonable steps, including implementing such processes as are necessary, to ensure that such medical records are accurate, complete and up-to-date and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification. See "*Regulatory Environment*" for more details on applicable laws and regulations. We currently keep and maintain both digital and paper medical records. We may be subject to liability as a result of any accidental or unlawful loss, unauthorised access, modification, disclosure, copying, hacking (in the case of our digital records), theft or misuse of personal information, in relation to our paper or digital medical records, as the case may be. While we have not, as at the Latest Practicable Date, encountered any such incident which had a material adverse impact on our business, financial condition, results of operations and prospects, any such hacking, unauthorised access, modification, disclosure, copying, hacking, theft or misuse may result in us being in breach of applicable data privacy laws and regulations. Any contravention of such laws and regulations may render the person committing the offence liable on conviction to a fine or imprisonment. These laws, rules and regulations are subject to change. Compliance with new data protection, privacy and security laws, regulations and requirements may result in increased operating costs and may constrain or require us to alter our business model or operations which may in turn affect our business, financial condition, results of operations and prospects.

Our business may be negatively affected by security threats, cyber-attacks, and other disruptions affecting our information technology and related systems.

As a provider of healthcare services, we rely on our information technology ("**IT**") in our day-to-day operation of our business to process, transmit and store sensitive or confidential data, including electronic health records, other protected health information, and financial, payment and other personal data of our residents and/or patients, as well as to store our proprietary and confidential business performance data. Although we have redundancies and other measures designed to protect the security and availability of the data we process, transmit and store, our IT and infrastructure are vulnerable to computer viruses, attacks by hackers, or breaches due to employee error or malfeasance.

Furthermore, our networks and technology systems may be subject to disruption due to events such as fire, telecommunications failure, terrorist attack or other catastrophic events. Any such breach or system interruption could result in unauthorised disclosure, misuse or loss of confidential, sensitive or proprietary information, could negatively impact our ability to conduct normal business operations (including the collection of revenues), and could result in potential liability and damage to our reputation, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, our Group is exposed to risks of cybersecurity threats, data privacy breaches as well as other network security risks. The scale and level of sophistication of cybersecurity threats have increased especially in recent times. Our Group is exposed to the risks of cyber-attacks that can cause disruptions to the services provided to our residents and/or patients, and cyber-attacks leading to manipulation or thefts of sensitive and/or confidential information may result in litigation actions from customers and/or regulatory fines and penalties or may have an adverse impact on the reputation of our Group.

Further, concerns around data privacy have been escalating, with the governments in many countries enacting laws and regulations relating to data privacy. In Singapore, the Personal Data Protection Act 2012 imposes certain obligations on our Group surrounding its collection, use or disclosure of personal data. Our Group handles personal information obtained from its customers as part of our businesses. While our Group seeks to protect the data privacy of our customers, the controls our Group has implemented to protect the confidentiality of personal information may not be effective in preventing unauthorised disclosure of personal information. Significant failure of security measures may undermine customer confidence and result in litigious actions from customers and/or regulatory fines and penalties.

Failure of security mechanisms may also result in the imposition of additional regulatory measures relating to the security and privacy of customer data, which may lead to our Group using significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures, and which may have a material adverse effect on our Group's business, financial condition, results of operations and prospects.

Occurrence of any acts of God, war, terrorist attacks and other catastrophic events may have a material adverse effect on our business, financial condition, results of operations and prospects.

Acts of God, such as natural disasters which are beyond our control, may materially and adversely affect the economy, infrastructure and livelihood of the local population. Similarly, man-made catastrophes, such as terrorist attacks and wars may disrupt the economies of the countries we operate in. A catastrophic event or multiple catastrophic events may cause unexpected large losses and may have a material adverse effect on our business, financial condition, results of operations and prospects. There can be no assurance that our efforts to protect ourselves against catastrophic losses would be adequate. In addition, other events that are outside the control of our Group, such as fire, deliberate acts of sabotage, vendor failure or negligence, blackouts, terrorist attacks or criminal acts, could damage, cause operational interruptions to, or otherwise adversely affect our facilities and activities, as well as, potentially cause injury or death to our employees, residents and/or patients. We cannot give any assurance that any catastrophic event, war, terrorist attacks or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are exposed to foreign exchange translation risks.

Currently, our business operations are primarily conducted in Singapore and Malaysia, and we expect to commence operations in China in the near future. We are exposed to foreign exchange translation risks as the financial statements of our subsidiaries in Malaysia and China are denominated in Malaysian Ringgit and Renminbi respectively which are then translated into Singapore dollars at the foreign exchange rate applicable on the translation dates upon consolidation. Therefore, any unfavourable fluctuations of the Singapore Dollar against the Malaysian Ringgit or Renminbi may adversely affect the value of our net assets and income.

RISKS RELATING TO OWNERSHIP OF THE SHARES

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST.

An application has been made to the SGX-ST for the listing and quotation of the Shares on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to attach as compared to larger or more established companies listed on the Main Board of the SGX-ST. As such, an investment in shares quoted on Catalist may carry a higher risk than an investment in and may be less liquid than shares quoted on the Main Board of the SGX-ST.

Pursuant to the Catalist Rules, we are required to, among other things, retain a sponsor at all times after our admission to the Official List of Catalist. In particular, unless approved by the SGX-ST, the Sponsor, Issue Manager, Underwriter and Placement Agent must act as our continuing sponsor for at least three years after the admission of our Company to the Official List of Catalist. Following the expiration of the three-year period, there is no assurance that the Sponsor, Issue Manager, Underwriter and Placement Agent will continue to act as our sponsor or that we will be able to find a new sponsor. In the event that we do not have a sponsor for more than three continuous months, we may be removed from the Official List of Catalist.

The Shares may not be a suitable investment for all investors.

Each prospective investor in the Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Shares, our Group, the merits and risks of investing in the Shares and the information contained in this Offer Document;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Shares and the effect an investment in the Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Shares, including where the currency of the Shares is different from the prospective investor's currency;
- understand thoroughly the terms of the Offering; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

You will suffer immediate dilution, and may experience further dilution, in the net asset value of the Shares and your equity interest may also be diluted as a result of future rights offerings or other equity issues we may make.

As described in "*Dilution*", as the Offering Price of the Shares is higher than our adjusted net asset value ("**NAV**") per Share immediately after the Offering, there is an immediate and substantial dilution for investors who participate in the Offering. Investors who invest in the Offering Shares will therefore experience immediate dilution in NAV per Share of the Shares they own. See "*Dilution*" for further details.

In addition, we may require additional equity funding after the Offering. If we choose to issue new Shares to finance future expansion, acquisitions, joint ventures and strategic partnerships, any Shareholders who are unable or unwilling to participate in such fundraising will face dilution of their shareholdings.

In particular, if we offer, or cause to be offered to Shareholders, rights to subscribe for additional Shares or any right of any other nature, we will have discretion as to the procedure to be followed in making such rights available to Shareholders, or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to such Shareholders. We may choose not to offer such rights to the Shareholders having an address in a jurisdiction outside Singapore and such Shareholders may experience a dilution in their shareholdings as a result.

As a result of adjustments from rights offerings, certain issuances of new Shares (including under any share option or award plans that we may adopt) and certain other actions we may take to modify our capital structure, Shareholders may experience a dilution in their ownership of the Shares. There can be no assurance that we will not take any of the foregoing actions, and such actions in the future may adversely affect the market price of the Shares.

Our Controlling Shareholders will continue to own a significant number of the Shares.

Immediately following completion of the Offering, our Controlling Shareholders Mr Ong Chu Poh, EIH and EHPL, will have a deemed or direct interest in approximately 80.5% of our post-Offering share capital.

As a result, our Controlling Shareholders will have the ability to exercise significant control and influence over most matters requiring approval by Shareholders, including the election and removal of Directors and significant corporate transactions such as mergers or takeover attempts in a manner which may not be in line with the interests of our other Shareholders. They will also effectively have veto power in relation to any shareholder action or approval requiring a majority vote except in situations where they and/or their associates are required to abstain from voting. This control and concentration of ownership could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, take-over or other business combination involving our Company, or discourage a potential acquirer from making a take-over offer or otherwise attempting to obtain control of our Company, which may not benefit our Shareholders.

Issuances, sales or disposals of a substantial number of Shares or interests in Shares by us or our significant Shareholders following the Offering could adversely affect the market price of the Shares.

The Shares will be traded on Catalist. For varying periods from the Listing Date, we are restricted from issuing new Shares and our Controlling Shareholders are restricted from disposing of and/or reducing their effective interest in the Shares. See "*Plan of Distribution – No Sale of Similar Securities and Lock-up*". Save as described therein, there will be no restriction on our ability to issue new Shares or the ability of our Shareholders to sell their Shares, either on Catalist or otherwise. All of the shares of EHPL (owned by EIH) and all of the shares of EIH (owned by Mr Ong Chu Poh) are subject to charges, and any enforcement of such charges would result in Mr Ong Chu Poh and EIH ceasing to have an effective interest in the Shares.

Any future sale or an increased availability of Shares, including a sale by our Controlling Shareholders, may have a downward pressure on the price of the Shares. The sale of a significant number of Shares in the public market after the Offering, including by our Controlling Shareholders, as well as non-controlling but otherwise significant Shareholders, or the issue of further new securities by us, or the perception that such sales or issues may occur, or the enforcement of the charges described above could materially affect the market price of the Shares. These factors could also affect our ability to sell additional equity securities or issue new Shares and raise the necessary funds in the future at a time and at a price favourable to us.

The Shares have never been publicly traded and the Offering may not result in an active or liquid market for the Shares.

Prior to the Offering, there has been no public market for the Shares and an active public market for the Shares may not develop or be sustained after the Offering. Therefore, we cannot predict the extent to which a trading market will develop or how liquid that market might become. There is no assurance that an active trading market for the Shares will develop or, if developed, will be sustained, or that the trading price for the Shares will not decline below the Offering Price. If an active trading market for the Shares is not developed or sustained after the Offering, the liquidity and trading price of the Shares could be materially and adversely affected. The approval of the SGX-ST to have the Shares listed and quoted on the SGX-ST should not be taken as an indication of the merits of the Offering, our Company or the Shares, and the listing and quotation of the Shares does not guarantee that a trading market for the Shares will develop or, if a market does develop, the liquidity of that market for the Shares. Although we currently intend that the Shares will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Shares.

The market price of the Shares may fluctuate after the Offering.

If you subscribe for Shares in the Offering, it is likely that in order to realise a gain on your investment, the price of the Shares will have to appreciate. However, this may not occur. There is also no assurance that the market price for the Shares will not decline below the Offering Price. The Offering Price may not necessarily be indicative of the market price of the Shares after the Offering is completed and investors may be unable to resell their Shares at or above the Offering Price. The market price of the Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- variations in our operating results;
- success or failure of our management team in implementing business and growth strategies;
- gain or loss of any important business relationship;
- changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- the operating and share price performance of other companies operating in a similar industry;
- the liquidity of the market for the Shares;
- differences between our actual financial operating results and those expected by investors and analysts;
- changes in accounting principles or other developments affecting us, our customers or our competitors;
- additions or departures of key personnel;
- changes in general market conditions and broad market fluctuations;
- negative publicity; and
- involvement in litigation.

The stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices of securities. These fluctuations may be unrelated or disproportionate to the operating performance of publicly-traded companies. These fluctuations may also be exaggerated if the trading volume of the Shares is low. Volatility in the price of the Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

Any of the factors listed above could adversely affect the price of the Shares and you may not be able to resell your Shares at a price that is attractive to you, or at all.

Singapore take-over laws contain provisions which may vary from those in other jurisdictions.

We are subject to the Singapore Code on Take-Overs and Mergers (the "**Singapore Take-Over Code**"). The Singapore Take-Over Code contains certain provisions that may possibly delay, deter or prevent a future take-over or change in control of our Company. Under the Singapore Take-Over Code, except with the consent of the Securities Industry Council of Singapore, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares is required to extend a take-over offer for our remaining Shares in accordance with the Singapore Take-Over Code. Except with the consent of the Securities Industry Council of Singapore, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of the voting Shares, either on his own or together with parties acting in concert with him, acquires additional voting Shares representing more than 1.0% of our voting Shares in any six-month period. While the Singapore Take-Over Code seeks to ensure an equality of treatment among shareholders, its provisions could substantially impede the ability of the shareholders to benefit from a change of control and, as a result, may adversely affect the market price of the Shares and the ability to realise any benefit from a potential change of control. Additionally, immediately following completion of the Offering, our Controlling Shareholders, Mr Ong Chu Poh, EIH and EHPL, will have a deemed or direct interest in approximately 80.5% of our post-Offering share capital. This concentration of ownership could delay, defer, prevent or discourage a change in control of our Company or a successful offer under the Singapore Take-Over Code by another person.

We may be constrained from paying dividends on the Shares from time to time.

We are not legally or contractually required to pay dividends and any determination to pay dividends in the future will be entirely at the discretion of our Board, taking into consideration a number of factors including our 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 our Board, including our expected financial performance. See "*Dividends – Dividend Policy*" for further details. We may not be able to pay dividends in the future if we are unable to successfully implement our strategy or if there are adverse developments to our business as a result of competitive, regulatory, general economic conditions, demand and other factors specific to our industry, many of which are beyond our control. In addition, there may be prohibitions under our current and/or future loan agreements which limit the ability of our subsidiaries to make distributions to us and thus our ability to pay dividends to our Shareholders. For example, under our current credit facilities with Alliance Bank Malaysia Berhad, our subsidiary Econ Medicare Centre and Nursing Home Sdn Bhd ("**Econ Medicare Malaysia**") (being the borrower) is required to obtain the prior written consent of Alliance Bank Malaysia Berhad for the declaration and payment of any dividend or other distribution.

The receipt of dividends from our subsidiaries may also be affected by the passage of new laws, adoption of new regulations and other events outside our control, and our subsidiaries may not continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. Source withholding tax and exchange rate fluctuations may also apply to dividends and distributions from our subsidiaries to us. If our subsidiaries stop paying dividends or reduce the amount of the dividends they pay to our Company, or dividends become subject to increased tax because of changes in ownership of our subsidiaries or changes in tax laws or treaties, it would have an adverse effect on our ability to pay dividends on the Shares.

DIVIDENDS

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof. See "Notice to Investors – Forward-looking Statements".

PAST DIVIDENDS

Our Company did not declare or pay dividends for each of FY2018 and FY2019, nor for the period from 1 April 2020 to the Latest Practicable Date. For FY2020, our Company declared dividends of S$2.9 million (or S$0.19 per Share (prior to adjusting for the Share Split) and S$0.01 per Share (after adjusting for the Share Split)) to our sole Shareholder, EHPL. Such dividends have been set-off against non-trade amounts due from EHPL and are fully settled as at the Latest Practicable Date.

Prior to the Restructuring Exercise, when EHPL was the holding company of our Group, the dividends paid to EHPL by our subsidiaries for FY2018 amounted to S$8.5 million.

DIVIDEND POLICY

Our Company currently does not have a fixed dividend policy. The declaration and payment of future dividends may be recommended by our Board at their discretion, after considering a number of factors, including our 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 our Board, including our expected financial performance.

Our Board intends to recommend and distribute dividends of at least 35% of our net profit after tax attributable to our Shareholders generated in each of FY2021, FY2022 and FY2023, as we wish to reward our Shareholders for participating in our Group's growth. Investors should note that the foregoing statements are merely statements of our present intention and shall not constitute legally binding obligations of our Company or legally binding statements in respect of our future dividends (including those proposed for FY2021, FY2022 and FY2023), which may be subject to modification (including reduction or non-declaration thereof) at our Directors' sole and absolute discretion. Investors should also not treat the proposed dividends for FY2021, FY2022 and FY2023 as an indication of our future dividend policy.

Any final dividends we declare must be approved by an ordinary resolution of our Shareholders at a general meeting. All dividends must be paid out of our profits available for distribution. We are not permitted to pay dividends in excess of the amount recommended by our Board. Our Board may, without the approval of our Shareholders, also declare interim dividends.

There is no assurance that dividends will be paid in the future or as to the timing of any dividends that are to be paid in the future. No inference should or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends. See "*Risk Factors – Risks Relating to Ownership of the Shares – We may be constrained from paying dividends on the Shares from time to time*" for more information on the restrictions we may face in paying dividends.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the capitalisation and indebtedness of our Group as at 31 January 2021:

- on an actual basis; and
- as adjusted to reflect the issue of the Offering Shares at the Offering Price and the application of net proceeds from the Offering in the manner described in "*Use of Proceeds*".

You should read this table in conjunction with "*Use of Proceeds*", "*Selected Consolidated Financial Information*", "*Management's Discussion and Analysis of Results of Operations and Financial Position*" and our consolidated financial statements and its related notes thereto included elsewhere in this Offer Document.

	As at 31 January 2021	
	Actual	**Adjusted**(1)
	(S$'000)	(S$'000)
Cash and cash equivalents	13,865	25,347
Indebtedness		
Current loans and borrowings		
Unsecured and non-guaranteed	-	-
Secured and guaranteed	5,988	5,988
Non-current loans and borrowings		
Unsecured and non-guaranteed	-	-
Secured and guaranteed	4,706	4,706
Total indebtedness	**10,694**	**10,694**
Equity:		
Share capital	15,000	28,254
Currency translation reserve	(2,580)	(2,580)
Merger reserve	(99)	(99)
Accumulated profits	12,014	10,242
Total shareholders' equity	**24,335**	**35,817**
Non-controlling interest	**629**	**629**
Total equity	**24,964**	**36,446**
Total capitalisation and indebtedness	**35,658**	**47,140**

Note:

(1) Adjusted to reflect the issue of 50,000,000 Offering Shares at the Offering Price and the application of the net proceeds from the Offering in the manner described in "*Use of Proceeds*", after deducting the underwriting and placement commissions and other estimated expenses payable by us in relation to the Offering (but excluding discretionary incentive fees (if any) which we may pay and Goods and Services Tax ("**GST**")).

Our Bank Borrowings

As at 30 September 2020, we had total outstanding bank borrowings of S$11.2 million. The following table sets out certain details relating to our bank borrowings as at 30 September 2020:

Borrower	Lender	Type of Facility	Committed Principal Amount ('000)	Outstanding Principal Amount ('000)	Unutilised Principal Amount ('000)	Interest Rate	Maturity Profile	Use of Facility
Econ Medicare Malaysia	Alliance Bank Malaysia Berhad	Overdraft	MYR500	-	MYR500	Base lending rate plus 1.25% per annum, subject to a minimum rate of 4.0% per annum	Repayable on demand	To finance working capital requirements
		Term Loan Facility	MYR16,800	MYR10,270	0	Base lending rate minus 1.25% per annum, subject to a minimum rate of 4.0% per annum	Loan is to be repaid in 180 monthly instalments commencing from 1 April 2014 until fully settled	To partially finance the construction cost of ECON Medicare Centre and Nursing Home – Taman Perling
Econ Medicare Centre Pte Ltd ("**Econ Medicare Singapore**")	DBS Bank Ltd.	Fixed Advance Facility	S$2,000	S$2,000	0	Prevailing 1, 3 or 6-month SIBOR plus 2.00% per annum	Loan is to be repaid in full on the last day of the term of each drawdown, being one, three or six months or any other period agreed to by DBS Bank Ltd.	To refinance outstanding term loans with, among others, DBS Bank Ltd.
		Term Loan	S$8,500	S$3,651	0	Prevailing 1-month SIBOR plus 2.00% per annum	Loan is to be repaid in 84 monthly instalments commencing from 31 December 2016	To refinance outstanding term loans with, among others, DBS Bank Ltd.

Econ Medicare Malaysia	United Overseas Bank (Malaysia) Bhd (“**UOB**”)	Revolving Credit	MYR7,000	MYR6,506	MYR494	1.50% per annum over UOB’s prevailing 1, 2 or 3 months’ costs of funds	Repayable on demand	Finance working capital and/or capital expenditure
Our Company	DBS Bank Ltd.	Hire Purchase	S$200	S$120	0	2.68% per annum	Loan is to be repaid in 59 monthly instalments commencing on 3 October 2018	Hire purchase for a motor vehicle

After 30 September 2020, our Company entered into a hire purchase agreement with Mercedes-Benz Financial Services Singapore for the hire purchase of a motor vehicle. As at the Latest Practicable Date, the committed principal amount is S$128,000 and the outstanding principal amount is S$123,719. The interest rate is 2.08% per annum and the loan is to be repaid in 59 monthly instalments commencing from 4 February 2021.

As at the Latest Practicable Date, our Group is not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Company’s financial position and results or business operations, or the investments by our Shareholders. Save as described above, changes in our retained earnings, cash and cash equivalents arising from our day-to-day operations and bank borrowings, there has been no material change in our capitalisation and indebtedness since 31 January 2021.

Contingent Liabilities

We do not have any contingent liabilities as at the Latest Practicable Date.

Based on the Offering Price of S$0.28 for each Offering Share, the gross proceeds from the Offering will be S$14.0 million. The net proceeds from the Offering (after deducting underwriting and placement commissions and estimated offering expenses but excluding discretionary incentive fees (if any) and GST) will be approximately S$11.5 million.

USE OF PROCEEDS

We intend to use the net proceeds from the Offering primarily for the following purposes:

- expansion plans in Singapore as well as overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments;
- upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure; and
- general corporate and working capital purposes.

For each Singapore dollar of the gross proceeds from the Offering, we intend to use the following amounts for the purposes set out below:

Application	S$ in millions	Estimated amount allocated for each dollar of the gross proceeds from the Offering (S$)
Expansion plans in Singapore as well as overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments[(1)]	7.5	0.54
Upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure	2.0	0.14
General corporate and working capital purposes	2.0	0.14
Payment of underwriting and placement commissions and offering expenses	2.5	0.18
Gross proceeds	**14.0**	**1.00**

Note:

(1) Depending on the available opportunities, feasibility and market conditions, we may explore joint ventures, strategic collaborations, mergers and acquisitions or investment opportunities in Singapore and overseas in complementary businesses. As at the Latest Practicable Date, none of the proceeds from the Offering have been committed for the purpose of expansion of our business through joint ventures, strategic collaborations, mergers and acquisitions, or investment opportunities.

The foregoing represents our best estimate of our allocation of the proceeds from the Offering based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to re-allocate the net proceeds within the categories described above or use portions of the net proceeds for other purposes. In the event that we decide to re-allocate the net proceeds or use portions of it for other purposes, we will publicly announce our intention to do so through a SGXNET announcement to be posted on the internet at the SGX-ST website https://www.sgx.com.

Pending the deployment of the net proceeds in the manner described above, we may place the funds in short-term deposits with banks and financial institutions or use the funds to invest in short-term money market instruments, as our Directors may deem appropriate in their absolute discretion.

We will make periodic announcements on the use of proceeds as and when material amounts of proceeds from the Offering are disbursed, and provide a status report on the use of proceeds in our annual report.

EXPENSES

We estimate that the costs and expenses payable by us in connection with the Offering and the application for Listing, including the management fee and underwriting and placement commissions, professional fees and all other incidental expenses relating to the Offering (but excluding discretionary incentive fees (if any) which we may pay) will be approximately S$2.5 million. A breakdown of these estimated expenses is as follows:

	Estimated Expenses[1]	**As a percentage of the gross proceeds from the Offering**
	(S$'000)	
Listing fees	32.0	0.2%
Underwriting and placement commissions[2]	420.0	3.0%
Professional fees[3]	1,744.4	12.5%
Miscellaneous expenses[4]	321.5	2.3%
Total	**2,517.9**	**18.0%**

Notes:

(1) Excluding GST.

(2) Excludes discretionary incentive fees (if any) payable to the Sponsor, Issue Manager, Underwriter and Placement Agent. For more details on incentive fees, see the description below.

(3) Includes the management fee payable to the Sponsor, Issue Manager, Underwriter and Placement Agent, solicitors' fees and fees for the Independent Auditors and Reporting Accountants and Euromonitor and other professionals' fees.

(4) Includes the cost of the production of this Offer Document, roadshow expenses and certain other expenses incurred or to be incurred in connection with the Offering.

We will pay the Sponsor, Issue Manager, Underwriter and Placement Agent, as compensation for its services in connection with the Offering, a management fee as well as an underwriting and placement commission equal to 3.0% of the amount equal to the aggregate value of the Offering Shares (exclusive of GST) at the Offering Price. The underwriting and placement commission will amount to approximately S$0.01 for each Offering Share, excluding GST.

We may, at our sole discretion, pay the Sponsor, Issue Manager, Underwriter and Placement Agent an incentive fee.

Subscribers of the Placement Shares may be required to pay to the Sponsor, Issue Manager, Underwriter and Placement Agent or any sub-underwriter or sub-placement agent that may be appointed by the Sponsor, Issue Manager, Underwriter and Placement Agent a brokerage fee of up to 1.0% of the Offering Price, as well as stamp duty and other similar charges to the relevant authorities in accordance with the laws and practices of the country of subscription, at the time of settlement.

No fee is payable by applicants for the Public Offer Shares, save for an administration fee of S$2.00 for each application made through ATMs, the internet banking websites of the Participating Banks or the mobile banking interfaces of DBS Bank Ltd. and United Overseas Bank Limited.

See "*Plan of Distribution*" for further details.

DILUTION

If you invest in the Offering Shares, your interest will be diluted to the extent of the difference between the Offering Price per Offering Share and the NAV per Share immediately after the completion of the Offering. Dilution is determined by subtracting the NAV per Share immediately after completion of the Offering from the Offering Price paid by the investors. NAV per Share is determined by subtracting total liabilities and minority interests from total assets, and dividing the difference by the number of Shares deemed to be outstanding on the date as at which the book value is determined. The NAV per Share of our Company as at 30 September 2020 (after adjusting for the Share Split) was S$0.11 per Share.

The Offering Price of S$0.28 exceeds the adjusted NAV per Share of S$0.13 per Share as at 30 September 2020 (after adjusting for the issue of the Offering Shares and the Share Split) by approximately 115.4%. This represents an immediate and substantial dilution to new investors.

The following table illustrates this per Share dilution(1):

Offering Price per Share	S$0.28
NAV per Share as at 30 September 2020, as adjusted for the Share Split	S$0.11
Adjusted NAV per Share as at 30 September 2020, as adjusted for the issue of the Offering Shares and the Share Split	S$0.13
Dilution in adjusted NAV per Share to new investors	S$0.15
Percentage dilution in adjusted NAV per Share to new investors	53.6%

Note:

(1) Does not take into account our actual financial performance after 30 September 2020. Depending on our actual financial performance, our NAV per Share may be higher or lower than the NAV per Share set out above.

The following table summarises the total number of Shares acquired by our Directors, Substantial Shareholders and their associates, or Shares which they have the right to acquire, during the three years prior to the date of lodgement of this Offer Document, the total consideration paid by them and the effective cash cost per Share to them, where there was a disparity between the effective cash cost per Share to them and the Offering Price per Share. The following table has not been adjusted to reflect the Share Split.

	Number of Shares acquired	Total Consideration	Effective Cash Cost per Share
EHPL(1)	8,390,225	S$8,390,225	S$1.00
EHPL(2)	6,609,773	S$6,609,773	S$1.00

Notes:

(1) Issue of Shares by our Company to EHPL as consideration for the acquisition by our Company of our subsidiaries from EHPL in connection with the Restructuring Exercise, as described in "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – The Restructuring Exercise*". The effective cash cost per Share has been calculated by dividing the consideration for the acquisition by the number of Shares issued to EHPL.

(2) Issue of Shares by our Company to EHPL to off-set an amount of S$6,609,773 owing by our Company to EHPL in connection with the Restructuring Exercise, as described in "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – The Restructuring Exercise*". The effective cash cost per Share has been calculated by dividing the off-set amount by the number of Shares issued to EHPL.

The following table shows the number of Offering Shares acquired by investors pursuant to the Offering, the total consideration and the effective cash cost per Share to the relevant investors:

	Number of Shares acquired	Total Consideration	Effective Cash Cost per Share
Investors in the Offering	50,000,000	S$14,000,000	S$0.28

EXCHANGE CONTROLS

SINGAPORE

There are no exchange control restrictions in effect in Singapore.

MALAYSIA

Malaysia has exchange control restrictions pursuant to the Financial Services Act 2013 (the "**FSA**") and the Islamic Financial Services Act 2013 (the "**IFSA**"). Bank Negara Malaysia ("**BNM**"), the central bank of Malaysia, administers the FSA and the IFSA which, together with the foreign exchange administration notices issued by BNM (the "**Notices**"), form the regulatory framework for the Malaysian exchange control regime. The foreign exchange policies of Malaysia regulate both residents and non-residents.

Repatriation of Funds

The current foreign exchange administration rules of Malaysia allow non-residents to freely repatriate profits/dividends arising from investments or proceeds from divestment of Malaysian Ringgit assets. However, the repatriation must be made in foreign currency.

Notwithstanding the above, prior permission of the Controller of Foreign Exchange of Malaysia is required for any person to undertake or engage in any dealing or transaction with the persons listed below or any dealing or transaction using or involving the currency of the State of Israel:

(a) the State of Israel or its governmental organisation, authority or agency;

(b) a natural person who is a citizen or permanent resident of the State of Israel;

(c) any person incorporated, established, or registered for purposes of incorporation or establishment, in the State of Israel or under its laws;

(d) any unincorporated person which is formed in the State of Israel or under its laws or policy; or

(e) any person owned or controlled, directly or indirectly, by a person mentioned in subparagraph (a), (b), (c) or (d), in whatever name or style, or any other person who is connected with a person mentioned in subparagraph (a), (b), (c), (d) or (e) as BNM may specify.

Dividends are freely transferable out of the country and no exchange controls or approvals are required subject to any applicable reporting requirements and withholding tax.

Loans or advances

BNM has issued foreign exchange administration notices pursuant to Section 214 of the FSA and Section 225 of the IFSA. While Section 214 and Schedule 14 of the FSA and Section 225 and Schedule 14 of the IFSA provide for comprehensive restrictions against various transactions related to exchange control, the Notices set out transactions that are allowed (which otherwise would be prohibited).

Briefly, the more relevant exchange control rules in the Notices applicable to borrowings or advances to and from the Malaysian incorporated companies within our Group, as resident entities, are as follows:

(a) the Malaysian entities within our Group are allowed to borrow any amount of MYR to finance a Real Sector Activity in Malaysia from non-resident entities within its group of entities including non-resident direct shareholders excluding a non-resident financial institution or a non-resident special purpose vehicle which is used to obtain borrowing from any person outside the resident entity's group entity;

(b) the Malaysian entities within our Group are allowed to borrow up to MYR1 million in aggregate on a corporate group basis in MYR for use in Malaysia from any non-resident other than a non-resident financial institution;

(c) the Malaysian entities within our Group are allowed to borrow any amount in MYR from a non-resident through the issuance of redeemable preference shares or Islamic redeemable preference shares in MYR for use in Malaysia, MYR sovereign bond or sukuk (issued by the federal government of Malaysia) or MYR corporate bond or sukuk in accordance with relevant guidelines issued by the Securities Commission Malaysia excluding non-tradable MYR corporate bond or sukuk issued to a non-resident entity outside the resident entity's group or a non-resident financial institution;

(d) the Malaysian entities are free to obtain any amount of foreign currency borrowings from: (i) a licensed onshore bank; (ii) from an entity within its group of entities or its resident or from the entity's direct shareholder (other than from a non-resident financial institution or a non-resident special purpose vehicle which is used to obtain borrowings from any person which is outside of the resident entity's group of entities); and (iii) another resident through the issuance of foreign currency corporate bond or sukuk (subscription of the corporate bond or sukuk by the latter shall be subject to compliance with the Notices). A prudential limit of MYR100 million equivalent in foreign currency in aggregate on a corporate group basis is applicable to borrowings by the Malaysian entities from a non-resident outside the resident entity's group including a non-resident financial institutions or a non-resident special purpose vehicle which is used to obtain borrowing from any person outside the resident entity's group;

(e) the Malaysian entities are free to refinance outstanding approved MYR and foreign currency borrowings, including principal and accrued interest or profit; and

(f) borrowings in MYR from the Malaysian entities by a non-resident (excluding a non-resident financial institution) are allowed to finance a Real Sector Activity in Malaysia (includes refinancing of existing MYR borrowing that was used for Real Sector Activity in Malaysia and on-lending to resident entities within the same group of entities or an immediate family member that will be ultimately used for Real Sector Activity in Malaysia).

For the purposes of the foregoing, a "Real Sector Activity" means an activity relating to (i) construction or purchase of a residential or commercial property, excluding purchase of land which will not be utilised for construction or production of goods or services; (ii) production or consumption of goods or services, excluding (a) activity in financial services sector, whether Islamic or otherwise; (b) purchase of securities or Islamic securities; or (c) purchase of financial instrument or Islamic financial instrument (which includes derivatives and Islamic derivatives as defined in the FSA and IFSA, respectively).

China

China exercises controls on foreign exchange. The principal regulation governing foreign currency exchange in China is the Regulations on the Control of Foreign Exchange of China (中华人民共和国外汇管理条例) which was issued by the State Council on 29 January 1996, came into effect on 1 April 1996 and was amended on 14 January 1997 and 5 August 2008. Under these rules, RMB is freely convertible for payments of current account items, including trade and service-related foreign exchange transactions and dividend payments, but not for capital account expenses, including direct investment, loan or investment in securities outside of China. RMB may only be converted for capital account expenses once prior approval from the government has been obtained. Under the Regulations on the Control of Foreign Exchange of China, foreign-invested enterprises in China may purchase foreign exchange without the approval of the government for trade and service-related foreign exchange transactions by providing commercial documents evidencing such transactions to commercial banks which are allowed to engage in foreign exchange business.

Whilst the payment of dividends by a company to its foreign shareholders is not restricted by the Regulations on the Control of Foreign Exchange of China and does not require prior approval from the government under China's foreign exchange control system, the relevant document(s) in respect of such payment of dividends must be presented at designated foreign exchange banks within China, which are licensed to carry out foreign exchange business. Such repatriation of dividends is subject to the procedural process of presentation of the relevant documents(s) and payment of the applicable withholding tax, the failure of which would prohibit a company from such repatriation of dividends until such procedural processes are completed.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Results of Operations and Financial Position", our audited consolidated financial statements for FY2018, FY2019 and FY2020, our unaudited condensed consolidated interim financial statements for 6M2021, the accompanying notes and the related independent auditors' report as set out in Appendices A and B of this Offer Document.

CONSOLIDATED INCOME STATEMENTS

	FY2018	**FY2019**	**FY2020**	**6M2020**	**6M2021**
	(S$) (audited)	**(S$)** (audited)	**(S$)** (audited)	**(S$)** (unaudited)	**(S$)** (unaudited)
Revenue	24,331,704	22,434,972	21,925,210	11,111,258	10,234,193
Operating subvention grants	14,317,724	14,531,678	15,394,321	7,462,654	8,406,546
Other income	495,766	402,331	588,301	269,086	3,113,094
Supplies and consumables	(3,972,791)	(4,214,269)	(4,934,486)	(2,484,628)	(2,626,619)
Staff costs	(13,650,942)	(14,056,759)	(16,947,026)	(8,697,853)	(9,220,807)
Depreciation of property, plant and equipment	(929,864)	(909,718)	(1,009,497)	(492,757)	(520,756)
Depreciation of right-of-use assets	(3,425,343)	(4,851,843)	(5,113,735)	(2,558,248)	(2,573,659)
Lease expense	(1,179,396)	(116,513)	(28,210)	(22,998)	(648)
Utilities expenses	(928,787)	(930,362)	(1,034,946)	(525,923)	(494,261)
Purchased and contracted services	(5,680,000)	(3,680,000)	–	–	–
Reversal of (impairment losses) on trade receivables	37,197	70,188	(8,710)	(45,400)	(10,344)
Other operating expenses	(2,595,424)	(2,463,698)	(3,016,289)	(1,447,991)	(1,370,863)
Results from operating activities	6,819,844	6,216,007	5,814,933	2,567,200	4,935,876
Finance income	20,435	32,487	28,394	14,813	9,901
Finance costs – leases	(542,554)	(804,446)	(1,015,482)	(505,459)	(506,734)
Finance costs – others	(563,376)	(462,444)	(468,590)	(228,101)	(220,537)
Finance costs	(1,105,930)	(1,266,890)	(1,484,072)	(733,560)	(727,271)
Net finance costs	(1,085,495)	(1,234,403)	(1,455,678)	(718,747)	(717,370)
Share of (loss)/profit of joint venture (net of tax)	(193,095)	(119,271)	(3,566)	(3,566)	4,591
Profit before tax	5,541,254	4,862,333	4,355,689	1,844,887	4,223,097
Tax expense	(61,992)	(566,417)	(475,661)	(370,730)	(685,851)
Profit for the year/period	5,479,262	4,295,916	3,880,028	1,474,157	3,537,246
Profit attributable to:					
Non-controlling interests	–	–	(157,168)	(37,040)	(114,682)
Owner of the Company	5,479,262	4,295,916	4,037,196	1,511,197	3,651,928
Profit for the year/period	5,479,262	4,295,916	3,880,028	1,474,157	3,537,246
Earnings per Share (cents)					
Basic and diluted earnings per Share(1)	2.65	2.08	1.95	0.73	1.76
Adjusted earnings per Share(2)	2.13	1.67	1.57	0.59	1.42

	FY2018	FY2019	FY2020	6M2020	6M2021
	(S$) (audited)	**(S$)** (audited)	**(S$)** (audited)	**(S$)** (unaudited)	**(S$)** (unaudited)
Other comprehensive income					
Items that are or may be reclassified subsequently to the profit or loss:					
Foreign currency translation differences – foreign operations	1,165,741	(331,384)	(105,268)	(81,095)	(29,466)
Total comprehensive income for the year/period	6,645,003	3,964,532	3,774,760	1,393,062	3,507,780
Total comprehensive income attributable to:					
Owner of the Company	6,645,003	3,964,532	3,931,919	1,430,302	3,616,154
Non-controlling interests	–	–	(157,159)	(37,240)	(108,374)
Total comprehensive income for the year/period	6,645,003	3,964,532	3,774,760	1,393,062	3,507,780

Notes:

(1) For comparative purposes, the basic and diluted earnings per Share have been computed based on our share capital of 207,000,000 Shares (after adjusting for the Share Split) immediately prior to the completion of the Offering.

(2) For comparative purposes, the adjusted earnings per Share have been computed based on our share capital of 257,000,000 Shares (after adjusting for the Share Split) immediately following the completion of the Offering.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 March 2018	As at 31 March 2019	As at 31 March 2020	As at 30 September 2020
	(S$) (audited)	(S$) (audited)	(S$) (audited)	(S$) (unaudited)
ASSETS				
Property, plant and equipment	21,020,970	22,452,669	15,114,106	15,663,659
Right-of-use assets	22,422,712	21,959,413	29,001,111	27,952,820
Investment property	-	-	8,281,218	8,257,572
Joint venture	122,837	3,566	-	-
Trade and other receivables	792,591	1,123,528	1,161,970	1,163,005
Deferred tax assets	31,607	31,570	78,344	104,701
Finance lease receivables	122,986	89,150	53,900	36,957
Non-current assets	44,513,703	45,659,896	53,690,649	53,178,714
Inventories	-	-	7,205	13,703
Trade and other receivables	8,456,651	4,337,910	5,335,563	9,276,312
Finance lease receivables	30,581	33,836	34,649	34,396
Cash and cash equivalents	10,550,650	7,916,729	7,333,704	9,067,039
Current tax assets	54,882	48,318	23,463	98,192
Current assets	19,092,764	12,336,793	12,734,584	18,489,642
Total assets	**63,606,467**	**57,996,689**	**66,425,233**	**71,668,356**
Equity				
Share capital	2	15,000,000	15,000,000	15,000,000
Currency translation reserve	(2,154,800)	(2,486,184)	(2,587,783)	(2,623,557)
Merger reserve	750,005	(99,293)	(99,293)	(99,293)
Accumulated profits	1,452,747	5,748,663	6,955,680	10,607,608
Equity attributable to owner of the Company	**47,954**	**18,163,186**	**19,268,604**	**22,884,758**
Non-controlling interests	-	-	(131,098)	227,195
Total equity	47,954	18,163,186	19,137,506	23,111,953
LIABILITIES				
Loans and borrowings	9,363,067	7,708,219	6,165,114	5,256,088
Deferred tax liabilities	228,153	344,928	374,424	347,532
Deferred capital grants	-	-	245,906	235,199
Amount due to immediate holding company	24,227,106	-	-	-
Provision for restoration costs	272,067	283,948	507,911	502,279
Lease liabilities	19,002,048	18,022,280	25,691,027	24,892,738
Non-current liabilities	**53,092,441**	**26,359,375**	**32,984,382**	**31,233,836**
Loans and borrowings	1,403,463	2,261,903	3,472,807	5,907,807
Amount due to immediate holding company	811,578	1,700,212	698,086	-
Trade and other payables	3,655,084	3,982,236	4,928,417	5,855,603
Lease liabilities	4,037,283	4,810,628	4,707,751	4,664,344
Current tax liabilities	558,664	719,149	496,284	894,813
Current liabilities	**10,466,072**	**13,474,128**	**14,303,345**	**17,322,567**
Total liabilities	**63,558,513**	**39,833,503**	**47,287,727**	**48,556,403**
Total equity and liabilities	**63,606,467**	**57,996,689**	**66,425,233**	**71,668,356**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

You should read the following discussion and analysis of our results of operations and financial position in conjunction with "Selected Consolidated Financial Information" and our consolidated financial information and the related notes included elsewhere in this Offer Document. This discussion contains forward-looking statements that are subject to numerous risks and uncertainties, including, but not limited to, those described in "Risk Factors". Actual results could differ materially from those contained in any forward-looking statements.

OVERVIEW

Our Group is the leading premium private nursing home operator in Singapore and Malaysia. According to Euromonitor, our Group is the largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia, with a market share of 26.9% and 43.2% respectively.

Our operations have two key business segments:

(i) **Medicare Centres and Nursing Homes** – the provision of residential nursing care services, home care services, rehabilitation services (such as physiotherapy), clinical services and TCM treatments in our medicare centres and nursing homes; and

(ii) **Other Operations and Ancillary Services** – the provision of healthcare training services, the offering of TCM services at our TCM clinics and the operation of senior activity centres in Singapore.

As at the Latest Practicable Date, we operate 10 medicare centres and nursing homes in Singapore and Malaysia, with a total bed capacity of 1,376. We have also been appointed as an operator under the BOL Scheme for two upcoming nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson, which is expected to be operational in the second half of 2022 and ECON Medicare Centre and Nursing Home – Jurong East, which is expected to be operational in 2025. It is presently estimated that ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East will have an indicative bed capacity of up to 236 and up to 732 beds, respectively. Further, our Chongqing Nursing Home is expected to commence operations in 2021 after receipt of the necessary licences and approvals.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are affected by a number of factors, including the following:

Regulatory environment relating to the nursing home industry

We operate in a highly regulated industry. In Singapore and Malaysia where we currently have operations, we are subject to the oversight of MOH Singapore and the Ministry of Health of Malaysia, respectively, and have to adhere to strict government policies and regulations, and may be subject to fines and/or other penalties for any non-compliance. In addition, other government regulations or policies which may be introduced from time to time may affect the way in which we operate and may result in increased cost of compliance. If we are found to be in violation of any such regulatory requirements, including conditions in the licences required for our operations, we may be subject to penalties and/or fines, may have to modify or discontinue our operations and may incur additional operating costs or capital expenditures.

Any such costs and our inability to successfully maintain our operating licence for each of our medicare centres and nursing homes in each jurisdiction may have a material adverse effect on our business operations. See "*Risk Factors – Risks Relating to our Business and Operations – Our business operations are subject to extensive and evolving government laws, regulations, licensing and accreditation requirements, and we could suffer penalties, additional costs and restrictions to our operations if we fail to comply*", "*Risk Factors – Risks Relating to our Business and Operations – We are subject to various licensing requirements and our licences are subject to regular renewal, and we may not be able to obtain, maintain or renew such licences on a timely basis or at all*" and "*Regulatory Environment*" for further information.

We are also affected by policies in Malaysia concerning ownership of equity interest, as described in "*Risk Factors – Risks Relating to our Business and Operations – We are affected by policies in Malaysia concerning ownership of equity interest*".

Demographic and economic conditions

The demand for our services is affected by the population of aged residents in the jurisdictions in which we operate and the prevailing economic conditions. Changes to the condition of the economy, foreign exchange rates, and changes in the population and demographics in Singapore, Malaysia and China may have an impact on our business operations. In addition, while as at the Latest Practicable Date our level of bad debt has generally not been significant, any deterioration in general economic conditions may also result in our Group having more bad debt. See "*Risk Factors – Risks Relating to our Business and Operations – Our business is dependent on the demand for eldercare and healthcare, which is affected by demographic and economic factors*" for further information.

Competition

The nursing home industry in Singapore, Malaysia and China is competitive, with many nursing home providers both in the private and public sectors. We generally face competition from private group practices and public nursing homes (such as government-owned operators, VWOs and QPOs) in the jurisdictions in which we operate. Despite the high barriers to entry, other nursing home providers may have the facilities and personnel to provide services similar to that of ours. Other nursing home providers may compete with us by offering newer facilities or different programmes or services or by accepting lower margins for their services. Our results of operations may be adversely affected if we are unable to compete effectively in attracting residents and maintaining or improving our margins. See "*Risk Factors – Risks Relating to our Business and Operations – Our business operates in competitive markets and we may face constraints in increasing our customer volumes or our rates"* for further information.

Government regulations on foreign labour

We are subject to national and local laws, rules and regulations in the jurisdictions in which we operate on the employment of foreign workers. See "*Regulatory Environment*" for further details. For example, in Singapore, our Group hires a portion of our nursing staff from countries in the region and are required to maintain a specific ratio of foreign workers to locals in each of our medicare centres and nursing homes. Any government policy which imposes restrictions on foreign labour may have an adverse impact on our Group when we seek to renew our foreign staff's existing working permit, although the scale of our operations allows us to cross-deploy staff between our medicare centres and nursing homes. For instance, the Ministry of Manpower has tightened work pass requirements by updating the minimum qualifying salary for employment pass holders and S pass holders. See "*Risk Factors – Risks Relating to our Business and Operations – We are dependent on the continued employment and performance of key personnel and the availability of adequately skilled healthcare professionals. Inability to retain or attract these personnel may adversely affect our operations*" for further information. Further, imposition of border control and movement restriction measures as a result of COVID-19 may have an adverse impact on our Group due to the inability of our foreign nursing staff to return to work in Singapore and the temporary suspension of cross-deployment of staff between our medicare centres and nursing homes. See "*Risk Factors – Risks Relating to our Business and Operations – We may be materially and adversely affected by spread of diseases or an outbreak of any contagious or virulent diseases and pandemics/epidemics*" for further information.

Staff cost

Staff cost is our largest cost component.

In the jurisdictions in which we operate, the demand for qualified healthcare professionals in both hospitals and nursing homes generally outweigh the supply, resulting in our Group having to offer attractive remuneration packages and career development opportunities in order to attract and retain talent. Our ability to continue to hire qualified healthcare professionals in the long-term while managing our staff cost will be a significant factor affecting the profitability of our Group and our business operations.

Cost of supplies and consumables

The cost of supplies and consumables such as medicine, diapers and food (including milk-feed) will have a significant impact on our profitability. Our cost of supplies and consumables is predominantly driven by the amounts we use and our procurement costs. The amount of supplies and consumables we use is driven principally by the number of residents we have, and the complexity of the residents' needs and treatments. In addition, our procurement costs are principally driven by the terms of our contracts with our suppliers, our relative purchasing power and other factors such as global macroeconomic uncertainties and adverse economic conditions, which may be beyond our control. As described in "*Risk Factors – Risks Relating to our Business and Operations – We may be materially and adversely affected by spread of diseases or an outbreak of any contagious or virulent diseases and pandemics/epidemics*", the COVID-19 pandemic has resulted in the disruption of global supply chains of medical supplies, personal protective equipment and medical equipment, which resulted in a global shortage of, and increased cost of, such supplies and equipment.

In Singapore, we have signed up to the AIC's shared procurement programme since 2018 and procure the bulk of our medical supplies and consumables through such programme. Such programme aims to, among others, lower costs through bulk discounts from such suppliers, and ensure consistency in quality of goods and services purchased from such suppliers. ALPS Pte Ltd. acts as the agent for AIC and its members under the shared procurement programme and will source the relevant supplies from vendors under the procurement programme. This membership-based service is due for renewal in April 2021 and we intend to continue to participate in the programme.

Leases

The premises for our medicare centres and nursing homes, ECONLIFE! Hubs and our TCM clinics are mostly leased by us. The initial term of our leases typically ranges from one year to ten years, and our leases may provide for periodic increases or a change in the rent rates, with the rent rates in some cases to be determined based on a valuation exercise. See "*Business – Properties*" and "*Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Lease agreements and sub-lease agreements for medicare centres and nursing homes*" for further information.

We have applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect, if any, of initial application is recognised in retained earnings as at 1 April 2017.

At the inception of a contract, our Group will assess whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, our Group uses the definition of a lease as set out in SFRS(I) 16.

The total impact on net profit is the same under SFRS(I)16 (the **"New Lease Standard**") and Singapore Financial Reporting Standard ("**FRS**") 17 (the "**Old Lease Standard**"), for the full lease period. The Old Lease Standard required the total lease liability to be amortised on a straight-line basis throughout the lease period. However, lease expense is front-loaded in our Group's profit and loss statements during the first half of the lease term, due to higher interest expense arising from higher lease liability balance under the New Lease Standard.

Expansion of bed capacity, resident type and volume, and services offered

Our results of operation are dependent on the operations of our medicare centres and nursing homes, in particular the total number of beds our Group has, number of residents (occupancy rates), the functional category of an admitted resident (Category I, II, III or IV), as well as the average length of stay of residents at our medicare centres and nursing homes. Accordingly, our results of operations are affected by our ability to increase our bed capacity through the establishment of new medicare centres and nursing homes. In addition, our results of operation are also dependent on the type of services we offer at our medicare centres and nursing homes, such as TCM and physiotherapy services, as well as other ancillary services offered such as the operation of a healthcare training centre, the offering of TCM services at our TCM clinics, the provision of home care services and the operation of senior activity centres in Singapore.

We intend to increase our total revenue by increasing the occupancy rates at our medicare centres and nursing homes through service differentiation and marketing efforts.

For residents under the Portable Subsidy Scheme, we will not be able to increase our rates as these are typically fixed-term contracts we enter into with the relevant government agency. After the term of the contract expires, we may choose to revise our fees for our medicare centres and nursing homes ("**Medicare Centres and Nursing Homes Fees**"), but as our continued appointment under the

Portable Subsidy Scheme will be subject to a formal tender, our revised Medicare Centres and Nursing Homes Fees will be a factor taken into consideration by the appointing government agency. The subsidy for residents under the Portable Subsidy Scheme may also be subject to change.

For residents under the BOL Scheme, we may not be able to increase our rates during the term of the contract which we enter into with the relevant government agency. At certain periods during the term of the contract as well as when the term of the contract expires, we may choose to revise our Medicare Centres and Nursing Homes Fees subject to certain limitations. Any revision in our Medicare Centres and Nursing Homes Fees may be subject to the approval of the relevant government agency or a factor taken into consideration by the appointing government agency when awarding a tender. The subsidy for residents under the BOL Scheme may also be subject to change.

Grants are accounted for on an accrual basis in profit or loss when there is a reasonable assurance that our 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.

SIGNIFICANT ACCOUNTING POLICIES

Our consolidated financial statements for FY2018, FY2019, FY2020 and 6M2021 have been prepared in accordance with SFRS(I).

We have not made any material changes in our accounting policies during FY2018, FY2019 and FY2020 save as disclosed in Note 3 to the audited consolidated financial statements as set out in Appendix A of this Offer Document. Changes in the accounting policies for the period ended 30 September 2020 is included in Note 4 to the unaudited condensed consolidated interim financial statements for the six-month period ended 30 September 2020 as set out in Appendix B of this Offer Document. We do not expect to change our accounting policies in the next 12 months which may result in material adjustments to our consolidated financial statements for FY2018, FY2019, FY2020 and 6M2021.

PRINCIPAL COMPONENTS OF CONSOLIDATED INCOME STATEMENTS

Aggregate Revenue and Operating Subvention Grants

The following table sets out the breakdown of our aggregate revenue and operating subvention grants by operating segments for FY2018, FY2019, FY2020, 6M2020 and 6M2021.

	FY2018 (Audited)		**FY2019 (Audited)**		**FY2020 (Audited)**		**6M2020 (Unaudited)**		**6M2021 (Unaudited)**	
	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)
Revenue										
- Medicare centres and nursing homes fees	21,526	55.7	20,716	56.0	19,832	53.1	9,906	53.3	9,593	51.5
- Ancillary fees	2,805	7.3	1,719	4.7	2,094	5.6	1,205	6.5	641	3.4
Sub-total	24,331	63.0	22,435	60.7	21,926	58.7	11,111	59.8	10,234	54.9
Operating subvention grants	14,318	37.0	14,532	39.3	15,394	41.3	7,463	40.2	8,407	45.1
Aggregate revenue and operating subvention grants	38,649	100.0	36,967	100.0	37,320	100.0	18,574	100.0	18,641	100.0

The following table sets out the breakdown of our aggregate revenue and operating subvention grants by geographical segment for FY2018, FY2019, FY2020, 6M2020 and 6M2021.

Aggregate revenue and operating subvention grants	**FY2018 (Audited)**		**FY2019 (Audited)**		**FY2020 (Audited)**		**6M2020 (Unaudited)**		**6M2021 (Unaudited)**	
	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)
Singapore	33,993	88.0	31,515	85.3	32,036	85.8	16,022	86.3	16,060	86.2
Malaysia	4,656	12.0	5,452	14.7	5,284	14.2	2,552	13.7	2,581	13.8
Total	38,649	100.0	36,967	100.0	37,320	100.0	18,574	100.0	18,641	100.0

Revenue

We derive revenue from the provision of medicare centres and nursing home services as well as home care and day care services. Revenue from the provision of medicare centres and nursing homes services generally relate to fees generated from our contractual obligations to provide nursing home services to individual patients in Singapore and Malaysia. Revenue from home care and day care services generally relate to fees generated from the provision of healthcare services to individual patients at their homes or at our facilities.

Further, we derive revenue from the provision of ancillary services such as healthcare training services, TCM services at our TCM clinics, and the operation of senior activity centres in Singapore. In FY2021, we ceased providing ambulance services as well as management services to West Point Hospital Pte. Ltd. ("**WPHPL**"), a related corporation of our Group that owned and operated West Point Hospital.

Revenue is recognised when services are rendered. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation. The Medicare Centres and Nursing Homes Fees and home care and day care fees are recognised rateably over the period of the services. At each reporting date, the unamortised portion of income received in respect of Medicare Centres and Nursing Homes Fees and home care and day care fees are recognised as fees collected in advance.

Operating Subvention Grants

Operating subvention grants are provided to our Group for the purpose of providing subsidised nursing home care services during such period as may be approved by MOH Singapore. Such government subsidies are paid directly to our Group to offset the bills of the residents at our medicare centres and nursing homes. Based on a means-testing framework, the Singapore Government determines the amount of subsidies that each elderly individual is eligible for.

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

Other Income

The following table sets out the breakdown of our other income by amount and as a percentage of our total other income, for FY2018, FY2019, FY2020, 6M2020 and 6M2021.

	FY2018 (Audited)		FY2019 (Audited)		FY2020 (Audited)		6M2020 (Unaudited)		6M2021 (Unaudited)	
	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)
Grants on special employment credit, temporary employment credit and wages credit scheme	83	16.7	69	17.1	46	7.9	20	7.4	42	1.4
Grant on Senior Activity Centres	-	-	-	-	60	10.2	-	-	180	5.8
Grants on Jobs Support Scheme	-	-	-	-	-	-	-	-	807	25.9
Foreign worker levy rebate	-	-	-	-	-	-	-	-	491	15.8
Grants on staff accommodation	-	-	-	-	-	-	-	-	751	24.1
Grant on capability development	120	24.2	-	-	-	-	-	-	-	-
Rent concessions	-	-	-	-	-	-	-	-	501	16.1
Rental income	32	6.4	37	9.2	216	36.7	81	30.0	104	3.3
Amortisation of deferred capital grants	-	-	-	-	40	6.8	8	3.1	11	0.3
Service fees from joint venture	135	27.2	124	31.0	115	19.5	57	21.0	53	1.7
Property tax rebate	-	-	-	-	-	-	-	-	41	1.3
Others	126	25.5	172	42.7	111	18.9	103	38.5	132	4.3
Total	496	100.0	402	100.0	588	100.0	269	100.0	3,113	100.0

Our Group's other income mainly comprises government grants (other than operating subvention grants), rental income, service fees and other miscellaneous income.

Grants on special employment credit, temporary employment credit and wages credit scheme are grants received from the government to support the hiring of local workers and mainly relates to the wages credit scheme.

Since 2020, we have received Senior Activity Centre grants for the operation of our ECONLIFE! Hubs. The aim of the senior activity centres is to provide a place for seniors to be mentally, socially and physically active, provide a basic level of support for seniors as well as non-profit services to the elderly.

The Singapore Government has provided various grants to businesses to mitigate the financial impact arising from the COVID-19 pandemic. In 6M2021, our Group received various grants which include the (i) JSS grants to help us retain local employees, (ii) FWL rebates for work permit holders and S pass holders who are unable to work due to the "circuit-breaker" and/or stay-home notice measures introduced by the Singapore Government, and (iii) rent concessions and property tax rebates provided by the Singapore Government and/or our landlords to alleviate the cost of business, as a result of the COVID-19 pandemic (together, the "**Exceptional Grants**"). We also received staff accommodation grants from the Singapore Government in 6M2021 to reimburse expenses incurred from the relocation of our staff to temporary lodging for adherence with safe distancing measures. These grants, concessions and rebates are one-off grants. For further information, see Note 21 to the unaudited condensed consolidated interim financial statements for the six-month period ended 30 September 2020 as set out in Appendix B of this Offer Document.

Grant on capability development are grants provided by SPRING Singapore for the purpose of implementing a customer centric initiative project.

Rental income relates mainly to the lease of a land plot which we own in Cheras, Malaysia to a third party lessee.

Service fees from joint venture relates to other services fees attributable to our then-joint venture, Econ Advance Renal Care Pte. Ltd. ("**Econ Advance Renal Care**"). We divested all of our shareholding interests in Econ Advance Renal Care on 30 September 2020.

Operating Expenses

The following table sets out the breakdown of our operating expenses (excluding depreciation of property, plant and equipment and depreciation of right-of-use assets) by amount and as a percentage of our total operating expenses, for FY2018, FY2019, FY2020, 6M2020 and 6M2021.

	FY2018 (Audited)		**FY2019 (Audited)**		**FY2020 (Audited)**		**6M2020 (Unaudited)**		**6M2021 (Unaudited)**	
	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)	(S$'000)	(%)
Supplies and consumables	(3,973)	14.2	(4,214)	16.6	(4,934)	19.0	(2,485)	18.8	(2,627)	19.1
Staff costs	(13,651)	48.8	(14,057)	55.4	(16,947)	65.3	(8,698)	65.8	(9,221)	67.2
Lease expense	(1,179)	4.2	(117)	0.5	(28)	0.1	(23)	0.2	(1)	*
Utilities expenses	(929)	3.3	(930)	3.7	(1,035)	4.0	(526)	4.0	(494)	3.6
Purchased and contracted services	(5,680)	20.3	(3,680)	14.5	-	-	-	-	-	-
Reversal of (impairment losses) on trade receivables	37	(0.1)	70	(0.3)	(9)	(*)	(45)	0.3	(10)	0.1
Other operating expenses	(2,595)	9.3	(2,464)	9.6	(3,016)	11.6	(1,448)	10.9	(1,371)	10.0
Total	(27,970)	100.0	(25,392)	100.00	(25,969)	100.0	(13,225)	100.0	(13,724)	100.0

Note:

* Figures are less than 0.1%.

Supplies and consumables

Supplies and consumables costs relate mainly to our usage of medical supplies and consumables in our medicare centres and nursing homes.

Supplies and consumables costs amounted to S$4.0 million in FY2018, S$4.2 million in FY2019, S$4.9 million in FY2020, S$2.5 million in 6M2020 and S$2.6 million in 6M2021, or 10.3%, 11.4%, 13.2%, 13.4% and 14.1% of our aggregate revenue and operating subvention grants for the respective financial years/periods.

Staff costs

Staff costs consist of all costs relating to our employees which include salaries, defined contribution plans, bonus and other employee benefits. Employees in general can be classified into (i) frontline staff and (ii) head office, administrative and support function. Frontline staff refers to caregivers and support staff at our medicare centres and nursing homes and our facilities, which increase in proportion to the increase in our number of facilities and residents.

Staff costs amounted to S$13.7 million in FY2018, S$14.1 million in FY2019, S$16.9 million in FY2020, S$8.7 million in 6M2020 and S$9.2 million in 6M2021, or 35.3%, 38.0%, 45.4%, 46.8% and 49.5% of our aggregate revenue and operating subvention grants for the respective financial years/periods.

Depreciation of property, plant and equipment

Our depreciation of property, plant and equipment amounted to S$0.9 million in FY2018, S$0.9 million in FY2019, S$1.0 million in FY2020, S$0.5 million in 6M2020 and S$0.5 million in 6M2021, or 2.4%, 2.5%, 2.7%, 2.7% and 2.8% of our aggregate revenue and operating subvention grants for the respective financial years/periods.

Depreciation of right-of-use assets

Right-of-use assets represent the lessee's right to use the leased asset during the lease term. The cost of the right-of-use assets is determined based on the present value of the total fixed lease obligation throughout the lease period. The right-of-use assets are depreciated on a straight-line basis, over the lease period. Our depreciation of right-of-use assets amounted to S$3.4 million in FY2018, S$4.9 million in FY2019, S$5.1 million in FY2020, S$2.6 million in 6M2020 and S$2.6 million in 6M2021, or 8.9%, 13.1%, 13.7%, 13.8% and 13.8% of our aggregate revenue and operating subvention grants for the respective financial years/periods.

Utilities expenses

Our utilities expenses amounted to S$0.9 million in FY2018, S$0.9 million in FY2019, S$1.0 million in FY2020, S$0.5 million in 6M2020 and S$0.5 million in 6M2021, or approximately 2.4%, 2.5%, 2.8%, 2.8% and 2.7% of our aggregate revenue and operating subvention grants for the respective financial years/periods.

Purchased and contracted services

Purchased and contracted services relate to the provision of corporate support services, such as human resource, information technology, management and finance support services, by EHPL, which was the holding company of our Group prior to the Restructuring Exercise. Purchased and contracted services expenses amounted to S$5.7 million in FY2018 and S$3.7 million in FY2019, or 14.7% and 10.0% of our aggregate revenue and operating subvention grants for the respective years. The provision of corporate support services by EHPL to us ceased upon completion of the Restructuring Exercise in FY2019.

Other operating expenses

Other operating expenses refer to the repair and maintenance of equipment, petrol and parking fees as well as general and administrative expenses. Repairs and maintenance expenses incurred are in relation to upkeep for existing facilities. General and administrative expenses mainly comprise general expenses and professional fees.

Our other operating expenses amounted to S$2.6 million in FY2018, S$2.5 million in FY2019, S$3.0 million in FY2020, S$1.4 million in 6M2020 and S$1.4 million in 6M2021, or 6.7%, 6.7%, 8.1%, 7.8% and 7.4% of our aggregate revenue and operating subvention grants for the respective financial years/periods.

Results from operating activities

Our operating profit amounted to S$6.8 million in FY2018, S$6.2 million in FY2019, S$5.8 million in FY2020, S$2.6 million in 6M2020 and S$4.9 million in 6M2021. Our operating profit margin was 17.6%, 16.8%, 15.6%, 13.8% and 26.5% for the respective financial year/periods. Excluding the Exceptional Grants we received in 6M2021, our operating profit in 6M2021 would have been S$3.1 million and our operating profit margin would have been 16.6%.

Finance income

Our finance income primarily relate to interest earned on deposits placed at our bank accounts.

Our finance income amounted to S$20,400 in FY2018, S$32,500 in FY2019, S$28,400 in FY2020, S$14,800 in 6M2020 and S$9,900 in 6M2021 and was immaterial compared to our aggregate revenue and operating subvention grants for the respective financial year/periods.

Finance costs

Our finance costs primarily relate to interest expense on bank borrowings and interest expense on lease liabilities.

Interest expense on lease liabilities is the total borrowing cost arising from the right-of-use assets. The right-of-use asset is the present value of the total lease obligation. Lease liabilities interest is charged to our Group's profit and loss statements based on the outstanding balance of lease liabilities. We apply incremental borrowing rate by obtaining interest rates from various external financing sources.

Our finance costs amounted to S$1.1 million in FY2018, S$1.3 million in FY2019, S$1.5 million in FY2020, S$0.7 million in 6M2020 and S$0.7 million in 6M2021, or 2.9%, 3.4%, 4.0%, 3.9% and 3.9% of our aggregate revenue and operating subvention grants for the respective financial year/periods.

Share of profit/(loss) of joint venture (net of tax)

Our share of loss of joint venture relates to the operation of our then-joint venture, Econ Advance Renal Care. We divested all of our shareholding interests in Econ Advance Renal Care on 30 September 2020.

Our share of loss of joint venture (net of tax) amounted to S$0.2 million in FY2018, S$0.1 million in FY2019, S$3,600 in FY2020, S$3,600 in 6M2020 and share of profit of S$4,600 in 6M2021, or 0.5%, 0.3%, 0.01%, 0.02% and 0.02% of our aggregate revenue and operating subvention grants for the respective financial year/periods.

Tax expense

The Singapore statutory corporate tax rate for FY2018, FY2019, FY2020, 6M2020 and 6M2021 was 17.0%. The Malaysia statutory corporate tax rate for FY2018, FY2019, FY2020, 6M2020 and 6M2021 was 24.0%.

The table below sets out the breakdown of our tax expense and overall effective tax rates for FY2018, FY2019, FY2020, 6M2020 and 6M2021.

	FY2018 (Audited)	FY2019 (Audited)	FY2020 (Audited)	6M2020 (Unaudited)	6M2021 (Unaudited)
Tax expense (S$'000)	(62)	(566)	(476)	(371)	(686)
Profit before tax (S$'000)	5,541	4,862	4,356	1,845	4,223
Effective tax rate (%)	1.1	11.6	10.9	20.1	16.2

For FY2018 to FY2020, our effective tax rate was lower than the corporate income tax rate due to our related corporation, WPHPL, our immediate holding company, EHPL, and our subsidiaries transferring their respective current year tax losses to our Group under the Group Relief System. See "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Transfer of tax reliefs*" for a description of the Group Relief System and transfer of tax losses by WPHPL and EHPL.

REVIEW OF PAST OPERATING PERFORMANCE

6M2021 vs 6M2020

Aggregate revenue and operating subvention grants

Aggregate revenue and operating subvention grants increased 0.4% or S$66,800 due to an increase in operating subvention grants of S$0.9 million for subsidised residents. The increase in operating subvention grants is offset by a decrease in Medicare Centres and Nursing Homes Fees of S$0.3 million and ancillary fees of S$0.6 million.

Operating subvention grants increased mainly due to the increase in the total number of beds occupied by subsidised residents in our medicare centres and nursing homes. Such increase was a result of a joint effort by our Group and the Singapore Government to cater more beds in our medicare centres and nursing homes to residents who are entitled to subsidies and an increased number of subsidised residents due to, among others, the impact that the COVID-19 pandemic has on hospital resources. The increase in operating subvention grants was offset by a decrease in revenue, which was mainly due to a decline in the number of private residents from 6M2020 to 6M2021. Overall, our bed occupancy increased from an average of 1,064 beds in 6M2020 to an average of 1,094 beds in 6M2021.

Ancillary fees decreased by S$0.6 million from S$1.2 million in 6M2020 to S$0.6 million in 6M2021 mainly due to the cessation of our ambulance services and reduction of management fees charged to our related corporation WPHPL, which owned and operated West Point Hospital, following the cessation of operations of West Point Hospital in August 2020.

Other income

Other income increased by S$2.8 million from S$0.3 million in 6M2020 to S$3.1 million in 6M2021. This increase was mainly attributed to the Exceptional Grants, in particular (i) the JSS grants and FWL rebates of S$1.3 million and (ii) the rent concessions and property tax rebates of S$0.5 million, as well as the staff accommodation grants of S$0.8 million, as a result of the COVID-19 pandemic.

Supplies and consumables

Our cost of supplies and consumables increased by 5.7%, or S$0.1 million, from S$2.5 million in 6M2020 to S$2.6 million in 6M2021. The increase was due mainly to the purchase of additional consumables for patients, such as face mask, dressing material and milk powder, due to an increase in the number of residents in 6M2021. The increase was also due to ambulance services being outsourced to a third party after we ceased providing ambulance services.

Staff costs

Our staff costs increased by 6.0% or S$0.5 million from S$8.7 million in 6M2020 to S$9.2 million in 6M2021 due mainly to additional staff accommodation arrangements for adherence to safe distancing measures and welfare catered for our care staff as a result of the COVID-19 pandemic, totalling S$0.7 million. In addition, there was an increase of S$0.1 million of staff costs in Malaysia due to the training undertaken for our care staff in connection with the commencement of operations of our ECON Medicare Centre and Nursing Home – Puchong. The increase was offset by the reduction in the total number of staff employed by our Group as a result of border control restrictions imposed during the COVID-19 pandemic where some of our foreign staff were not able to return to work in Singapore.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment remained relatively constant at S$0.5 million for 6M2020 and 6M2021.

Depreciation of right-of-use assets

Depreciation of right-of-use assets remained relatively constant at S$2.6 million for 6M2020 and 6M2021.

Lease expense

Lease expense decreased by 97.2%, or S$22,400, from S$23,000 in 6M2020 to S$600 in 6M2021 due to the expiry of short-term leases in 6M2021 which is not recognised under the New Lease Standard.

Utilities expenses

Utilities expenses decreased by 6.0%, or S$31,700, from S$0.5 million in 6M2020 to S$0.5 million in 6M2021 as our Group renewed the electricity contract in respect of ECON Medicare Centre and Nursing Home – Recreation Road at a lower cost, coupled with cost savings due to limited operations at our headquarters for around three months during the "circuit-breaker" period as well as from our medicare centres and nursing homes due to safe-distancing measures, as a result of COVID-19.

Other operating expenses

Other operating expenses decreased by 5.3%, or S$0.1 million, from S$1.5 million in 6M2020 to S$1.4 million in 6M2021. The decrease in other operating expenses was due mainly to the deferment of maintenance work, as well as less transportation required during the "circuit-breaker" period as a result of the COVID-19 pandemic for our home care and day care business.

Results from operating activities

Our operating profit increased by 92.3%, or S$2.4 million, from S$2.6 million in 6M2020 to S$4.9 million in 6M2021. The increase in operating profit was due mainly to an increase in other income of S$2.8 million, partially offset by additional expenses incurred in connection with the COVID-19 pandemic. As a result, our operating profit margin correspondingly increased from 13.8% to 26.5%.

Excluding the Exceptional Grants, our operating profit in 6M2021 would have been S$3.1 million due largely to an increase in operating subvention grants, and our operating profit margin in 6M2021 would have been 16.6%.

Finance income

Finance income of S$9,900 for 6M2021 and S$14,800 for 6M2020 remained relatively small.

Finance costs

Finance costs decreased by 0.9%, or S$6,300, and was S$0.7 million in 6M2020 and 6M2021 as interest rates decreased from September 2019 to September 2020 despite an increase in bank borrowings of S$1.5 million.

Share of profit/(loss) of joint venture (net of tax)

Share of profit of joint venture (net of tax) increased by S$8,200, from a loss of S$3,600 in 6M2020 to a profit of S$4,600 in 6M2021 due to increase in profit after tax of Econ Advance Renal Care arising from the receipt of government grants.

Tax expense

Tax expense increased by 85.0%, or S$0.3 million, from S$0.4 million in 6M2020 to S$0.7 million in 6M2021 due to the increase in profit before tax by S$2.4 million. We do not expect prior year losses or tax relief from our related corporations to be utilised for 6M2021.

Profit for the period

As a result of the foregoing, our profit for the period increased by 140.0% or S$2.1 million, from S$1.5 million in 6M2020 to S$3.5 million in 6M2021. Excluding the Exceptional Grants, our profit for 6M2021 would have been S$1.9 million in 6M2021.

FY2020 vs FY2019

Aggregate revenue and operating subvention grants

Aggregate revenue and operating subvention grants increased by 1.0%, or S$0.3 million, from S$37.0 million in FY2019 to S$37.3 million in FY2020. The increase was due to a 0.5% increase in our Medicare Centre and Nursing Home Fees in Singapore and operating subvention grants as the average bed occupancy in Singapore increased. Ancillary fees increased by S$0.4 million mainly due to management fees which we charged our related corporation, WPHPL. The increase is offset by a reduction of our Medicare Centres and Nursing Homes Fees in Malaysia of 3.1% as the average bed occupancy in Malaysia decreased.

Other income

Other income increased by 46.2%, or S$0.2 million, from S$0.4 million in FY2019 to S$0.6 million in FY2020. This increase was mainly attributed to the increase in rental income of S$0.2 million following the lease of a land plot which we own in Cheras, Malaysia to a third party lessee, as well as Senior Activity Centre grants recognised in FY2020 and amortisation of deferred capital grants, partially off-set with the decrease in grants on special employment credit, temporary employment credit and wages credit scheme.

Supplies and consumables

Our cost of supplies and consumables increased by 17.1%, or S$0.7 million, from S$4.2 million in FY2019 to S$4.9 million in FY2020. The increase was due mainly to the increase in transportation cost for our home care and day care business as well as the increase in food cost and toiletries expense for our Singapore medicare centres and nursing homes as a result of an increase in the number of occupied beds.

Staff costs

Our staff costs increased by 20.6%, or S$2.9 million, from S$14.1 million in FY2019 to S$16.9 million in FY2020. The increase in staff cost was mainly because in FY2019, we recorded only three months of personnel expenses as the transfers of personnel from EHPL to our Group pursuant to the Restructuring Exercise completed in December 2018, whereas we recorded a full year of personnel expenses for FY2020. See "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – The Restructuring Exercise*" for more information.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by 11.0%, or S$0.1 million, from S$0.9 million in FY2019 to S$1.0 million in FY2020. The higher depreciation was due to new property, plant and equipment acquired during the year by our Group.

Depreciation of right-of-use assets

Depreciation of right-of-use assets increased by 5.4%, or S$0.3 million, from S$4.9 million in FY2019 to S$5.1 million in FY2020. The increase was due to the capitalisation of right-of-use assets with a cost of S$1.7 million and the capitalisation of lease modification for S$10.4 million.

Lease expense

Lease expense decreased by 75.8%, or S$88,300, from S$116,500 in FY2019 to S$28,200 in FY2020 due mainly to the expiry of short-term leases for our Group's previous office premises at 20 Jalan Afifi Certis CISCO Centre II.

Utilities expenses

Utilities expenses increased by 11.2%, or S$0.1 million, from S$0.9 million in FY2019 to S$1.0 million in FY2020. The increase in utilities expenses was mainly due to the increase in bed capacity in our medicare centres and nursing homes.

Purchased and contracted services

Purchased and contracted services relate to the provision of corporate support services, such as human resource, information technology, management and finance support services, by EHPL, which was the holding company of our Group prior to the Restructuring Exercise. Purchased and contracted services expenses amounted to S$3.7 million in FY2019 and nil in FY2020 as such services ceased following the completion of the Restructuring Exercise in December 2018.

Reversal of (impairment losses) on trade receivables

In FY2019, we recorded a reversal of impairment losses on trade receivables of S$70,200. Provisions are made/reversed according to the Group's assessment of the ageing bracket of trade receivables as disclosed in Note 27 of our consolidated financial statements on page FS54. In FY2020, we recorded an impairment loss on trade receivables of S$8,700. As a result, the reversal of impairment losses on trade receivables increased by S$78,900.

Other operating expenses

Other operating expenses increased by 22.4%, or S$0.6 million, from S$2.5 million in FY2019 to S$3.0 million in FY2020. The increase in other operating expense was mainly due to consultation fees paid to a TCM physician – to train our TCM practitioners and the Restructuring Exercise which was completed in December 2018, where we only recorded approximately three months of other operating expenses such as repair and maintenance expenses, professional fees, directors' fee and other general expenses for FY2019 whereas we recorded a full year of other operating expenses for FY2020.

Results from operating activities

Our operating profit decreased by 6.5%, or S$0.4 million, from S$6.2 million in FY2019 to S$5.8 million in FY2020. Our operating profit margin correspondingly decreased from 16.8% to 15.6%. The decrease in operating profit and operating profit margin were due mainly to an increase in supplies and consumables of S$0.7 million, increase in staff cost of S$2.9 million and increase in other operating expenses of S$0.6 million, offset with a decrease in purchased and contracted services of S$3.7 million.

Finance income

Finance income remained relatively constant at S$32,500 for FY2019 and S$28,400 for FY2020.

Finance costs

Finance costs increased by 17.1%, or S$0.2 million, from S$1.3 million in FY2019 to S$1.5 million in FY2020 due to (i) an increase in lease liability interest as right-of-use assets increased and (ii) a drawdown of S$1.2 million of loans to fund our operation for ECON Medicare Centre and Nursing Home – Puchong.

Share of loss of joint venture (net of tax)

Share of loss of joint venture (net of tax) decreased by 97.0%, or S$0.1 million, from S$0.1 million in FY2019 to S$3,600 in FY2020 as losses in FY2020 have been capped at the investment value of Econ Advance Renal Care.

Tax expense

Tax expense decreased by 16.0%, or S$90,800, from S$0.6 million in FY2019 to S$0.5 million in FY2020 due to a decrease in profits. The effective tax rates were 11.6% and 10.9% in FY2019 and FY2020 respectively. Our effective tax rate was lower than the average corporate income tax rate due to our related corporation, WPHPL, transferring its current year tax losses to our Group under the Group Relief System (as further described in, "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Transfer of tax reliefs*" of this Offer Document) resulting in tax savings of S$47,500 and S$0.2 million in FY2019 and FY2020 respectively.

Profit for the year

As a result of the foregoing, our profit for the year decreased by 9.7%, or S$0.4 million, from S$4.3 million in FY2019 to S$3.9 million in FY2020.

FY2019 vs FY2018

Aggregate revenue and operating subvention grants

Aggregate revenue and operating subvention grants decreased by 4.4%, or S$1.7 million, from S$38.6 million in FY2018 to S$37.0 million in FY2019 due to a decrease in Medicare Centres and Nursing Homes Fees of S$0.8 million and ancillary fees of S$1.1 million, offset with an increase in operating subvention grants of S$0.2 million.

The decrease in Medicare Centres and Nursing Homes Fees was mainly due to the cessation of operations of a nursing home at 10 Ama Keng Road following the expiry of its lease. As a result, the average number of occupied beds decreased by 52 from FY2018 to FY2019.

The decrease in ancillary fees was mainly due to the loss of course fees income in connection with the cessation of our training services for foreign domestic workers for the settling-in programme in late 2017.

Other income

Other income decreased by 18.8%, or S$93,400, from S$0.5 million in FY2018 to S$0.4 million in FY2019. This decrease was mainly attributed to a one-off capability development grant of S$0.1 million received in FY2018 from SPRING Singapore for the purpose of implementing the customer centric initiative project.

Supplies and consumables

Our cost of supplies and consumables increased by 6.1%, or S$0.2 million, from S$4.0 million in FY2018 to S$4.2 million in FY2019. The increase was mainly due to the increase in transportation cost arising from the increase in the number of customers for our day care business. The aforementioned increase is partially offset by the savings from food costs and other ancillary costs.

Staff costs

Our staff costs increased by 3.0%, or S$0.4 million, from S$13.7 million in FY2018 to S$14.1 million in FY2019. This was mainly attributed to annual increments for our staff as well as higher staff number following the transfer of personnel from EHPL pursuant to the Restructuring Exercise which completed in December 2018.

Depreciation of property, plant and equipment

Depreciation remained relatively constant, decreasing by 2.2%, or S$20,100, from S$0.9 million in FY2018 to S$0.9 million in FY2019. The decrease was due mainly to certain property, plant and equipment being fully depreciated in FY2019.

Depreciation of right-of-use assets

Depreciation of right-of-use assets increased by 41.6%, or S$1.4 million, from S$3.4 million in FY2018 to S$4.9 million in FY2019. This was due to capitalisation of new leases for the Hexacube Office (as defined herein) for S$1.8 million and lease modification for S$2.3 million mainly for ECON Medicare Centre and Nursing Home – Upper East Coast, ECON Medicare Centre and Nursing Home – Choa Chu Kang and ECON Medicare Centre and Nursing Home – Braddell.

Lease expense

Lease expense decreased by 90.1%, or S$1.1 million, from S$1.2 million in FY2018 to S$0.1 million in FY2019. This was mainly due to the expiry of short-term leases, such as ECON Medicare Centre and Nursing Home – Buangkok View Block 5, ECON Medicare Centre and Nursing Home – Buangkok View Block 9, ECON Medicare Centre and Nursing Home – Recreation Road and the lease for the staff quarters at Recreation Road.

Utilities expenses

Utilities expenses remained relatively constant.

Purchased and contracted services

Purchased and contracted services decreased by 35.2%, or S$2.0 million, from S$5.7 million in FY2018 to S$3.7 million in FY2019. Purchased and contracted services relate to the provision of corporate support services by EHPL, which prior to the Restructuring Exercise was the holding company of our Group. In connection with the Restructuring Exercise which completed in December 2018, we reimbursed EHPL for staff costs as described in "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Reimbursement of staff costs to EHPL*". Following completion of the Restructuring Exercise, the relevant employees required by our Group for our business operations are employed by our Group and we no longer receive such services from EHPL.

Other operating expenses

Other operating expenses remained relatively constant.

Results from operating activities

Our operating profit decreased by 8.9%, or S$0.6 million, from S$6.8 million in FY2018 to S$6.2 million in FY2019 and our operating profit margin decreased from 17.6% to 16.8%. The decrease in operating profit and operating profit margin was due to a decrease in aggregate revenue and operating subvention grants of S$1.7 million and an increase in depreciation of right-of-use assets of S$1.4 million and staff costs of S$0.4 million, offset with a decrease in lease expense of S$1.1 million and a decrease in purchased and contracted services of S$2.0 million.

Finance income

Finance income remained relatively small at S$20,400 for FY2018 and S$32,500 for FY2019.

Finance costs

Finance costs increased by 14.6%, or S$0.2 million, from S$1.1 million in FY2018 to S$1.3 million in FY2019 due mainly to an increase in lease liabilities interest of S$0.3 million, offset by a decrease in interest expense from bank borrowings and foreign exchange losses.

Share of loss of joint venture (net of tax)

Share of loss of joint venture (net of tax) decreased by 38.2%, or S$73,800, from S$0.2 million in FY2018 to S$0.1 million in FY2019 due to reduced losses of Econ Advance Renal Care.

Tax expense

Tax expense increased by 813.7%, or S$0.5 million, from S$62,000 FY2018 to S$0.6 million in FY2019. The tax expense in FY2018 was derived after tax savings of S$0.6 million and S$0.1 million respectively arising from the transfer of tax losses by WPHPL and EHPL to our Group under the Group Relief System, as described in "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Transfer of tax reliefs*", as well as tax savings of S$0.2 million within our Group. The tax expense in FY2019 was derived after tax savings of S$47,500 arising from the transfer of tax losses by WPHPL to our Group under the Group Relief System as well as tax savings of S$0.1 million within our Group. The effective tax rate for FY2018 was not meaningful while the effective tax rate for FY2019 was 11.6%.

Profit for the year

As a result of the foregoing, our profit for the year decreased by 21.6%, or S$1.2 million, from S$5.5 million in FY2018 to S$4.3 million in FY2019.

REVIEW OF FINANCIAL POSITION

As at 31 March 2020

Non-Current Assets

As at 31 March 2020, our non-current assets of S$53.7 million accounted for 80.8% of our total assets. Our non-current assets comprised of the following:

(i) property, plant and equipment, which amounted to S$15.1 million, and comprised freehold land and buildings, properties under construction, leasehold improvements and renovations, nursing homes and hospital equipment, ambulances and medical equipment, furniture, fittings and office equipment, computers and accessories and motor vehicles;

(ii) right-of-use assets, which amounted to S$29.0 million, and comprised nursing homes, office premise and health and wellness centres, office equipment, staff accommodation and motor vehicles;

(iii) investment property, which amounted to S$8.3 million, and is related to a reclassification of a land plot that we own in Cheras, Malaysia from freehold land, subsequent to the land being leased to a third party lessee to operate an education centre;

(iv) trade and other receivables, which amounted to S$1.2 million, and is related to security deposits paid to our landlords and utilities providers;

(v) deferred tax assets, which amounted to S$78,300, and comprised right-of-use assets, provisions and tax loss carry-forwards; and

(vi) finance lease receivables, which amounted to S$53,900.

Current Assets

As at 31 March 2020, our current assets of S$12.7 million accounted for 19.2% of our total assets. Our current assets mainly comprised:

(i) trade and other receivables, which amounted to S$5.3 million, comprising S$1.3 million of net third party trade receivables, S$0.2 million of deposits and S$1.2 million of government grant receivables, S$0.2 million prepayments, S$1.5 million trade amount due from our Group's related corporation, and cumulatively accounted for 83% of total trade and other receivables;

(ii) finance lease receivables, which amounted to S$34,600;

(iii) cash and cash equivalents, which amounted to S$7.3 million or 57.6% of total current assets; and

(iv) current tax assets, which amounted to S$23,500.

Non-Current Liabilities

As at 31 March 2020, our non-current liabilities of S$33.0 million accounted for 69.8% of our total liabilities. Our non-current liabilities mainly comprised:

(i) loans and borrowings, which amounted to S$6.2 million, and is related to funding for the expansion of our Group's operations and general working capital purposes;

(ii) deferred tax liabilities, which amounted to S$0.4 million, and is related to differences arising from the recognition of depreciation expenses for our property, plant and equipment after the offsetting of tax losses carried forward;

(iii) provision for restoration costs, which amounted to S$0.5 million, and is related to the estimated costs of reinstating our leased premises to their original state upon termination or expiration of the leases; and

(iv) lease liabilities, which amounted to S$25.7 million, due to the adoption of SFRS(I) 16 being the present value of the lease payments.

Current Liabilities

As at 31 March 2020, our current liabilities of S$14.3 million accounted for 30.2% of our total liabilities. Our current liabilities mainly comprised:

(i) loans and borrowings, which amounted to S$3.5 million, and is related to funding for the expansion of our Group's operations and general working capital purposes;

(ii) amount due to immediate holding company, which amounted to S$0.7 million, and is related to dividends payable to EHPL, our immediate holding company;

(iii) trade and other payables, which amounted to S$4.9 million, comprising S$1.4 million of refundable deposits received from residents, S$1.4 million of trade payables and S$0.7 million of accrued operating expenses, and cumulatively accounted for 71.7% of total trade and other payables;

(iv) lease liabilities, which amounted to S$4.7 million, due to the adoption of SFRS(I) 16 being the present value of the lease payments; and

(v) current tax liabilities, which amounted to S$0.5 million.

As at 30 September 2020

Non-Current Assets

As at 30 September 2020, our non-current assets of S$53.2 million accounted for 74.2% of our total assets. Our non-current assets mainly comprised:

(i) property, plant and equipment, which amounted to S$15.7 million, comprising freehold land and buildings, properties under construction, leasehold improvements and renovations, nursing home and hospital equipment, ambulances and medical equipment, furniture, fittings and office equipment, computers and accessories and motor vehicles;

(ii) right-of-use assets, which amounted to S$28.0 million, and comprised nursing homes, office premise and health and wellness centres, office equipment, staff accommodation and motor vehicles;

(iii) investment property, which amounted to S$8.3 million, and is related to a land plot that we own in Cheras, Malaysia that we lease to a third party lessee to operate an education centre;

(iv) trade and other receivables, which amounted to S$1.2 million, and is related to security deposits paid to our landlords and utilities providers; and

(v) deferred tax assets, which amounted to S$0.1 million, and comprised right-of-use assets, provisions and tax loss carry-forwards.

Current Assets

As at 30 September 2020, our current assets of S$18.5 million accounted for 25.8% of our total assets. Our current assets mainly comprised:

(i) trade and other receivables, which amounted to S$9.3 million, comprising S$1.3 million of net third parties trade receivables, S$2.1 million non-trade amount due from EHPL, S$0.2 million of deposits, S$0.2 million of prepayments and S$4.8 million of government grant receivables, which cumulatively accounted for 94.2% of total trade and other receivables;

(ii) cash and cash equivalents, which amounted to S$9.1 million and represented 49.0% of total current assets; and

(iii) current tax assets as at 30 September 2020, which amounted to S$0.1 million.

Non-Current Liabilities

As at 30 September 2020, our non-current liabilities of S$31.2 million accounted for 64.3% of our total liabilities. Our non-current liabilities mainly comprised:

(i) loans and borrowings, which amounted to S$5.3 million, and is related to funding for the expansion of our Group's operations and general working capital purposes;

(ii) deferred tax liabilities, which amounted to S$0.3 million, and is related to differences arising from the recognition of depreciation expenses for our property, plant and equipment after the offsetting of tax losses carried forward;

(iii) provision for restoration costs, which amounted to S$0.5 million, and is related to the estimated costs of reinstating our leased premises to their original state upon termination or expiration of the leases and amounted to S$0.5 million as at 30 September 2020; and

(iv) lease liabilities, which amounted to S$24.9 million, due to the adoption of SFRS(I) 16 being the present value of the lease payments.

Current Liabilities

As at 30 September 2020, our current liabilities of S$17.3 million accounted for 35.7% of our total liabilities. Our current liabilities mainly comprised:

(i) loans and borrowings, which amounted to S$5.9 million, and is related to funding for the expansion of our Group's operations and general working capital purposes;

(ii) trade and other payables, which amounted to S$5.9 million, comprising S$1.4 million of refundable deposits received from residents, S$1.1 million of trade payables and S$1.6 million of accrued operating expenses, which cumulatively accounted for 69.7% of total trade and other payable;

(iii) lease liabilities, which amounted to S$4.7 million, due to the adoption of SFRS(I) 16 being the present value of the lease payments; and

(iv) current tax liabilities, which amounted to S$0.9 million.

LIQUIDITY AND CAPITAL RESOURCES

We have funded our operations and growth primarily through cash generated from our operations and bank borrowings. As at 30 September 2020, we recorded positive operating cash flow. As at 30 September 2020, our primary sources of liquidity included cash and cash equivalents and bank borrowings of S$9.1 million and S$11.2 million respectively. As at the Latest Practicable Date, our primary sources of liquidity included cash and cash equivalents and bank borrowings of S$14.0 million and S$10.4 million respectively. See "*Capitalisation and Indebtedness – Our Bank Borrowings*" for details of our bank borrowings. To ensure that we have sufficient funds to meet our contractual and financial obligations, we monitor our net operating cash flows and maintain a level of cash and cash equivalents deemed adequate by management for working capital.

As at 31 March 2019 and 31 March 2020, we were in a net current liabilities position of S$1.1 million and S$1.6 million respectively. As at 31 March 2020, our net current liabilities was due mainly to the recognition of lease liabilities classified as current liabilities of S$4.7 million and non-current liabilities of S$25.7 million compared to our right-of-use assets of S$29.0 million being classified as non-current assets, as well as dividends declared to EHPL, our immediate holding company, of S$2.9 million, which was off-set against the amounts owing by EHPL. As at 31 March 2019, our net current liabilities was due mainly to the recognition of lease liabilities classified as current liabilities of S$4.8 million and non-current liabilities of S$18.0 million compared to all our right-of-use assets of S$22.0 million being classified as non-current assets. Non-trade amount due from EHPL, our immediate holding company, decreased by S$4.1 million as a result of the Restructuring Exercise.

Our Directors are of the reasonable opinion that, having made due and careful enquiry and after taking into account the expected cash flows generated from our Group's operations, our Group's banking facilities, our Group's existing cash and cash equivalents, our Group's capital commitments (as disclosed in "*Management's Discussion and Analysis of Results of Operations and Financial Position – Contractual Obligations and Commitments – Capital Commitments*"), the working capital position of our Group for FY2018, FY2019, FY2020 and 6M2021, the impact of the COVID-19 pandemic on our Group based on the current situation (on the assumption that there will be no material changes to the current situation) and the eventual cessation of the Exceptional Grants, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient to meet our present requirements and for at least 12 months after the Listing.

The Sponsor is of the reasonable opinion that, having made due and careful enquiry and after taking into account the expected cash flows generated from our Group's operations, our Group's banking facilities, our Group's existing cash and cash equivalents, our Group's capital commitments (as disclosed in "*Management's Discussion and Analysis of Results of Operations and Financial Position – Contractual Obligations and Commitments – Capital Commitments*"), the working capital position of our Group for FY2018, FY2019, FY2020 and 6M2021, the impact of the COVID-19 pandemic on our Group based on the current situation (on the assumption that there will be no material changes to the current situation) and the eventual cessation of the Exceptional Grants, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient to meet our Group's present requirements and for at least 12 months after the Listing.

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the periods indicated:

	FY2018 (Audited) (S$'000)	**FY2019 (Audited) (S$'000)**	**FY2020 (Audited) (S$'000)**	**6M2020 (Unaudited) (S$'000)**	**6M2021 (Unaudited) (S$'000)**
Net cash from operating activities	11,953	11,675	10,585	2,110	5,580
Net cash used in investing activities	(844)	(8,003)	(2,882)	(865)	(3,447)
Net cash used in financing activities	(6,362)	(6,138)	(8,111)	(4,565)	(435)
Net increase/(decrease) in cash and cash equivalents	4,747	(2,466)	(408)	(3,320)	1,698
Cash and cash equivalents at 1 April	5,372	10,211	7,718	7,718	7,301
Effect of exchange rate fluctuations on cash held	92	(27)	(9)	7	3
Cash and cash equivalents at 31 March	10,211	7,718	7,301	4,405	9,002

FY2018

In FY2018, we recorded net cash flow generated from operating activities of S$12.0 million, which was a result of operating profit before working capital changes of S$11.1 million, adjusted for net working capital inflows of S$1.0 million, reinstatement costs paid of S$41,700 and income taxes paid of S$86,300. The net working capital inflows were due to a decrease in trade and other receivables of S$0.8 million, coupled with an increase in trade and other payables of S$0.2 million.

Net cash flows used in investing activities amounted to S$0.8 million which was primarily attributed to a S$21,500 non-trade amount due from EHPL, placement of fixed deposits with licensed banks of S$0.3 million, purchase of property, plant and equipment of S$0.4 million and a loan to joint venture of S$0.2 million.

Net cash flows used in financing activities amounted to S$6.4 million, which was attributable to a repayment of a non-trade amount due to immediate holding company of S$0.8 million, repayment of borrowings of S$1.3 million, payment of lease liabilities of S$3.2 million and payment of interest of S$1.0 million.

As a result of the above, our Group's cash and cash equivalents was S$10.2 million, after adjusting for the positive effect of exchange rate fluctuations on cash held of S$92,800.

FY2019

In FY2019, we recorded net cash flow generated from operating activities of S$11.7 million, which was a result of operating profit before working capital changes of S$11.8 million, adjusted for net working capital inflows of S$0.2 million and income taxes paid of S$0.3 million. The net working capital inflows were due to a decrease in trade and other receivables of S$0.2 million, coupled with a decrease in trade and other payables of S$60,500.

Net cash flows used in investing activities amounted to S$8.0 million which was primarily attributed to non-trade amounts due from immediate holding company of S$6.2 million and purchase of property, plant and equipment of S$2.1 million.

Net cash flows used in financing activities amounted to S$6.1 million, which was attributable to repayment of borrowings of S$1.4 million, payment of lease liabilities of S$4.4 million, and payment of interest of S$1.3 million.

As a result of the above, there was a net decrease in our Group's cash and cash equivalents by S$2.5 million, after adjusting for the negative effect of exchange rate fluctuations on cash held of S$27,000.

FY2020

In FY2020, we recorded net cash flow generated from operating activities of S$10.6 million, which was a result of operating profit before working capital changes of S$11.9 million, adjusted for net working capital outflows of S$0.7 million, reinstatement costs of S$4,600 and income taxes paid of S$0.7 million. The net working capital outflows were due to an increase in trade and other receivables of S$1.6 million, coupled with an increase in trade and other payables of S$1.0 million.

Net cash flows used in investing activities amounted to S$2.9 million which was primarily attributed to non-trade amounts due from immediate holding company of S$1.5 million and purchase of property, plant and equipment of S$1.9 million.

Net cash flows used in financing activities amounted to S$8.1 million, which was attributable to repayment of borrowings of S$1.5 million, payment of lease liabilities of S$4.6 million, non-trade amount due to immediate holding company of S$1.7 million and payment of interest of S$1.5 million.

As a result of the above, there was a net decrease in our Group's cash and cash equivalents by S$0.4 million, after adjusting for the negative effect of exchange rate fluctuations on cash held of S$8,900.

6M2021

In 6M2021, we recorded net cash flow generated from operating activities of S$5.6 million, which was a result of operating profit before working capital changes of S$7.5 million, adjusted for net working capital outflows of S$1.5 million, and income taxes paid of S$0.4 million. The net working capital outflows were due to an increase in trade and other receivables of S$2.2 million, coupled with an increase in trade and other payables of S$0.6 million.

Net cash flows used in investing activities amounted to S$3.4 million which was primarily attributed to a purchase of property, plant and equipment of S$1.1 million and change in non-trade amounts due from immediate holding company of S$2.8 million.

Net cash flows used in financing activities amounted to S$0.4 million, which was attributable to repayment of lease liabilities of S$1.9 million and net proceeds of bank borrowing of S$1.5 million.

As a result of the above, there was a net increase in our Group's cash and cash equivalents by S$1.7 million, from S$7.3 million to S$9.0 million, after adjusting for the positive effect of exchange rate fluctuations on cash held of S$3,500.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Capital Commitments

Our capital commitments as at the Latest Practicable Date are as follows:

	As at the Latest Practicable Date (S$'000)
Commitment in respect of nursing home beds	517

The capital commitments relate to the purchase of replacement beds for certain of our medicare centres and nursing homes in Singapore. The above capital commitments will be funded internally.

Capital Expenditures and Divestments

The following table sets out our capital expenditures for FY2018, FY2019, FY2020, 6M2021 and for the period from 1 October 2020 up to the Latest Practicable Date.

	FY2018 (S$'000)	FY2019 (S$'000)	FY2020 (S$'000)	6M2021 (S$'000)	1 October 2020 up to the Latest Practicable Date (S$'000)
Freehold land	-	234	-	-	-
Freehold buildings	-	-	-	-	-
Properties under construction	-	-	-	913	953
Leasehold improvements and Renovations	7	1,795	1,438	41	315
Nursing homes equipment	229	243	430	35	788
Ambulances and medical equipment	-	35	-	-	-
Furniture, fittings, and office equipment	54	213	133	32	151
Computers and accessories	89	182	93	81	167
Motor vehicles	-	482	53	-	-
Total	379	3,184	2,147	1,102	2,374

These capital expenditures were funded by bank loans and internally generated funds and mainly related to (a) upgrading/improvements of existing facilities, and (b) replacing defective/obsolete medical and office equipment.

The following table sets out our capital divestment for FY2018, FY2019, FY2020, 6M2021 and for the period from 1 October 2020 up to the Latest Practicable Date.

Divestment	FY2018 (S$'000)	FY2019 (S$'000)	FY2020 (S$'000)	6M2021 (S$'000)	1 October 2020 up to the Latest Practicable Date (S$'000)
Equity interest in Econ Healthcare (M) Sdn Bhd(1)	-	-	Not meaningful	-	-
Equity interest in Econ Advance Renal Care(2)	-	-	-	Not meaningful	-
Total	-	-	Not meaningful	Not meaningful	-

Notes:

(1) On 1 April 2019, we divested 30.0% of the equity interest of Econ Healthcare (M) Sdn Bhd (which prior to such divestment was wholly-owned by us), for a consideration of MYR300,000 (approximately S$99,560)[3]. Our Group recognised a gain on disposal of S$69,821 (net of tax) in the equity.

(2) On 30 September 2020, we divested all of our 50.0% shareholding interest in our then-joint venture entity, Econ Advance Renal Care, to EHPL for a consideration of S$1 with a loss on disposal of S$4,590.

See "*Our History and Development – Restructuring Exercise and Our Corporate Structure – Events subsequent to the Restructuring Exercise*" for further details of the disposals.

Foreign Currency and Interest Rate Risk Disclosures

The following discussion summarises our exposure to fluctuations in foreign exchange rates and interest rates and the policies we have implemented to mitigate and control these risks. It is difficult to accurately predict changes in economic or market conditions and anticipate the effects of such changes on our financial performance and business operations. See Note 27 to our consolidated financial statements for more information on our exposure to such risks.

3 Based on an exchange rate of MYR1 : S$0.331.

Foreign Currency Exposure and Risk

Our reporting currency is in Singapore dollars. Majority of our operations are primarily carried out in Singapore and are denominated in Singapore dollars. In general, our operations in Malaysia and China have natural hedges to the extent our revenue is in MYR or Renminbi (as the case may be) and offset by costs in MYR or Renminbi (as the case may be). Movements in MYR or Renminbi (as the case may be) against the Singapore dollar may result in an exchange gain or loss and affect our earnings when reported in Singapore dollars. For FY2018, FY2019, FY2020 and 6M2021, foreign exchange exposure was not material and we did not use any financial instrument to hedge foreign exchange risk.

Interest Rate Risk

We are exposed to interest rate risk due to variable interest rates under our bank facilities. Changes in economic conditions could result in higher interest rates, thereby increasing our interest expense and reducing our funds available for capital investment or operations. Additionally, if domestic interest rates continue to increase, the interest rates on any of our future credit facilities and debt offerings could be higher than current levels, causing our financing costs to increase accordingly.

Seasonality

Due to the nature of our business, we have not observed any significant seasonal trends within each of FY2018, FY2019, FY2020 and 6M2021.

Order Book

Due to the nature of our business, we do not maintain an order book.

Prospects

The following discussion about our prospects and trends include forward-looking statements that involve risk and uncertainties. Actual results could differ materially from those that may be projected in these forward-looking statements. See also "*Notice to Investors – Forward-Looking Statements*".

As at the Latest Practicable Date, we believe that the outlook for our business is expected to remain positive in view of the following trends and developments:

Ageing population profile in the markets that we operate in

According to Euromonitor, in Singapore, Malaysia and China, the population profile continues to age driven by twin factors of lower fertility rates and increasing life expectancy, due to socioeconomic developments and/or improvements in healthcare. The table below sets out the proportion of population aged 65 and above and the corresponding old age support ratio:

	Proportion of Population Aged 65 and Over (%)			Old Age Support Ratio	
	2009	2019	2030	2009	2019
Singapore	6.6	10.2	24.6	7.5	4.5
Malaysia	4.8	6.7	10.1	11.8	9
China	8.5	12.6	17.1	8.6	5.6

Source: Industry Report

Increased affluence and shrinking family sizes

While an ageing population has driven demand for nursing homes and senior care services, rising incomes have been particularly relevant for private nursing homes. As family members become more affluent, they are more likely to spend on premium nursing homes and senior care services to attain the best quality of care for their elderly. The increasing number of dual-income families as well as shrinking family sizes are expected to increase demand as more people may be willing to explore nursing home care due to work and childcare commitments.

Increasingly positive perception of nursing homes

The increasing standards of care and quality in nursing homes is expected to drive a positive perception for nursing homes. With families and the elderly becoming more aware of the service offerings and benefits of nursing homes, the overall willingness to consider nursing homes can be expected to increase.

Strong governmental focus and support on eldercare

With the demographics in Singapore, Malaysia and China shifting towards an ageing population, there are strong governmental focus on the elder care sector. For instance, according to Euromonitor, (i) in Singapore, the Singapore Government covers the costs of nursing home development and tenders out the operating rights to both private and VWO operators under the BOL Scheme, (ii) in Malaysia, the Malaysia Government provides financial relief and the elderly may also choose to pay for the cost of private nursing homes with their employee provident fund and (iii) in China, earnings of China's elderly care industries will be exempt from value-added tax and will be entitled to tax deduction from June 2019 to December 2025.

We believe that the above factors will provide leverage for our Group to capitalise on the growing ageing population in the region. See "*Business – Our Competitive Strengths – Leading private nursing home operator, well positioned to capitalise on the growing ageing population in the region*" as well as "*Appendix C – Nursing Home Industry in Singapore, Malaysia and China (in particular, Chongqing)*" of this Offer Document.

Trend Information

As at the Latest Practicable Date and barring unforeseen circumstances (including a prolonged or resurgence of the COVID-19 outbreak in the jurisdictions in which we operate and/or have a presence in), our Directors expect the following trends for FY2021 and FY2022:

- the abatement of the COVID-19 pandemic in Singapore and China has resulted in a phased reopening of these economies, which is expected to aid economic recovery and improve household incomes and accordingly, may increase demand for our services for elderly family members;
- in Singapore, the ongoing COVID-19 pandemic continuing to affect the number of hospital beds available for chronically ill elderly, which may result in more elderly patients being cared for in nursing homes instead;
- government support for the eldercare services sector, such as the launch of new BOL tenders, as well as support for the wider economy including through government grants such as the JSS to sustain economic recovery;
- border control and movement restrictions imposed by governments as a response to COVID-19 may continue, thereby affecting our ability to hire foreign nursing staff and leading to increased efforts in hiring locals;
- an increase in the demand for community care services such as home-care services which include home-nursing and home rehabilitation services, as well as day care services; and
- the COVID-19 pandemic has resulted in increased adoption of technology in our medicare centres and nursing homes and such adoption of technology is expected to improve our productivity and our residents' experience.

Save as disclosed above and in "*Risk Factors*", "*Management's Discussion and Analysis of Results of Operations and Financial Position*", "*Appendix A – Independent Auditors' Report and the Audited Consolidated Financial Statements for the Financial Years ended 31 March 2018, 2019 and 2020", Appendix B – Independent Auditors' Review Report and Unaudited Condensed Consolidated Interim Financial Statements for the Six-month Period ended 30 September 2020",* "*Appendix C – Nursing Home Industry in Singapore, Malaysia and China (in particular, Chongqing)*", "*Business*", "*Capitalisation and Indebtedness*" and "*Regulatory Environment*", barring unforeseen circumstances (including a prolonged or resurgence of the COVID-19 outbreak in markets that we are present), our Directors are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenues, profitability, liquidity or capital resources, or that may cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition.

OUR HISTORY AND DEVELOPMENT

OUR HISTORY

Our Company was incorporated in Singapore on 28 January 2004 under the Companies Act as a private company limited by shares under the name EHL (S) Pte. Ltd. On 16 February 2006, our Company changed its name to Econ Healthcare (S) Pte. Ltd. On 26 February 2021, our Company changed its name to Econ Healthcare (Asia) Pte. Ltd. On 29 March 2021, our Company was converted into a public company limited by shares and changed its name to Econ Healthcare (Asia) Limited.

Our Group was founded by our Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh. Mr Ong, who had been actively involved in community work for many years, identified a growing demand for quality nursing care for the ageing population in Singapore. We operate medicare centres and nursing homes in Singapore, Malaysia and China and also provide other ancillary services such as the provision of healthcare training services, the offering of TCM services at our clinics, and the operation of senior activity centres in Singapore.

According to Euromonitor, our Group is the largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia, with a market share of 26.9% and 43.2% respectively. Our Group has also expanded into China with the establishment of Chongqing Nursing Home, our first nursing home in China, which is expected to commence operations in 2021 after receipt of the necessary licences and approvals.

Our Group first became part of a listed group when EHPL (formerly known as China Healthcare Limited and Econ Healthcare Limited) was listed on the Stock Exchange of Singapore Dealing and Automated Quotation System ("**SESDAQ**") (now replaced by Catalist) pursuant to an initial public offering in 2002. EHPL was privatised and delisted in 2012.

Following the Restructuring Exercise, our Company became the holding company of our Group.

The table below sets out the key development milestones of our Group:

Year	Milestone
1987	Our founder, Mr Ong Chu Poh, established his first nursing home in Telok Kurau, Singapore.
1991 – 1999	Establishment of nursing homes at three new premises in Singapore (Recreation Road, Upper East Coast and Choa Chu Kang).
	We acquired 100% equity interest in Sunnyville Nursing Home (1996) Pte Ltd which operated a nursing home.
2000	Re-opening of our first purpose-built ECON Medicare Centre and Nursing Home – Upper East Coast after renovations to expand capacity. Our first purpose-built medicare centre and nursing home was differentiated from typical nursing homes through the provision of additional medicare services, such as TCM and physiotherapy services, in conjunction with nursing home care.
2002	With the listing of EHPL on SESDAQ, we became part of a listed group.
2003	Establishment of our ECON Medicare Centre and Nursing Home – Braddell.
2004	Establishment of our first overseas medicare centre and nursing home, ECON Medicare Centre and Nursing Home – Pudu, in Kuala Lumpur, Malaysia.
	Signed a memorandum of understanding with Tan Tock Seng Hospital for a collaboration in the planning, design and development of a senior care ward.
	Establishment of ECON Careskill Training Centre to provide healthcare training services.
2005	Establishment of our ECON Medicare Centre and Nursing Home – Chai Chee.
	Re-opening of our ECON Medicare Centre and Nursing Home – Choa Chu Kang after renovations to expand capacity.

2006	Establishment of our ECON Medicare Centre and Nursing Home – Buangkok View Block 9.
2010	Invited by the Provincial Civil Affairs Bureau in Changzhou City and Wuxi, China to conduct a course in "Effective Management Training for Aged Care Organisations" for more than 300 senior management staff. Training courses in Leadership, Operations Management, Financial Management, Human Resources, and Quality were conducted.
2011	Establishment of our first ECON Health and Wellness Centre (now branded as ECONLIFE! Hub) in Bishan, Singapore, which aim to promote health and wellness and strengthen community bonds with the seniors. First private operator to be appointed by the Ministry of Social and Family Development (formerly the Ministry of Community, Youth and Sports) to operate ECONLIFE! Hubs under the senior service centre programme which is now managed by MOH Singapore.
	Establishment of our ECON Medicare Centre and Nursing Home – Yio Chu Kang. We were the first private operator to be appointed by MOH Singapore under the BOL Scheme to manage our ECON Medicare Centre and Nursing Home – Yio Chu Kang.
2012	Privatisation and delisting of EHPL.
2014	Establishment of our ECON Medicare Centre and Nursing Home – Taman Perling.
2016	Establishment of ECONLIFE! Hubs in Seng Kang and Yung Kuang, Singapore.
2017	Establishment of an ECONLIFE! Hub in Bedok.
	Appointed by MOH Singapore to provide Integrated Home and Day Care ("**IHDC**") services to seniors who are eligible for this programme. IHDC offers a combination of centre-based care and home care services to support such seniors in the community.
2018	Completion of the Restructuring Exercise, pursuant to which our Company became the holding company of our Group.
	Signed a memorandum of understanding with Chongqing Civil Affairs Bureau for collaboration in the operation management, medical care and nursing, planning and design, and educational training, relating to eldercare services in Chongqing, China.
2019	Selected to participate in the Scale-up SG programme by Enterprise Singapore, which seeks to, among others, help selected high-growth local companies scale rapidly and become leaders in their respective fields.
2020	Signed the CYBE Shareholders Agreement (as described in "- *Shareholders Agreement in relation to Chongqing Yikang Bailingbang*" below) with our joint venture partner in connection with our joint venture to operate a nursing home in Chongqing, China.
	Appointed as an operator under the BOL Scheme for two upcoming medicare centres and nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson (with an indicative bed capacity of up to 236 beds) and ECON Medicare Centre and Nursing Home – Jurong East (with an indicative bed capacity of up to 732 beds), which is expected to be operational in the second half of 2022 and in 2025 respectively.
	Establishment of our ECON Medicare Centre and Nursing Home – Puchong in Jalan Puchong, Kuala Lumpur, Malaysia.
2021	Establishment of our Chongqing Nursing Home in Chongqing, China.

OUR SUBSIDIARIES AND ASSOCIATED COMPANY

The table below sets forth our subsidiaries and associated company as at the date of this Offer Document:

No	Company name	Date of incorporation	Country of incorporation	Principal place of business	Principal Activities	Effective ownership interest
1	Caleb Care (Singapore) Pte. Ltd.	2 January 2019	Singapore	Singapore	Distribution, retail and sales of medical and general supplies	100.0%
2	Econ Ambulance Services Pte Ltd	14 April 1994	Singapore	Singapore	Dormant	100.0%
3	Econ Careskill Training Centre (ECTC) Pte. Ltd.	9 September 2000	Singapore	Singapore	Conduct of accredited nursing care and skill training programmes	100.0%
4	Econ Health & Wellness Centre Pte. Ltd.	25 August 2010	Singapore	Singapore	Operation of senior activity centres and provision of ancillary health and wellness services	100.0%
5	Econ Healthcare (China) Pte. Ltd.	23 April 2001	Singapore	Singapore	Holding company	100.0%
6	Econ Healthcare (M) Pte. Ltd.	8 July 2003	Singapore	Singapore	Holding company	100.0%
7	Econ Medicare Centre Pte Ltd	30 January 1999	Singapore	Singapore	Operation of medicare centres and nursing homes and provision of ancillary health and wellness services	100.0%
8	Econ Nursing Home Services (1987) Pte Ltd	30 August 1994	Singapore	Singapore	Operation of medicare centres and nursing homes and provision of ancillary health and wellness services	100.0%
9	Econ TCM Services Pte. Ltd.	16 July 1999	Singapore	Singapore	Provision of TCM services	100.0%
10	Sunnyville Nursing Home (1996) Pte Ltd	3 December 1996	Singapore	Singapore	Operation of medicare centres and nursing homes and provision of ancillary health and wellness services	100.0%
11	Econ Medicare Centre and Nursing Home Sdn Bhd	12 May 2003	Malaysia	Malaysia	Provision of healthcare and nursing homes services	100.0%
12	Econ Healthcare (M) Sdn Bhd	6 September 2004	Malaysia	Malaysia	Provision of healthcare and nursing homes services	70.0%(1)
13	Chongqing Yikang Bailingbang Eldercare Co., Ltd. (重庆宜康百龄帮养老服务有限公司)	12 December 2019	China	China	Operation of proposed Chongqing Nursing Home (upon commencement of operations)	60.0%(2)

No	Company name	Date of incorporation	Country of incorporation	Principal place of business	Principal Activities	Effective ownership interest
14	Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. (四川光大百龄帮宜康养老服务有限公司)	3 March 2021	China	China	Presently inactive, intended operation of proposed Chengdu Nursing Home (pending establishment)	20.0%(3)

Notes:

(1) The remaining 30.0% equity interest is held by our local joint venture partner in Malaysia, Mr Yeoh Soo Chee (who is not an associate of our Company or any of our Directors or Controlling Shareholders). Mr Yeoh Soo Chee does not hold the 30.0% equity interest of Econ Healthcare (M) Sdn Bhd on our behalf nor does he exercise the voting rights in respect of his shares in Econ Healthcare (M) Sdn Bhd in accordance with our instructions. Mr Yeoh Soo Chee is not involved in the operations of Econ Healthcare (M) Sdn Bhd.

(2) The remaining 40.0% equity interest in Chongqing Yikang Bailingbang is held by Guangda Bailingbang Eldercare Industry (which is not an associate of our Company or any of our Directors or Controlling Shareholders).

(3) The remaining equity interest in Sichuan Guangda Bailingbang Yikang is held by Guangda Bailingbang Eldercare Industry (45%), Sichuan Mingruiyi Health Eldercare Co., Ltd. (四川铭瑞意健康养老服务有限公司) ("**Sichuan Mingruiyi**") (27.5%) and Rongyao Changsheng (Chengdu) Health Eldercare Co., Ltd. (荣耀长生（成都）健康养老服务有限公司) ("**Rongyao Changsheng**") (7.5%) (each of which is not an associate of our Company or any of our Directors or Controlling Shareholders).

In addition, pending entry into of the Changshou Shareholders Agreement, we intend to incorporate Changshou Yikang Bailingbangyanjia in China as a limited liability company (sino-foreign joint venture). It is intended that Changshou Yikang Bailingbangyanjia will operate the proposed Changshou Nursing Home. It is expected that at the time of incorporation, Changshou Yikang Bailingbangyanjia will have a registered capital of RMB23,000,000, which is expected to be paid-up before 31 December 2041. As at the date of this Offer Document, Changshou Yikang Bailingbangyanjia has not been incorporated. It is expected that on incorporation, 70.0% of the equity interest of Changshou Yikang Bailingbangyanjia will be held by our Group, with the remaining equity interest held by Guangda Bailingbang Eldercare Industry (20.0%) and Chongqing Mengxiangjia Technology Co., Ltd. (重庆梦享家科技有限公司) (10.0%) (each of which is not an associate of our Company or any of our Directors or Controlling Shareholders). See "- *Changshou Shareholders Agreement*" for further information.

The directors of our principal subsidiaries are Mr Ong Chu Poh and Dr Koh Hin Ling, and the auditors of our principal subsidiaries are KPMG LLP.

SHAREHOLDERS AGREEMENT IN RELATION TO CHONGQING YIKANG BAILINGBANG

Pursuant to a shareholders agreement dated 28 August 2020 entered into between our wholly-owned subsidiary, Econ Healthcare (China) Pte. Ltd. and our joint venture partner, Guangda Bailingbang Eldercare Industry (the "**CYBE Shareholders Agreement**"), Econ Healthcare (China) Pte. Ltd. and Guangda Bailingbang Eldercare Industry respectively hold 60.0% and 40.0% shareholding interest in our joint venture entity, Chongqing Yikang Bailingbang.

The CYBE Shareholders Agreement regulates the affairs of Chongqing Yikang Bailingbang and the respective rights of the shareholders of Chongqing Yikang Bailingbang. The CYBE Shareholders Agreement sets out provisions relating to, among other things, the nomination of directors, shareholders' rights and obligations and dividend distributions, and specifies that Guangda Bailingbang Eldercare Industry may terminate the CYBE Shareholders Agreement if our Company is no longer the controlling shareholder of Econ Healthcare (China) Pte. Ltd. Under the CYBE Shareholders Agreement, where a shareholder of Chongqing Yikang Bailingbang proposes to transfer all or part of its equity interest in Chongqing Yikang Bailingbang to a third party who is not a shareholder of Chongqing Yikang Bailingbang:

(a) such transfer shall be subject to the prior written consent of the other shareholder(s) of Chongqing Yikang Bailingbang (the "**Non-Transferring Shareholders**"); and

(b) the Non-Transferring Shareholder(s) shall each have (i) a right of first refusal (but not the obligation) to purchase all (but not part) of the equity interest proposed to be transferred to such third party and (ii) a tag-along right (but not the obligation) to sell its equity interest in Chongqing Yikang Bailingbang to such third party on the same terms and conditions and in proportion to its respective shareholding proportion in Chongqing Yikang Bailingbang.

In addition, each shareholder of Chongqing Yikang Bailingbang has undertaken that from the date of issuance of the business licence of Chongqing Yikang Bailingbang on 12 December 2019 and for so long as Chongqing Yikang Bailingbang is in existence:

(a) it shall not and shall procure that its related parties, subsidiaries and shareholders shall not, directly or indirectly, for the benefit of themselves or any third party, induce any customer of Chongqing Yikang Bailingbang or any representative, agent, supplier or other person engaged in business with Chongqing Yikang Bailingbang to terminate his/its relationship or association with Chongqing Yikang Bailingbang in any way or in any capacity; and

(b) it shall not and shall procure that its related parties, subsidiaries and shareholders shall not, directly or indirectly, for the benefit of themselves or any third party, employ, hire, solicit, recruit, encourage, induce or otherwise cause any consultant, contractor, employee, director, staff, manager, representative, agent or other person working for Chongqing Yikang Bailingbang to terminate his/its relationship or association with Chongqing Yikang Bailingbang.

The board of directors of Chongqing Yikang Bailingbang as at the date of this Offer Document comprises two directors nominated by our Group and one director nominated by Guangda Bailingbang Eldercare Industry, with the chairman of the board of directors of Chongqing Yikang Bailingbang being one of the directors nominated by our Group. Under the articles of association of Chongqing Yikang Bailingbang, the unanimous consent of all the directors is required for a resolution relating to amendment to the articles of association, suspension or dissolution, increase in or reduction of the registered capital, or merger or division of Chongqing Yikang Bailingbang, the provision of security interests to other parties by Chongqing Yikang Bailingbang, and the approval of two-thirds of the directors is required for all resolutions relating to other matters. The CYBE Shareholders Agreement provides that each resolution of the board of directors of Chongqing Yikang Bailingbang shall be approved by a simple majority. Our Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh is the legal representative of Chongqing Yikang Bailingbang.

SHAREHOLDERS AGREEMENT IN RELATION TO SICHUAN GUANGDA BAILINGBANG YIKANG

It is intended that our wholly-owned subsidiary, Econ Healthcare (China) Pte. Ltd. will enter into a shareholders agreement with our proposed joint venture partners Guangda Bailingbang Eldercare Industry, Sichuan Mingruiyi and Rongyao Changsheng (the "**SBYE Shareholders Agreement**") in connection with Sichuan Guangda Bailingbang Yikang. Econ Healthcare (China) Pte. Ltd., Guangda Bailingbang Eldercare Industry, Sichuan Mingruiyi and Rongyao Changsheng respectively hold 20%, 45%, 27.5% and 7.5% shareholding interest in Sichuan Guangda Bailingbang Yikang.

As at the date of this Offer Document, the SBYE Shareholders Agreement is substantially in agreed form but has not been signed. The salient terms of the substantially agreed draft of the SBYE Shareholders Agreement are described below. As the SBYE Shareholders Agreement is pending finalisation and execution, the terms of the final SBYE Shareholders Agreement may differ from the expected terms described below.

The SBYE Shareholders Agreement will regulate the affairs of Sichuan Guangda Bailingbang Yikang and the respective rights of the shareholders of Sichuan Guangda Bailingbang Yikang. The SBYE Shareholders Agreement will set out provisions relating to, among other things, the nomination of directors, shareholders' rights and obligations and dividend distributions, and will specify that each shareholder of Sichuan Guangda Bailingbang Yikang shall have a right of first refusal to purchase the equity interest proposed to be transferred by the other shareholder(s). The SBYE Shareholders Agreement will provide for Guangda Bailingbang Eldercare Industry to be responsible for the operating and management of Sichuan Guangda Bailingbang Yikang.

Pursuant to the SBYE Shareholders Agreement, the board of directors of Sichuan Guangda Bailingbang Yikang shall comprise two directors nominated by Guangda Bailingbang Eldercare Industry, one director nominated by our Group, one director nominated by Sichuan Mingruiyi and one director nominated by Rongyao Changsheng, with the chairman of the board of directors of Sichuan Guangda Bailingbang Yikang being one of the directors nominated by Guangda Bailingbang Eldercare Industry. The SBYE Shareholders Agreement will provide that each resolution of the board of directors of Sichuan Guangda Bailingbang Yikang shall be approved by three out of five of the directors. Mr Lu Jiabin is the legal representative of Sichuan Guangda Bailingbang Yikang.

To facilitate management and decision-making, Econ Healthcare (China) Pte. Ltd., Sichuan Mingruiyi and Rongyao Changsheng have agreed by way of an agreement dated 5 March 2021 that Econ

Healthcare (China) Pte. Ltd. and Sichuan Mingruiyi shall vote in accordance with the decisions of Rongyao Changsheng in exercising their rights as shareholders. Rongyao Changsheng is required to communicate fully with the other two parties in such decision making process and if the parties are unable to reach an agreement, the other two parties are to follow the decision made by Rongyao Changsheng. However, in general, the decision of Guangda Bailingbang Eldercare Industry shall prevail for matters related to the operating and management of Sichuan Guangda Bailingbang Yikang. It is our understanding and based on publicly available information, Sichuan Mingruiyi and Rongyao Changsheng have certain common shareholders.

CHANGSHOU SHAREHOLDERS AGREEMENT

It is intended that our wholly-owned subsidiary, Econ Healthcare (China) Pte. Ltd. will enter into a shareholders agreement with our proposed joint venture partners, Guangda Bailingbang Eldercare Industry and Chongqing Mengxiangjia Technology Co., Ltd. (重庆梦享家科技有限公司) (the "**Changshou Shareholders Agreement**") in connection with the proposed Changshou Nursing Home.

It is intended that a joint venture entity, expected to be named Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. (重庆市长寿区宜康百龄帮晏家养老服务有限公司) ("**Changshou Yikang Bailingbangyanjia**") will be incorporated to operate the proposed Changshou Nursing Home. As at the date of this Offer Document, Changshou Yikang Bailingbangyanjia has not been incorporated.

It is expected that upon incorporation of Changshou Yikang Bailingbangyanjia, Econ Healthcare (China) Pte. Ltd., Guangda Bailingbang Eldercare Industry and Chongqing Mengxiangjia Technology Co., Ltd. (重庆梦享家科技有限公司) will respectively hold 70.0%, 20.0% and 10.0% shareholding interest in Changshou Yikang Bailingbangyanjia.

As at the date of this Offer Document, the Changshou Shareholders Agreement is substantially in agreed form but has not been signed. The salient terms of the substantially agreed draft of the Changshou Shareholders Agreement are described below. As the Changshou Shareholders Agreement is pending finalisation and execution, the terms of the final Changshou Shareholders Agreement may differ from the expected terms described below.

The Changshou Shareholders Agreement will seek to regulate the affairs of Changshou Yikang Bailingbangyanjia and the respective rights of the shareholders of Changshou Yikang Bailingbangyanjia following its incorporation. The Changshou Shareholders Agreement will set out provisions relating to, among other things, the nomination of directors, shareholders' rights and obligations and dividend distributions, and will specify that if there is a change of control of any party to the Changshou Shareholders Agreement, the other two parties may terminate the Changshou Shareholders Agreement. Under the Changshou Shareholders Agreement, where a shareholder of Changshou Yikang Bailingbangyanjia proposes to transfer all or part of its equity interest in Changshou Yikang Bailingbangyanjia to a third party who is not a shareholder of Changshou Yikang Bailingbangyanjia:

(a) such transfer shall be subject to the prior written consent of the other shareholder(s) of Changshou Yikang Bailingbangyanjia (the "**Changshou Non-Transferring Shareholders**"); and

(b) the Changshou Non-Transferring Shareholder(s) shall each have (i) a right of first refusal (but not the obligation) to purchase all (but not part) of the equity interest proposed to be transferred to such third party and (ii) a tag-along right (but not the obligation) to sell its equity interest in Changshou Yikang Bailingbangyanjia to such third party on the same terms and conditions and in proportion to its respective shareholding proportion in Changshou Yikang Bailingbangyanjia.

In addition, each shareholder of Changshou Yikang Bailingbangyanjia will undertake that from the date of incorporation of Changshou Yikang Bailingbangyanjia and for so long as Changshou Yikang Bailingbangyanjia is in existence:

(a) it shall not and shall procure that its related parties, subsidiaries and shareholders shall not, directly or indirectly, for the benefit of themselves or any third party, induce any customer of Changshou Yikang Bailingbangyanjia or any representative, agent, supplier or other person engaged in business with Changshou Yikang Bailingbangyanjia to terminate his/its relationship or association with Changshou Yikang Bailingbangyanjia in any way or in any capacity; and

(b) it shall not and shall procure that its related parties, subsidiaries and shareholders shall not, directly or indirectly, for the benefit of themselves or any third party, employ, hire, solicit, recruit, encourage, induce or otherwise cause any consultant, contractor, employee, director, staff, manager, representative, agent or other person working for Changshou Yikang Bailingbangyanjia to terminate his/its relationship or association with Changshou Yikang Bailingbangyanjia.

Pursuant to the Changshou Shareholders Agreement, the board of directors of Changshou Yikang Bailingbangyanjia shall comprise two directors nominated by our Group and one director nominated by Guangda Bailingbang Eldercare Industry, with the chairman of the board of directors of Changshou Yikang Bailingbangyanjia being one of the directors nominated by our Group. The Changshou Shareholders Agreement will provide that each resolution of the board of directors of Changshou Yikang Bailingbangyanjia shall be approved by a simple majority. It is expected that Our Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh will be the legal representative of Changshou Yikang Bailingbangyanjia upon its incorporation.

Changshou Nursing Home

It is intended that Changshou Yikang Bailingbangyanjia (after being incorporated) will lease, establish and operate the Changshou Nursing Home, our proposed second nursing home in Chongqing, China, which is expected to have a bed capacity of 280 beds. The target is for such nursing home to commence operations by 2022, assuming that commercial agreement is reached and the necessary licences and approvals are obtained.

Our proposed joint venture partner Guangda Bailingbang Eldercare Industry has entered into a lease agreement (the "**Existing Changshou Lease**") with the landlord, Chongqing Lezhi Real Estate Development Co., Ltd (重庆乐至置业发展有限公司), for the lease of the premises for the proposed Changshou Nursing Home. The address of such premises is Sub-No. 4, 5 and 6, No. 35 Yucai Road, Yanjia Street, Changshou District (长寿区晏家街道育才路35号附4号、5号、6号) and the built-up area is 7,198.58 sq m. The tenure of the Existing Changshou Lease is 20 years commencing from 4 December 2020.

Under the expected terms of the Changshou Shareholders Agreement, Guangda Bailingbang Eldercare Industry is to ensure that Changshou Yikang Bailingbangyanjia is able to lease the premises for the operation and management of the Changshou Nursing Home. It is intended that Changshou Yikang Bailingbangyanjia, when incorporated, will become the lessee, which may be effected through the entry into of a new lease agreement with the landlord or an assignment or novation of the Existing Changshou Lease to Changshou Yikang Bailingbangyanjia (the "**New Changshou Lease**"), subject to commercial agreement and any necessary approvals. The tenure of the New Changshou Lease is expected to be similar to the tenure of the Existing Changshou Lease though the commencement date may differ.

SHAREHOLDERS AGREEMENT IN RELATION TO ECON HEALTHCARE (M) SDN BHD

Pursuant to a shareholders agreement dated 1 April 2019 entered into between Econ Healthcare (M) Sdn Bhd, Econ Healthcare (M) Pte. Ltd. and Mr Yeoh Soo Chee, our local joint venture partner, (the "**EHMSB Shareholders Agreement**"), each of Econ Healthcare (M) Pte. Ltd. and our joint venture partner holds 70.0% and 30.0% shareholding interest in Econ Healthcare (M) Sdn Bhd respectively.

The EHMSB Shareholders Agreement regulates the affairs of Econ Healthcare (M) Sdn Bhd and the respective rights of its shareholders. The EHMSB Shareholders Agreement sets out provisions relating to, among other things, restrictions on transfer of shares, pre-emptive and drag-along rights in our favour, deadlock provisions and confidentiality obligations.

Under the EHMSB Shareholders Agreement, our joint venture partner shall not transfer all or any part of the shares held by it or otherwise sell, dispose of or deal with all or any part of its interest in such shares unless and until the rights of pre-emption stipulated in the EHMSB Shareholders Agreement have been exhausted. The EHMSB Shareholders Agreement does not provide for similar pre-emption rights in favour of our joint venture partner.

Should specified events of default occur, where we are the non-defaulting shareholder, we can require the defaulting shareholder to sell his shares to us at a discount to the fair market value. Where our joint venture partner is the non-defaulting shareholder, he can require that we purchase his shares at a premium to the fair market value.

If a deadlock matter occurs, the shareholders are to endeavour to amicably resolve such matter within a stipulated period, failing which, either shareholder ("**Initiating Shareholder**") may serve the other shareholder and Econ Healthcare (M) Sdn Bhd a written notice which shall constitute an offer by the Initiating Shareholder to (i) (if the Initiating Shareholder is our joint venture partner) sell all of his shares and debts owing to him to the other shareholder or (ii) (if the Initiating Shareholder is Econ Healthcare (M) Pte. Ltd.) buy all of the other shareholder's shares and debts owing to him. The consideration for such shares will be based on the fair market value determined by an independent valuer while the consideration for the debt will based on the amount of the debt owing by Econ Healthcare (M) Sdn Bhd to the relevant shareholder together with the interest thereon (if any).

RESTRUCTURING EXERCISE AND OUR CORPORATE STRUCTURE

Restructuring Exercise

We undertook a restructuring exercise (the "**Restructuring Exercise**") in 2018 to streamline and rationalise our group structure. Prior to the Restructuring Exercise, EHPL was the holding company of our Group. Pursuant to a restructuring agreement dated 12 December 2018, our Company acquired from EHPL the entire issued and paid-up share capital of certain entities which are now our subsidiaries. Following the completion of the Restructuring Exercise on 12 December 2018, our Company became the holding company of our Group. See "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – The Restructuring Exercise*" for further details.

Events subsequent to the Restructuring Exercise

Incorporation of Caleb Care (Singapore) Pte. Ltd.

On 2 January 2019, Caleb Care (Singapore) Pte. Ltd. was incorporated in Singapore as a private company limited by shares to undertake the business of distribution, retail and sales of medical and general supplies. At the time of incorporation, Caleb Care (Singapore) Pte. Ltd. had an issued and paid-up share capital of S$1.00, comprising 1 share held by our Company.

Incorporation of Chongqing Yikang Bailingbang

On 12 December 2019, our joint venture entity Chongqing Yikang Bailingbang was incorporated in China as a limited liability company (sino-foreign joint venture). Chongqing Yikang Bailingbang will operate the Chongqing Nursing Home upon commencement of operations. At the time of incorporation, Chongqing Yikang Bailingbang had a registered capital of RMB20,000,000, which shall be paid-up before 31 December 2039.

Incorporation of Sichuan Guangda Bailingbang Yikang

On 3 March 2021, our joint venture entity Sichuan Guangda Bailingbang Yikang was incorporated in China as a limited liability company (sino-foreign joint venture). It is intended that Sichuan Guangda Bailingbang Yikang will operate the proposed Chengdu Nursing Home. At the time of incorporation, Sichuan Guangda Bailingbang Yikang had a registered capital of RMB5,000,000, which shall be paid-up before 31 January 2040.

Divestment of 30.0% interest in Econ Healthcare (M) Sdn Bhd

In order to comply with the requirements of the 2015 Equity Policy and pursuant to a share purchase agreement dated 1 April 2019 between Econ Healthcare (M) Pte. Ltd. and Mr Yeoh Soo Chee (the "**EHMSB SPA**"), Econ Healthcare (M) Pte. Ltd. divested 30.0% of the equity interest, comprising three shares, in Econ Healthcare (M) Sdn Bhd to our local joint venture partner in Malaysia, Mr Yeoh Soo Chee, for a cash consideration of MYR300,000.

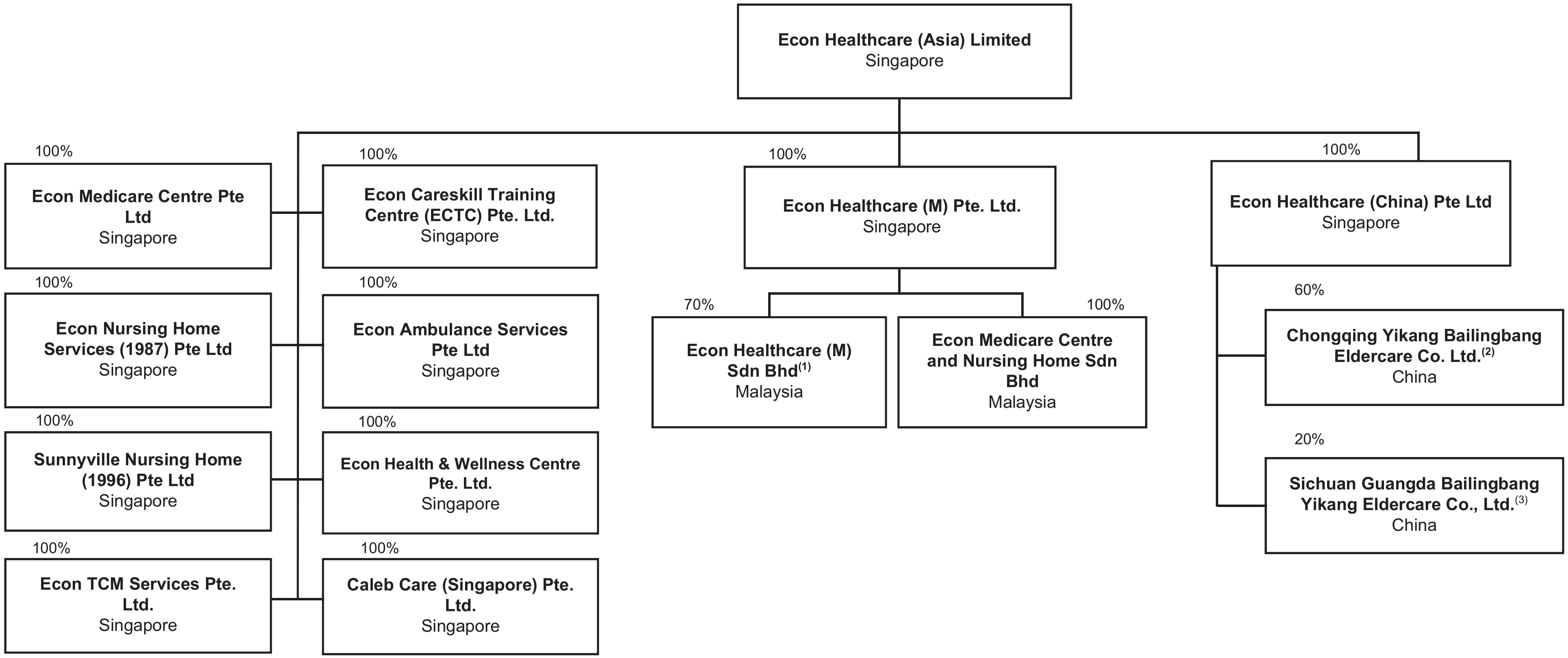
Divestment of Econ Advance Renal Care

We had previously as an ancillary business provided kidney dialysis and related services through our then-associated company, Econ Advance Renal Care, through the operation of two renal care centres at our ECONLIFE! Hubs in Yung Kuang and Bedok. Prior to the divestment described below, our subsidiary Econ Health & Wellness Centre Pte. Ltd. ("**Econ Health & Wellness**") and our then-joint venture partner Advance Renal Care (Asia) Pte. Ltd. each held a 50% shareholding interest in Econ Advance Renal Care. We decided to divest our interest in Econ Advance Renal Care as we no longer intend to provide such ancillary services.

On 30 September 2020, our Controlling Shareholder, EHPL, acquired 50.0% of the entire issued and paid-up share capital of Econ Advance Renal Care, comprising 25,000 shares, from Econ Health & Wellness for a nominal consideration of S$1.00, payable in cash. See "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Divestment of Econ Advance Renal Care*" for further details.

Our Corporate Structure

The structure of our Company and our subsidiaries and associated company as at the date of this Offer Document is as follows:



Notes:

(1) The remaining 30.0% equity interest in Econ Healthcare (M) Sdn Bhd is held by Mr Yeoh Soo Chee (who is not an associate of our Company or any of our Directors or Controlling Shareholders).

(2) The remaining 40.0% equity interest in Chongqing Yikang Bailingbang is held by Guangda Bailingbang Eldercare Industry (which is not an associate of our Company or any of our Directors or Controlling Shareholders).

(3) The remaining equity interest in Sichuan Guangda Bailingbang Yikang is held by Guangda Bailingbang Eldercare Industry (45%), Sichuan Mingruiyi (27.5%) and Rongyao Changsheng (7.5%) (each of which is not an associate of our Company or any of our Directors or Controlling Shareholders).

(4) As described in "*Our History and Development – Our Subsidiaries and Associated Company*", we intend to incorporate Changshou Yikang Bailingbangyanjia as a 70.0% owned subsidiary. As at the date of this Offer Document, Changshou Yikang Bailingbangyanjia has not been incorporated. See "*Our History and Development – Our Subsidiaries and Associated Company*" for further information.

OVERVIEW

Our Group is the leading premium private nursing home operator in Singapore and Malaysia. According to Euromonitor, our Group is the largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia, with a market share of 26.9% and 43.2% respectively. Our Group has also expanded into China with the establishment of Chongqing Nursing Home, our first nursing home in China, which is expected to commence operations in 2021 after receipt of the necessary licences and approvals.

Our operations have two key business segments:

(i) **Medicare Centres and Nursing Homes** – the provision of residential nursing care services, home care services, rehabilitation services (such as physiotherapy), clinical services and TCM treatments in our medicare centres and nursing homes; and

(ii) **Other Operations and Ancillary Services** – the provision of healthcare training services, the offering of TCM services at our TCM clinics and the operation of senior activity centres in Singapore.

As at the Latest Practicable Date, we operate 10 medicare centres and nursing homes in Singapore and Malaysia with a total bed capacity of 1,376. We have also been appointed as an operator under the BOL Scheme for two upcoming nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson, which is expected to be operational in the second half of 2022, and ECON Medicare Centre and Nursing Home – Jurong East, which is expected to be operational in 2025. It is presently estimated that ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East will have an indicative bed capacity of up to 236 and up to 732 beds, respectively, bringing our estimated total bed capacity to 2,388 by 2025[4]. Further, our Chongqing Nursing Home is expected to commence operations in 2021 after receipt of the necessary licences and approvals.

We have also entered into a joint venture, Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. (四川光大百龄帮宜康养老服务有限公司) (“**Sichuan Guangda Bailingbang Yikang**”), with Chongqing Guangda Bailingbang Eldercare Industry Group Co. Ltd. (重庆光大百龄帮康养产业集团有限公司) (“**Guangda Bailingbang Eldercare Industry**”) and two other local partners. It is intended that Sichuan Guangda Bailingbang Yikang will lease and operate the proposed Chengdu Nursing Home, a new nursing home to be established in the vicinity of Chengdu, China with an expected bed capacity of 400 beds. As a minority passive investor in Sichuan Guangda Bailingbang Yikang, we will not be involved in the day-to-day operations and management of the Chengdu Nursing Home. We also intend to enter into the Changshou Shareholders Agreement with Guangda Bailingbang Eldercare Industry and one other local partner to establish another joint venture, being Changshou Yikang Bailingbangyanjia (which, as at the date of this Offer Document, has not been incorporated) to establish and operate the Changshou Nursing Home, our proposed second nursing home in Chongqing, China which is expected to have a bed capacity of 280 beds.

The target is for the Chengdu Nursing Home and the Changshou Nursing Home to commence operations by 2022, assuming that commercial agreement is reached and the necessary licences and approvals are obtained. Our vision is to expand our total bed capacity in our medicare centres and nursing homes in China to approximately 2,000 beds by 2025.

We had an average of 1,094 residents with an average bed occupancy rate of 88.4% for 6M2021. Our medicare centres and nursing homes are strategically located at convenient locations near residential areas or workplaces. For FY2020 and 6M2021, we recorded an aggregate revenue and operating subvention grants of S$37.3 million and S$18.6 million respectively from our operations, and profit for the year/period of S$3.9 million and S$3.5 million respectively.

OUR COMPETITIVE STRENGTHS

Leading private nursing home operator, well positioned to capitalise on the growing ageing population in the region

We are the largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia with a market share of 26.9% and 43.2% respectively, according to Euromonitor. As at the

[4] Excludes the proposed Chengdu Nursing Home and proposed Changshou Nursing Home which have not been established.

Latest Practicable Date, we operate 10 medicare centres and nursing homes in Singapore and Malaysia, with a total bed capacity of 1,376.

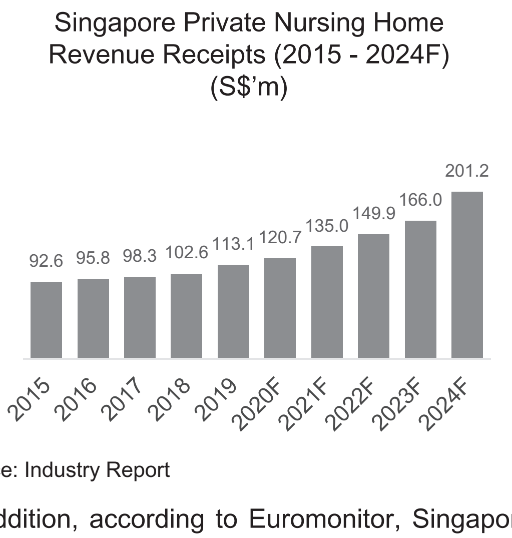
We believe our existing markets present attractive opportunities for growth as they benefit from a range of factors such as affluent and rapidly ageing populations outpacing population growth, as well as an increasing demand for quality nursing home services, underpinned by supportive government policies. We believe that we are well positioned to scale and expand our service offerings to meet the demand of a growing ageing population in Singapore, Malaysia and China.

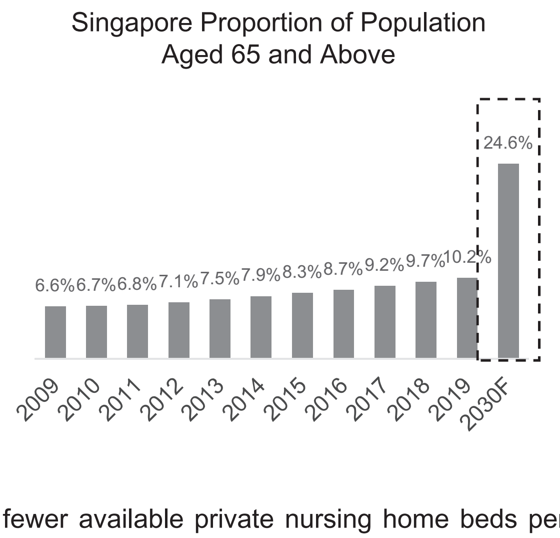
According to Euromonitor, Singapore, Malaysia and China are experiencing an increase in the proportion of population who are aged 65 and above as socioeconomic developments and/or improvements in healthcare have resulted in lower fertility rates and increasing life expectancy.

Singapore

The demand for nursing homes has grown as "baby boomers" age and require more elderly care services. According to Euromonitor, there has also been a rise in demand within major hospitals and community hospitals, resulting in a lack of beds for chronically ill elderly people. As a result, more elderly people need to be cared for in residential long-term care facilities. To meet rising demand, the number of nursing home beds in Singapore has increased from 9,442 in 2009 to 16,059 in 2019, which suggests that Singapore is on track to meet the government's target of having 17,000 nursing home beds by 2020. Against this backdrop, Euromonitor has reported that private nursing home operators have reported a high occupancy rate. Average occupancy rate for private nursing homes stood around 90% to 95% in 2019, while some operators have reported having a waiting list for their premium packages, such as single-bedded rooms or 2-bedded rooms.

According to Euromonitor, revenue receipts of private nursing homes grew at a CAGR of 5.1% between 2015 and 2019, and is expected to experience a CAGR growth of 13.6% from S$120.7 million in 2020 to S$201.2 million in 2024, driven mainly by the ageing population and rising income level of Singaporeans. Singapore's elderly population is expected to increase at a faster pace than other demographic groups. It is projected that the number of elderly aged 65 and above will increase from 0.58 million in 2019 to 1.49 million in 2030, comprising 10.2% and 24.6% of the population in the respective years. This represents a CAGR of 8.9% for the population of elderly aged 65 and above from 2019 to 2030, which is higher than the CAGR of the total population that is expected to be 0.6% from 2019 to 2030. As the Singapore economy continues to expand, disposable income is expected to continue to rise and as family members become more affluent, they are more likely to spend on premium private nursing homes to attain the best quality of care for their elderly.





Source: Industry Report

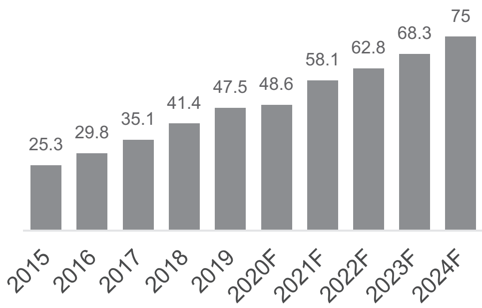
In addition, according to Euromonitor, Singapore has fewer available private nursing home beds per 1,000 elderly aged 65 and above (6.6 beds in 2019 compared to 8.5 beds in 2015). To meet rising demand, the private nursing home industry is expected to provide an estimated 5,577 beds by 2024, representing a CAGR growth of 7.7% from 3,858 beds in 2019. Notwithstanding the addition of new beds by 2024, with the fast pace of growth for population aged 65 and above in Singapore, the availability of private nursing home beds per 1,000 elderly aged 65 and above in Singapore will continue to decline to 5.2 beds in 2024. Hence, we believe that the demand for private nursing home beds will continue to rise and we believe we are well-positioned to scale and expand our operations to capture this demand.

Malaysia

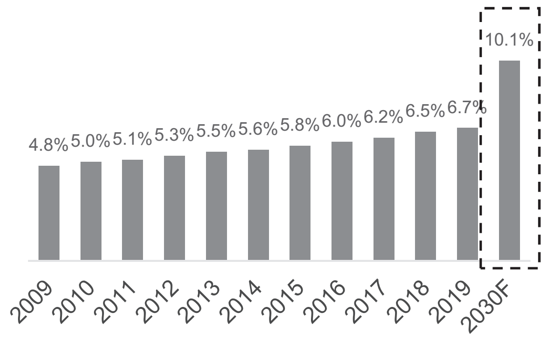
We believe that the outlook for the private nursing home industry in Malaysia remains positive. According to Euromonitor, Malaysia's population is expected to grow at a CAGR of 0.9% from 32.5 million in 2019 to 35.7 million in 2030, while the elderly population aged 65 and above is expected to grow at CAGR of 4.7% from 2.2 million in 2019 to 3.6 million in 2030. This represents a proportion of about 6.7% in 2019 and 10.1% in 2030 to the total population. Revenue receipts of private nursing homes grew at a CAGR of 17.0% between 2015 and 2019, and is expected to experience a CAGR growth of 11.5% from MYR48.6 million in 2020 to MYR75.0 million in 2024, driven by increasing ageing population and number of dual-income families, as well as the expected improvement in the perception of nursing homes in general. As families and elderly become more aware of the service offerings, the benefits of staying in a nursing home and new nursing home concepts, it is expected that the elderly will become more open to the idea of staying in a long-term nursing home. This saw the number of private nursing beds increasing from 539 beds in 2015 to 883 beds in 2019, and it is expected to continue to grow.

According to Euromonitor, the private nursing home industry is expected to have an estimated 1,180 beds by 2024, representing CAGR growth of 6.0% from 2019. Notwithstanding the addition of new beds by 2024, with the expected fast pace of growth for the population aged 65 and above in Malaysia, the availability of private nursing home beds per 1,000 elderly aged 65 and above in Malaysia is expected to only increase slightly to 0.42 beds in 2024 as compared to 0.41 beds in 2019.

Malaysia Private Nursing Home Revenue Receipts (2015 - 2024F) (RM'm)



Malaysia Proportion of Population Aged 65 and Above

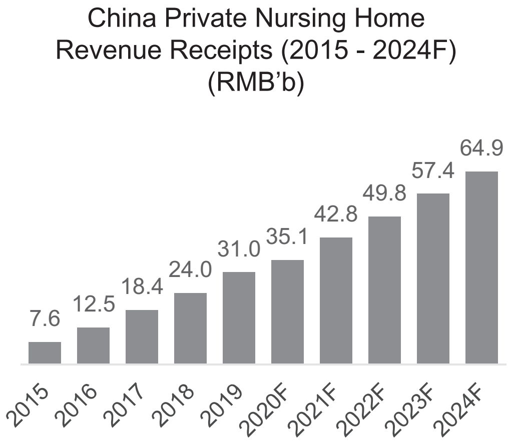


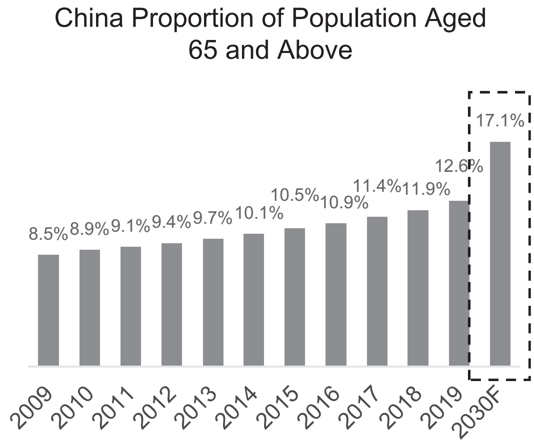
Source: Industry Report

China

According to Euromonitor, China's growing elderly population has been a key driver for the nursing home industry arising from the increasing population of disabled elderly and super senior population. Revenue receipts of private nursing homes in China grew at a CAGR of 42.1% between 2015, when the private nursing home industry was at its infancy in China, and 2019. Going forward, the private nursing home industry is expected to be more mature and to experience a CAGR growth of 16.6% from RMB35.1 billion in 2020 to RMB64.9 billion in 2024. At the end of 2019, there were 176 million people who were aged 65 and above, representing 12.6% of the total population. China's elderly population is expected to increase at a faster pace than other demographic groups. It is projected that by 2030 the number of elderly aged 65 and above will increase to 246 million, up from 176 million in 2019, accounting for 17.1% and 12.6% of the total population respectively. This represents a CAGR growth of 3.1% for the number of elderly aged 65 and above from 2019 to 2030, which is higher than the growth of the total population that is expected to grow from 1,400 million in 2019 to 1,441 million in 2030, representing a CAGR of 0.1% from 2019 to 2030. In addition, by 2020, it is also estimated that China will have more than 42 million disabled elderly and over 29 million aged 80 and above together accounting for 30% of the total ageing population. The increasing population of disabled elderly and elderly aged 80 and above, who may need intensive care in a nursing home, is expected to underpin strong growth of the private nursing home industry from 2020 to 2024.

In addition, the average family size has been shrinking. The average number of people in a household decreased from 4.0 people in 1990 to 3.0 in 2018. This is exacerbated by more than three decades of the one-child policy, which translates to the group aged 65 to 75 years old presently tending to have only one child. This group of elderly requires elderly care services as they do not have the traditionally large family nor many children to depend on. As there are more people living in the urban areas and more dual-income families, modern families prefer to rely on elderly care services such as nursing homes to take care of their ageing parents. In order to address the issue of ageing population, the Chinese Government abolished the one-child policy in 2015. However, the birth rate resumed its downward trend after seeing only a slight increase in 2016, mainly attributable to young couples not having more children due to rising living and childcare costs.





Source: Industry Report

The Centre of Excellence for Eldercare

We believe that the "Econ" brand name is well-recognised and trusted in the private nursing home industry in the markets in which we operate, due to our dedication and commitment as a premium medicare centre and nursing home operator in Singapore and Malaysia. Our strong "Econ" brand which centres on the provision of quality services and assurance has been instrumental in our efforts to expand our operations both locally and overseas. We place a strong emphasis on the delivery of quality care services and all members of our care team go through induction and regular competency training with our in-house training academy and senior nurse educators, to ensure that their skills are enhanced and relevant to provide appropriate and quality care.

We offer an eco-system of care and provide a wide range of services encompassing aspects of eldercare to support families who require (i) residential nursing care with round-the-clock support, (ii) integrated home and day care services to enable ageing-in-place, (iii) community care services such as the senior activity centres, (iv) respite care programmes to support family caregivers who need some relief, and (v) education and training for family caregivers to equip them with the skills to care for their loved ones at home.

Our care model is built upon a resident's care continuum, and provides for the health and medical support, social, psychological and rehabilitation needs of an elderly individual, as well as support for the caregivers. Leveraging both eastern and western medicine philosophies, we aim to harness the optimal rehabilitation and care benefits for our residents through complementing the prescribed western medicine treatments and rehabilitation with TCM. Our medicare centres and nursing homes each house a physiotherapy facility supervised by an in-house physiotherapist as well as in-house TCM practitioners to provide TCM treatments.

Over the years, we believe we have gained the trust of our residents and their families, and are recognised as a leading nursing service provider in Singapore and Malaysia. Many of our customers are generally referred to us by word of mouth through past and existing customers, or external partners such as hospitals. We and our employees have also received many awards and accolades from various government bodies and industry authorities for the services we provide. For instance, our employees received 46 awards from the Silver, Gold and Star award categories at the Singapore Health Quality Service Awards 2020. We were also awarded the Best Geriatric Healthcare Operator Award and the Best Rehabilitation Operator Award at the 5th Asia Pacific Eldercare Innovation Awards in 2017 and were the first in the nursing home industry to be awarded the Singapore Service Class Certification in recognition of our commendable performance in service excellence.

Strong operational know-how and track record of 30 years that can be leveraged on for our expansion across the region

As at the Latest Practicable Date, we operate 10 medicare centres and nursing homes, with total bed capacity of 1,376. With 30 years of operating history in the nursing home industry, we believe we have built up a resilient business model and excellent operational know-how that we can leverage as we expand and grow our business in existing and new markets.

The nursing home industry has high barriers to entry due to comprehensive and stringent regulatory compliance standards, labour shortages and high setup costs and, in the case of Singapore, land scarcity. Please refer to "*Regulatory Environment*" for a summary of certain laws and regulations applicable to our Group, and also to "*Risk Factors – Risks Relating to our Business and Operations - Our business operations are subject to extensive and evolving government laws, regulations, licensing and accreditation requirements, and we could suffer penalties, additional costs and restrictions to our operations if we fail to comply*". Despite the inherent barriers, our extensive operating experience and know-how, and the strength of our brand have allowed us to venture out of Singapore. We established our first medicare centre and nursing home in Malaysia in 2004 and our flagship premium centre in Taman Perling, Johor in 2014. We have also ventured into China with the establishment of our Chongqing Nursing Home which is expected to commence operations in 2021 after receipt of the necessary licences and approvals. Over the years, we have increased our total bed capacity as well as improved our average occupancy rate. As at the Latest Practicable Date, our total bed capacity was 1,376 beds, and for the past three years our average occupancy rate was 87.1% in Singapore and 82.0% in Malaysia. For 6M2021, our average occupancy rate was at 94.1% in Singapore and 75.5% in Malaysia.[5] While our average bed occupancy rate in Malaysia was affected by the outbreak of COVID-19 pandemic, we expect that after the COVID-19 pandemic recedes or stabilises and movement restrictions and safe distancing measures are lifted or lessened and the expected economic recovery, our occupancy rate should gradually recover.

We believe our operational expertise is also exemplified by the steps taken in response to the COVID-19 pandemic. We have taken precautionary measures against the spread of COVID-19 in our medicare centres and nursing homes in line with stringent regulatory requirements, such as frequent cleaning and disinfection of common areas, restricting the number of visitors per day and the duration of visits, ensuring that visitors comply with safe distancing and other guidelines imposed by MOH Singapore and the Ministry of Health of Malaysia, restricting visitors' access only to designated visitation areas, testing new residents transferred from hospitals for COVID-19, isolation of new residents in special isolation wards, ensuring separate zones and split teams for our employees, and strict movement control of our residents and employees. We believe that we have reacted swiftly to the COVID-19 pandemic and have emerged stronger due to our strong operational know-how. There has been an increase in occupancy at our medicare centres and nursing homes in Singapore which we believe may be due to positive perception by the public in recognition of our quality management and the safety measures imposed at our medicare centres and nursing homes.

Our Group's geographical operating network spanning Singapore, Malaysia and China also helps facilitate better operational efficiency of our business, especially in the transfer of industry know-how and the cross-pollination of innovation across our various medicare centres and nursing homes. In Singapore, we participate in various programmes run by the AIC which was set up to coordinate and support efforts in integrating care for the elderly such as being a member of the Community Care Manpower Committee where we represent the community care sector in manpower-related interests as well as participate in identifying key drivers and ideas for productivity improvement in the sector. With seven medicare centres and nursing homes in Singapore and three in Malaysia as at the Latest Practicable Date, we are able to benefit from economies of scale, including our ability to negotiate better terms with our suppliers and enjoy larger purchasing volumes, and to enjoy cost savings arising from the implementation of productivity tools and software across our network of medicare centres and nursing homes.

Secured expansion pipeline for near-term growth

We have a secured pipeline for near-term growth.

Our ECON Medicare Centre and Nursing Home – Puchong in Kuala Lumpur, Malaysia recently commenced operations in December 2020 and our first nursing home in China, Chongqing Nursing Home in Chongqing, China, under the joint venture partnership with Guangda Bailingbang Eldercare Industry is expected to commence operations in 2021 after receipt of the necessary licences and approvals. These two centres have an aggregate bed capacity of 182 beds as at the Latest Practicable

5 Figures as at 30 September 2020 and excludes ECON Medicare Centre and Nursing Home – Puchong which commenced operations after 30 September 2020.

Date. We also intend to establish and/or invest in two additional nursing homes in China, being the Chengdu Nursing Home and the Changshou Nursing Home as described in "*Business – Overview*".

Our ECON Medicare Centre and Nursing Home – Puchong has a bed capacity of 138 beds and is located within walking distance to a light rail transit station and a residential community. Besides nursing care, the centre also offers medical/post-operation management services and rehabilitation services such as orthopaedic and respiratory rehabilitation services. Our ECON Medicare Centre and Nursing Home – Puchong focuses on providing a "home-like privacy" to our residents and our vision is to offer residents "a home away from home" experience when staying at our medicare centre and nursing home. As at the Latest Practicable Date, we have 27 residents in our ECON Medicare Centre and Nursing Home – Puchong and we expect the occupancy rate to gradually increase in due course.

Our Chongqing Nursing Home has a bed capacity of 44 beds and is housed in a 4-storey newly renovated building. It is located in the Jiefangbei area, the central business district of Yuzhong District in Chongqing, China. We have incorporated technology and innovation at this nursing home which has state-of-the-art facilities such as an automated robotic kitchen and intelligent eldercare panel (智慧养老屏幕显示) offering round-the-clock monitoring of the well-being of elderly residents. Our Chongqing Nursing Home has also been awarded as one of the top ten innovation projects in the Yuzhong Free Trade Zone. Our Chongqing Nursing Home is intended to showcase our Group's nursing home standards in China and serves as a model for our Group's future nursing homes in China. Our Chongqing Nursing Home is expected to commence operations in 2021 and we intend to expand the capacity of our Chongqing Nursing Home should there be positive reception and demand for our services in China.

In addition, in Singapore, we have been appointed as an operator under the BOL Scheme for two upcoming nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson, which is expected to be operational in the second half of 2022, and ECON Medicare Centre and Nursing Home – Jurong East, which is expected to be operational in 2025. It is presently estimated that ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East will have an indicative bed capacity of up to 236 and up to 732 beds, respectively.

We believe the full operation of our ECON Medicare Centre and Nursing Home – Puchong and Chongqing Nursing Home, as well as the future completion and operation of ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East, will contribute significantly to our revenue and income in the future.

Strong management team supported by experienced founder, Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh

We believe our track record of successful growth is a testament to the experience and commitment of our management team, led by our experienced founder, Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh.

Mr Ong Chu Poh has been recognised for his commitment in community services. He has received the Public Service Medal (PBM – Pingkat Batkti Masyarakat) conferred by the Prime Minister's Office of the Republic of Singapore for his dedication to serving the community and for his volunteer works, the Public Service Star (BBM – Bintang Bakti Masyarakat) conferred by the Prime Minister's Office of the Republic of Singapore for his contributions to the community and the Entrepreneur of The Year Award granted by Rotary-ASME in 2002. Mr Ong Chu Poh established his first nursing home in 1987 and under his leadership and vision, we have grown to offer a comprehensive eco-system of care services and have expanded to Malaysia and China.

Mr Ong Chu Poh is supported by our Executive Director and Deputy Chief Executive Officer, Singapore, Ms Ong Hui Ming, who has been with our Group for 14 years, our Group Chief Financial Officer, Ms Kang Shwu Huey, who has more than 15 years of experience in financial management and audit and our Head, Development, Dr Ong Xin De, who oversees strategic development, growth, technology and innovation of our Group. Our key management team is also supported by an experienced operational team that has essential on-the-ground knowledge and experience of the day-to-day management of our business and operations.

BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategy and future plans are as follows:

Asset-light strategy to scale up future expansion

Our strategy is to utilise an asset-light business model to generate high investment returns, with a focus on efficiently deploying and optimising the use of capital and reducing our capital expenditure. We seek to achieve this through leasing premises at locations that are appropriate to be used as medicare centres and nursing homes, and entering into lease agreements to operate such facilities at these locations. Further, we also seek to partner with landowners whereby such landowners will build and bear the costs of constructing new medicare centres and nursing homes while we are to operate such facilities. Currently, other than ECON Medicare Centre and Nursing Home – Taman Perling, we do not own the land on which our medicare centres and nursing homes are located. Instead, we lease the premises from the respective landlords for such duration as set out in *"– Properties*".

Further, we are the operator under the BOL Scheme for ECON Medicare Centre and Nursing Home – Yio Chu Kang and have been appointed as the operator for the upcoming ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East, which are expected to be operational in the second half of 2022 and in 2025, respectively. Under the BOL Scheme, all development and construction cost of the buildings are borne by MOH Singapore and not by us, and we only bear the costs of procuring the furniture, fixtures and equipment components for the initial set up (save for the costs of certain approved items which are reimbursed by MOH Singapore) and operation of such medicare centres and nursing homes.

Expand our business operations organically and through, among others, investments, merger and acquisitions, joint ventures and/or strategic collaborations

We intend to increase the pace of our expansion either through organic growth or through investments, mergers and acquisitions, joint ventures and/or strategic collaborations with parties who can provide synergistic value to our business.

Through such investments, merger and acquisitions, joint ventures and/or strategic collaborations, we aim to strengthen our market position, enhance our service offerings and/or expand into new areas and geographies that are complementary to our existing business. For merger and acquisition targets, we seek to identify those with potential to integrate or co-operate with our existing network of medicare centres and nursing homes.

We will carefully consider any such opportunities and undertake a comprehensive review and evaluation to determine whether such transactions will benefit our business before entering into any such transaction. Key factors that our Group will take into consideration when assessing such opportunities include, among others, return on investments, expected market demand and commercial viability. See also "*Management and Corporate Governance – Corporate Governance – Investment Process*".

As described in "*Use of Proceeds*", we intend to use part of our proceeds from the Offering to fund our expansion plans in Singapore and overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments.

Singapore

According to Euromonitor, Singapore's approach to long-term care focuses on home and community-based care and is nested within an overarching Action Plan for Successful Ageing. It aims to build "A Nation for All Ages" which is focused on three key pillars. At the individual level, it aims to help Singaporeans live long, live well and age confidently. At the community level, it aims to build a cohesive society with inter-generational harmony. Lastly, at the city level, it aims to build an age-friendly city that enables seniors to live actively and "age-in-place" confidently. According to Euromonitor, the BOL Scheme is a key strategy of the Singapore Government to increase nursing home bed capacity, where the Singapore Government bears the development costs and tenders the operating rights to both private and VWO operators. Operators are evaluated based on their quality and fee proposals. We were the first private operator to be appointed by MOH Singapore under the BOL Scheme to manage our ECON Medicare Centre and Nursing Home – Yio Chu Kang in 2011 and we have also been appointed as operator for two upcoming nursing homes, namely ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East. We intend to continue to participate in tenders for such BOL opportunities as well as in areas where there are synergies with our existing business in the senior-care industry.

Malaysia

Given our market leading position by revenue receipts in Malaysia, we intend to continue to build on our strength to serve the continued strong growth opportunities in Malaysia due to the market's attractive demand and supply dynamics and competition landscape.

As Malaysia has a larger geographical landscape than Singapore, we believe there would be more opportunities to source for attractive strategic locations for medicare centres and nursing homes in Malaysia. According to Euromonitor, the high costs of private nursing homes in Singapore have driven more Singaporean families to consider private nursing homes in Johor Bahru, Malaysia. We have Singaporean residents who have chosen to stay at our ECON Medicare Centre and Nursing Home – Taman Perling.

According to Euromonitor, the competition landscape in Malaysia is very fragmented and consists of a large number of unlicensed operators (more than 1,000 unlicensed nursing homes) with varying degrees of quality. The PAHFS Act was gazetted on 29 March 2018 and it is expected to come into force in the near future. The PAHFS Act is intended to provide a more holistic regulatory environment for elderly care in Malaysia and ensure that all private healthcare centres and services are licensed and regulated. This will be the first time a specific law has been introduced to regulate and protect the standards of care for the elderly in Malaysia. Under the PAHFS Act, any person providing private aged healthcare facilities and services to four or more aged persons will require an operating licence from the Director General of the Ministry of Health of Malaysia. Our medicare centres and nursing homes in Malaysia, being licensed private nursing homes under the Private Healthcare Facilities Act, are not required to comply with the PAHFS Act. With a more stringent regulatory landscape, rising income and continued economic development, we believe that there would be increased demand for our medicare centres and nursing homes which we believe are of best in class services and facilities. We believe that this will appeal to a more premium clientele from the Southeast Asia region. Our ECON Medicare Centre and Nursing Home – Puchong in Puchong, Kuala Lumpur, which has a bed capacity of 138 beds, recently commenced operations in December 2020. According to Euromonitor, Malaysia has been selected as one of the top 10 retirement destinations in the world with higher-end retirement communities expected to enjoy strong growth in the next decade. We may also explore opportunities with potential partners such as developers and investors to develop a land plot that we own in Cheras, Malaysia that is located next to a mass rapid transit station, into a senior care hub which may consist of assisted living homes as well as a holistic range of eldercare services such as geriatrics specialist clinics, a pharmacy and active ageing facilities.

China

In respect of our operations in China, we believe that the socioeconomic climate coupled with maturing policies and bilateral government ties between China and Singapore will lead to increased opportunities for us to establish a stronger presence in China not just in Chongqing, China, but also in other cities in China.

According to Euromonitor, to cope with the ageing population, the Chinese Government has been pushing to develop the nursing home industry and promoting the establishment of more nursing and retirement homes as well as raising subsidies for private nursing homes. The Chinese Government has also proposed a series of measures to encourage private capital to invest in the industry. According to Euromonitor, to further encourage foreign capital investment in the nursing home industry in China, the State Council mentioned in the Directional Guideline for the Promotion of the Elderly Care Service Development in 2019 that foreign capital should enjoy the same subsidies as local capital in the nursing home industry. In particular, the Chongqing Government introduced the Chongqing Community/In-home Elderly Care Services Full Coverage Implementation Plan in November 2019 with the objective of increasing the number of private elderly care institutions by another 100 by 2022. According to Euromonitor, Chongqing is the sixth most ageing city in China in 2019 with its elderly population aged 65 and above having reached 4.67 million people in 2019. This represents 15.0% of the total population of the city, and is higher than the national average of 12.6%. It is expected that the total revenue receipts by the private nursing homes in Chongqing will grow at a CAGR of 18.6% between 2020 to 2024, mainly driven by rising demand for nursing care in the city.

Leveraging our established premium brand name, we believe that we are the only operator among the leading Singapore-based private nursing home operators which has entered China's eldercare industry and established working relationships with relevant government ministries and state-owned enterprises and private operators. Our Group has provided, and will continue to explore opportunities to provide, healthcare and eldercare training services to healthcare professionals in China. In 2018, our Group entered into a memorandum of understanding with Chongqing Civil Affairs Bureau to collaborate on the operation management, medical care and nursing, planning and design, and educational training, relating to eldercare services in Chongqing, China and became the first eldercare provider under the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity. We believe that the aforementioned platforms offer many potential entry points for us to collaborate with one or more local operators to establish joint venture opportunities in China.

Leveraging the above and the inter-government China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity, we have also entered into and/or are in advanced discussions to enter into joint ventures with local partners. We believe that joint ventures with established partners will allow our Group to be well positioned to quickly penetrate the growing eldercare industry in China. Such joint ventures are expected to further provide opportunities for our Group to collaborate with other local operators in China and allow our Group to provide eldercare services in China.

We have also entered into a joint venture, Sichuan Guangda Bailingbang Yikang, with Guangda Bailingbang Eldercare Industry and two other local partners. It is intended that Sichuan Guangda Bailingbang Yikang will lease and operate the proposed Chengdu Nursing Home, a new nursing home to be established in the vicinity of Chengdu, China with an expected bed capacity of 400 beds. As a minority passive investor in Sichuan Guangda Bailingbang Yikang, we will not be involved in the day-to-day operations and management of the Chengdu Nursing Home. We also intend to enter into the Changshou Shareholders Agreement with Guangda Bailingbang Eldercare Industry and one other local partner to establish another joint venture, being Changshou Yikang Bailingbangyanjia (which, as at the date of lodgement of this Offer Document, has not been incorporated) to establish and operate the Changshou Nursing Home, our proposed second nursing home in Chongqing, China which is expected to have a bed capacity of 280 beds.

The target is for the Chengdu Nursing Home and the Changshou Nursing Home to commence operations by 2022, assuming that commercial agreement is reached and the necessary licences and approvals are obtained. Our vision is to expand our total bed capacity in our medicare centres and nursing homes in China to approximately 2,000 beds by 2025.

Enhance productivity through human capital investment, and technology and innovations

Developing human capital

Being in the business of caring for elderly, human capital is a core component of our business. Growing and nurturing a highly motivated and efficient workforce and developing our talent pool is critical to our Group achieving successful growth and operations in the region.

With the strength of our human capital in Singapore, and strong growth prospects for our overseas markets, we expect to step up our efforts in the area of human capital. To serve our growing regional customer base, we intend to sustainably scale our base of care staff, supervisory and management team.

We intend to grow our training arm and focus on enhancing our learning culture by reinforcing and building stronger talent management practices focusing on the development of our people. We also intend to promote workplace-based learning through structured approaches to develop technical and leadership competencies. Apart from conventional training, work-learn initiatives encompassing on-the-job training and self-managed training will form part of the strategies to develop the skills of our employees. These efforts can also be optimised and leveraged to offer training consultancy and programmes to other care organisations in the countries in which we operate.

We intend to also build upon our culture of excellence and enhance our employee engagement programmes. We believe these strategies will enable us to deliver consistent high quality services across our growing regional business.

Proactively embrace technologies to improve our service delivery and operating efficiencies

Innovation is at the heart of ECON's care model. We constantly innovate, deploy and integrate suitable technologies to enable quality care delivery. Our innovations seek to increase quality assurance, productivity and holistic care in our medicare centres and nursing homes. See "– *Research and Development, Innovation and Technology*" for more details of the innovative initiatives which we have implemented in our medicare centres and nursing homes.

We believe that our residents can be increasingly assured of the quality of ECON's services as we increase our rate of digitisation to build a foundation for our digital data strategy. We invest in indoor positioning technology (i.e. RFID) integrated with fall detection and reduction solutions to improve efficiencies in patient care as well as manage and account for the care our residents would receive. We invest in technology to help with certain care tasks, where technology analyses data, locates and monitors our residents, and accordingly enables our staff to focus on care delivery for our residents, which in turn reinforces the trust that our customers place in us.

Our digital and technology investment strategy aims to scale our service quality across our new and existing medicare centres and nursing homes. Our digitisation efforts seek to reduce time that our care professionals spend on routine administration tasks so that they can focus more on care delivery to residents. We plan to implement various initiatives such as an e-learning platform to enable the continued competency and know-how development of our staff, piloting the use of autonomous mobile robots to reduce laborious logistical tasks such as the transportation of food and linen carts and automations like robotics in meal preparations in our larger medicare centres and nursing homes. Together, these innovations make personalisation possible in residential care.

Leveraging our established foundation in residential care, our Group also plans to invest in systems to integrate care delivery across the residential, day care, and home care settings. The integrated systems will allow seamless care transitions and integration of care with other community care partners. We intend to introduce a customer care management platform to enable ageing-in-place and increase quality of care for the elderly, allowing family members of our customers to be more involved in the care of their loved ones where they can access updates and information.

We constantly explore the adoption of technology built by start-ups or established companies in areas such as rehabilitation, bed-side management, medication management, and fall prevention and detection. Our Group intends to work with promising start-ups in the future to build a senior care launchpad to enable such companies involved in the business of elderly care to grow regionally with us.

Upgrading of our existing facilities

As we always aim to offer quality services to our residents, we plan to upgrade some of our existing facilities and equipment used at our medicare centres and nursing homes to improve our service environment, such as implementing innovative technologies to increase our service quality and productivity to provide a holistic care, as outlined in "– *Proactively embrace technologies to improve our service delivery and operating efficiencies*".

As described in "*Use of Proceeds*", we intend to use part of our proceeds from the Offering to upgrade existing medicare centres and nursing homes, and other facilities, including equipment and IT infrastructure.

OUR OPERATIONS

Our operations have two key business segments as described below:

Medicare Centres and Nursing Homes

Existing Medicare Centres and Nursing Homes

As at the Latest Practicable Date, we operate 10 medicare centres and nursing homes in Singapore, Malaysia and China, with a total bed capacity of 1,376. Our average bed occupancy rates of our medicare centres and nursing homes was 94.1% in Singapore and 75.5% in Malaysia for 6M2021. As at 31 March 2020 and 30 September 2020, our bed capacities in Singapore and Malaysia were 855 beds and 383 beds respectively, aggregating 1,238 beds.[6] Our ECON Medicare Centre and Nursing Home – Puchong in Malaysia recently commenced operations in December 2020 and our Chongqing Nursing Home in China was recently established, with a bed capacity of 138 beds and 44 beds respectively. Further details of our medicare centres and nursing homes are set out below:

Name	Address
Singapore	
ECON Medicare Centre and Nursing Home – Upper East Coast	452 Upper East Coast Road

[6] Figures as at 30 September 2020 and excludes ECON Medicare Centre and Nursing Home – Puchong which commenced operations after September 2020.

Name	Address
ECON Medicare Centre and Nursing Home – Braddell	58 Braddell Road
ECON Medicare Centre and Nursing Home – Choa Chu Kang	53 Choa Chu Kang Road
ECON Medicare Centre and Nursing Home – Chai Chee	351 Chai Chee Street #03-01 & #04-01
ECON Medicare Centre and Nursing Home – Buangkok View Block 9[(1)]	10 Buangkok View, Block 9, Level 2
ECON Medicare Centre and Nursing Home – Recreation Road	25 Recreation Road
ECON Medicare Centre and Nursing Home – Yio Chu Kang	451 Yio Chu Kang Road
ECON Medicare Centre and Nursing Home – Buangkok View Block 5[(1)]	10 Buangkok View, Block 5, Level 1 & 2
Malaysia	
ECON Medicare Centre and Nursing Home – Pudu	3rd, 4th, 5th, 6th and 7th Floor, Chinese Maternity Hospital, 106, Jalan Pudu, 55100 Kuala Lumpur
ECON Medicare Centre and Nursing Home – Taman Perling	No.1, Jalan Camar 3, Taman Perling, 81200 Johor Bahru, Johor
ECON Medicare Centre and Nursing Home – Puchong	Lot No. 1, 2 & 3, Jalan TPP 1/4, Taman Perindustrian Puchong, Batu 12, Jalan Puchong, 47160 Puchong, Selangor Darul Ehsan
China	
Chongqing Nursing Home (pending commencement of operations)	No. 8, Jiuchi Kan of Cangbai Road, Yuzhong District, Chongqing, China (重庆渝中区解放碑九尺坎8号)

Note:

(1) As our ECON Medicare Centre and Nursing Home – Buangkok View Block 5 and ECON Medicare Centre and Nursing Home – Buangkok View Block 9 operate under the same operating licence, the number of medicare centres and nursing homes which we operate as at the Latest Practicable Date accounts for ECON Medicare Centre and Nursing Home – Buangkok View Block 5 and ECON Medicare Centre and Nursing Home – Buangkok View Block 9 as one medicare centre and nursing home.

Upcoming Medicare Centres and Nursing Homes

In Singapore, we have been appointed as an operator under the BOL Scheme for two upcoming nursing homes, namely, ECON Medicare Centre and Nursing Home – Henderson, which is expected to be operational in the second half of 2022, and ECON Medicare Centre and Nursing Home – Jurong East, which is expected to be operational in 2025. It is presently estimated that ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East will have an indicative bed capacity of up to 236 and up to 732 beds, respectively. Our total bed capacity is estimated to be 2,388 by 2025[7]. Further details of ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East are set out below:

Name	Address
Singapore	
ECON Medicare Centre and Nursing Home – Henderson	100 Henderson Road
ECON Medicare Centre and Nursing Home – Jurong East	200 Jurong East Avenue 1

As described in "*Business – Overview*", our associated company Sichuan Guangda Bailingbang Yikang intends to lease and operate the proposed Chengdu Nursing Home. We will not be involved in the day-to-day operations and management of the proposed Chengdu Nursing Home. We also intend to enter into a joint venture to lease, establish and operate the proposed Changshou Nursing Home, which is expected on establishment and commencement of operations to be our second nursing home

[7] Excludes the proposed Chengdu Nursing Home and proposed Changshou Nursing Home which have not been established.

in Chongqing, China. The target is for such nursing homes to commence operations by 2022, assuming that commercial agreement is reached and the necessary licences and approvals are obtained.

We believe our medicare centres and nursing homes serve as places of restoration for our residents. We provide the following services in our medicare centres and nursing homes:

(a) *Residential nursing care services*

A care team comprising of a medical doctor, rehabilitation therapist and nursing care staff manages the care for each resident. Care is delivered according to a detailed care plan specifically designed and tailored according to the resident's needs. Such care plan sets out the daily routine for each resident and encompasses areas such as medical, dietary, physical and psycho-social care requirements. Our services include long and short term care for our residents, which may include stroke management, dementia care, chronic disease management and post-surgery care. Our care staff comprise of registered nurses, enrolled nurses and care support staff. Our care staff assist residents in all areas of personal care, hygiene, physical and psycho-social well-being. Care services also includes the monitoring of clinical vital signs, blood pressure, glucose level, wound care and administering of medication. We are required to comply with the requirements and guidelines on the ratio of care staff to residents as prescribed by the regulatory authorities in each jurisdiction that we operate in.

(b) *Rehabilitation services and TCM services*

Rehabilitation services such as physiotherapy and occupational therapy are offered in each of our medicare centres and nursing homes. Physiotherapy aims to improve the mobility and strength of residents to restore and/or optimise their physical functions; while occupational therapy aims to help residents live more independently where possible, perform their roles and tasks in daily living. We also offer geriatric rehabilitation services such as neurological and dementia rehabilitation and musculoskeletal therapy. Together, the rehabilitation team will develop a therapy plan to support the resident in achieving their rehabilitation goal and optimise their physical well-being. Such rehabilitation services may be carried out post-surgery or after the occurrence of a stroke to aid recovery of our residents. The rehabilitation team comprise of registered physiotherapist, occupational therapist as well as therapy aides and assistants.

In relation to our TCM services, we complement western medicine treatments with eastern medicine philosophies to enhance the overall rehabilitation and wellness journey for our residents. We believe that our east-west approach to rehabilitation will enhance the desired outcomes for residents and ensure that they are in optimal health and well-being and this constitutes a unique offering in our medicare centres and nursing homes.

TCM therapy such as acupuncture, cupping, therapeutic massage are complemented with the rehabilitation plan of each resident to aid in among others, pain management, geriatrics, neurology, respiratory and other general health conditions as well as general well-being of our residents. These TCM services are provided by our experienced in-house TCM practitioners who are accredited by the Singapore Traditional Chinese Medicine Practitioners Board. The treatment plan is tailored to each resident's specific needs after consultation and assessment by the TCM physician, which may also include recommendations to include suitable health tonics and herbs to the diet. All meals offered in our medicare centres and nursing homes are dietician-approved and only therapies permitted by the relevant authorities are provided in our medicare centres and nursing homes.

(c) *Clinical services*

General practitioner doctors provide medical consultation and review for our residents to ensure that their health is well managed. Such clinical services include medical assessment on admission, prescription of medical care, regular medical review and prescription of medications. Where required, the doctor will participate in case reviews and family conferences to discuss medical care plans for residents.

(d) *Integrated home and day care packages*

Our IHDC packages provide day and home care services to eligible persons to support their care in the community. Such eligible persons are identified pursuant to means-testing by MOH

Singapore and may receive up to 80% in subsidies under this programme. Any subsidies granted to such eligible persons are funded by AIC, which oversees the development and management of the IHDC programme, including the administration of the IHDC grant from MOH Singapore. Our ECON Medicare Centre and Nursing Home – Yio Chu Kang, ECON Medicare Centre and Nursing Home – Choa Chu Kang and our senior activity centre at Seng Kang ECONLIFE! Hub offer integrated home and day care services under this programme. We have a team of professionals comprising nurses, therapists and social workers who will devise a care plan for each person. The services offered under such IHDC package include, where applicable, cognitive programmes for mental health, nursing and care support services, home care services, social support and recreational activities for individual well-being, stroke and dementia care, transportation between the centres and the person's home, physiotherapy and occupational therapy and meals.

(e) *Home care services*

As part of our discharge planning, residents of our medicare centres and nursing homes who have recovered and/or improved after a period of rehabilitation and care have access to our home care services after they are discharged for continued care at home. The scope of home care services includes home safety assessment, chronic disease and wound management, home personal care, nursing care such as skilled nursing procedures as well as rehabilitation such as physiotherapy and occupational therapy.

Our care model is built upon a resident's care continuum, and provides for the health and medical support, social, psychological and rehabilitation needs of an elderly individual, as well as support for the caregivers. Leveraging both eastern and western medicine philosophies, we aim to harness the optimal rehabilitation and care benefits through complementing prescribed western medicine treatments and rehabilitation with TCM.

Further, we endeavour to provide a comfortable environment for our residents and we believe that our medicare centres and nursing homes are spacious, well-ventilated and clean, with facilities that take into account the diverse needs of our residents.

Our medicare centres and nursing homes cater for at least three daily meals and two tea breaks for our residents, including specially prepared therapeutic blended diets for residents with dysphagia. As we have in-house kitchens in each of our medicare centres and nursing homes, we are able to cater to the needs of the residents who may have specific dietary requirements, such as those who are diabetic, vegetarian or on liquid diets. In addition, we freshly prepare all the meals in the in-house kitchen in each of our medicare centres and nursing homes so that meals are served fresh and hot to our residents. All meals are also reviewed and approved by a dietician. We strive to provide balanced and healthy meals (including the use of tonic foods recommended by our TCM practitioners) to ensure that all our residents are adequately nourished.

We also organise social and therapeutic activities such as gardening, calligraphy and brain gym to promote physical and mental health of our residents.

For FY2020 and 6M2021, our aggregate revenue and operating subvention grants generated from the operations of medicare centres and nursing homes were S$35.2 million and S$18.0 million respectively, representing 94.4% and 96.6% respectively of our aggregate revenue and operating subvention grants.

Other Operations and Ancillary Services

As at the Latest Practicable Date, we provide a holistic suite of eldercare services, such as healthcare training services and TCM services. We also operate senior activity centres in Singapore, as described further below:

(a) *Provision of training services*

We operate a training centre in Singapore, known as the ECON Careskill Training Centre. It was established in 2004 and provides in-house training for our care staff, as well as healthcare related training for external parties such as professional and family caregivers. This training centre is accredited by the Institute of Technical Education ("**ITE**") to design and deliver courses that are practical and relevant for nursing and healthcare professionals. Drawing from our experience in the management of nursing homes, we have developed an exclusive programme on effective nursing home management. We been appointed by certain local governments in China to provide nursing home management training on an ad-hoc basis to their various stakeholders and we have trained personnel sent by such local governments to our ECON Careskill Training Centre. In 2010, we were invited by the Provincial Civil Affairs Bureau in, among others, Changzhou City and Wuxi, China to conduct a course in "Effective Management Training for Aged Care Organisations" to more than 300 senior management staff. The course module include training in Leadership, Operations Management, Financial Management, Human Resources and Quality Control. We have also in the past signed a memorandum of understanding with the Chongqing Civil Affairs Bureau for collaboration in among others, the educational training in relation to eldercare services in Chongqing, China. Our Group will continue to explore opportunities to provide eldercare training services to healthcare professionals in China.

The courses provided by ECON Careskill Training Centre are as follows:

- Healthcare Assistant Course
- Effective Nursing Home Management
- ITE Skills Certificate in Healthcare (Home Care)
- Basic Cardiac Life Support Programme
- Caregivers Training Programme
- Fundamentals of Nursing
- Customised Curriculum for Professional Development

We hold various accreditations, such as the certified on-job training centre for ITE to conduct the ITE Skills Certificate in Healthcare Training (Home Care) Programme and the accredited training centre for our Basic Cardiac Life Support Programme by the National Resuscitation Council where we train and certify our nurses and individuals with basic cardiac life support, automated external defibrillator and cardiopulmonary resuscitation life-saving skills. We are also an approved training provider for the Caregivers Training Grant Programme by AIC, which conducts caregivers training for the public to equip family caregivers with the necessary skills to support ageing-in-place for their senior family members.

In Malaysia, we also provide in-house training for our care staff, as well as healthcare related training for external parties, at our ECON Medicare Centre and Nursing Home – Taman Perling and ECON Medicare Centre and Nursing Home – Puchong.

(b) *Operation of clinics offering TCM services*

We first offered TCM services in 1991 in our medicare centres and nursing homes to enhance the overall rehabilitation and wellness journey for our residents by complementing western medicine treatments with eastern medicine philosophies. We believe that the east-west approach to rehabilitation is a unique offering in our medicare centres and nursing homes. In 2005, we established our first clinic in Singapore offering TCM services to the public. As at the Latest Practicable Date, our Group operates three TCM clinics in Singapore at the following premises:

Clinics	Location
Econ Chinese Medicine	Block 150 Bishan Street 11 #01-135 Singapore 570150
ECONLIFE! Hub –Yung Kuang[(1)]	175B Yung Kuang Rd #01-27 Singapore 612175
Econ Chinese Medicine & Acupuncture Centre	Block 3 Lorong Lew Lian #01-62 Singapore 531003

Note:

(1) As described in "– *Operation of senior activity centres*" below, we will cease the provision of TCM services at our ECONLife! Hub in Yung Kuang from 15 April 2022 to 31 March 2023.

Our team of certified TCM physicians is accredited by the Singapore TCM Practitioners Board and we offer both preventive and treatment services at our clinics. In addition, we offer home consultation for customers who prefer to receive treatment in the comfort of their own homes. The services offered at these clinics include, among others, acupuncture, cupping therapy, moxibustion, scrapping therapy, meridian energy health analysis and *tui na* (a form of Chinese message therapy).

(c) *Operation of senior activity centres*

In line with our commitment to give back to the community, we operate four senior activity centres in Singapore branded as ECONLIFE! Hub (previously known as ECON Health and Wellness Centre) ("**ECONLIFE! Hubs**"). We are the first private organisation to be appointed by the Ministry of Social and Family Development of Singapore to manage senior activity centres in Singapore, which is now under the purview of MOH Singapore. The management philosophy for our ECONLIFE! Hubs is to be "with the community", "in the community" and "for the community". Through these centres, we aim to promote active ageing, support ageing-in-place and strengthen community bonds with the seniors. Our philosophy is for seniors to age well in, and with, the community. The ECONLIFE! Hubs serve as a one-stop resource centre for the senior community and their families where we provide free information and medical referral services. In addition, at these centres, we organise community outreach programmes such as educational health workshops and seminars, fitness exercises, dance and wellness activities, handicraft, life skill workshops, movie and drama screenings, brain gym, board games and regular community outings or parties for seniors for a nominal fee and offer services such as a recreation lounge, reading corner, internet browsing corner and a fitness corner. We also offer healthcare services such as TCM and rehabilitation services at selected ECONLife! Hubs. Such services are charged at rates which are comparable to other clinics offering similar services, with preferential rates provided to members of our ECONLIFE! Hubs. The list of our ECONLIFE! Hubs and the healthcare services they provide are set out below.

ECONLIFE! Hub	Location	TCM	Physiotherapy
Bishan[8]	Block 152B Bishan Street 11 #01-271 Singapore 572152	-	✓
Yung Kuang	Block 175B Yung Kuang Road #01-27 Singapore 612175	✓	-
Bedok	Block 609A Bedok Reservoir Road #01-1700 Singapore 471609	-	-
Seng Kang	327A Anchorvale Road #01-344 Singapore 541327	-	-

We have been extended the Eldercare Centre Baseline Service (Transition Grant) by MOH Singapore for 1 February 2021 to 31 March 2023 for our ECONLife! Hubs in Yung Kuang, Bedok and Seng Kang. The aim of and services we provide at our ECONLife! Hubs are in line with the objective of the grant programme, being to, among other things, promote social inclusion of vulnerable seniors within the centre's service cluster and to organise social and recreational programmes to encourage seniors to stay active and facilitate community participation.

For the duration of the funding period, we are to cease carrying out for-profit activities from 15 April 2022 (in the case of Yung Kuang), 30 September 2022 (in the case of Bedok) and 1 April 2022 (in the case of Seng Kang) until the end of the funding period. Accordingly, we will cease the provision of TCM services at our ECONLife! Hub in Yung Kuang for such period while continuing to provide the rest of the services while we currently provide at such ECONLife! Hub. We may continue to provide IHDC services at our ECONLife! Hub in Seng Kang as described in "– *Integrated home and day care packages*" above.

8 Our ECONLIFE! Hub at Bishan will cease operations from May 2021.

For FY2020 and 6M2021, the revenue generated from our other ancillary services was S$2.1 million and S$0.6 million respectively, representing 5.6% and 3.4% respectively of our aggregate revenue and operating subvention grants.

Admission Process / Functional Categorisation of Residents

Each resident will be required to enter into an admission contract with our Group (the "**Admission Contract**") prior to admission to our medicare centres and nursing homes. There is no fixed term of stay under the Admission Contract, and our residents typically stay for about two years. The amount of fees payable depends on the location of our medicare centres and nursing homes, the duration of stay, the functional categories of residents as described below and the room types chosen by residents.

For long-term stay (minimum of one month), the typical monthly rates payable by residents (prior to any form of subsidies which they may be entitled to receive) admitted to our medicare centres and nursing homes in (i) Singapore range from around S$2,260 to around S$6,215, (ii) Malaysia range from around MYR1,950 to around MYR6,600 and (iii) China range from around RMB5,100 to around RMB15,600.

For short-term stay (less than one month), the typical daily rates payable by residents (prior to any form of subsidies which they may be entitled to receive) admitted to our medicare centres and nursing homes in (i) Singapore range from around S$120 to around S$275, (ii) Malaysia range from around MYR91 to around MYR 233 and (iii) China range from around RMB180 to around RMB280.

Pursuant to the terms of the Admission Contract, each resident is required to undergo a medical examination and will be assessed on his physical, psychological, emotional and social needs, and classified into one of the following functional categories:

(a) *Category I*

Physically and mentally independent – These residents may or may not use walking aids but do not require or require minimal assistance in activities of daily living.

(b) *Category II*

Semi-ambulant – These residents require some physical assistance and supervision in activities of daily living.

(c) *Category III*

Wheelchair bound or bedridden – These residents may have dementia and require assistance in activities of daily living and supervision most of the time.

(d) *Category IV*

Highly dependent – These residents require total assistance and supervision for every aspect of activities of daily living.

Our Group will not admit a person who requires hospitalisation and will transfer any of our residents whose condition deteriorates such that they require specialised medical attention to a hospital.

Based on the results of the medical assessment and the classification of the resident, a detailed care plan will be specifically designed and nursing care is provided to the resident according to each individual care plan. Taking into account feedback from our nursing staff, each resident's response to care is assessed and reviewed by the manager of the medicare centre and nursing home on a regular basis to determine the suitability and effectiveness of the care plan. If necessary, the care plans may also be revised based on the recommendations of our appointed medical doctor.

Portable Subsidy Scheme

In Singapore, our residents are assessed under MOH Singapore's means-testing framework to ascertain if they qualify for subsidies (and the qualified amount) for intermediate to long-term care services under the Portable Subsidy Scheme. Any subsidies granted to residents will be payable by MOH Singapore directly to us. For more information on the Portable Subsidy Scheme, see "*Nursing Homes in Singapore – Market Overview – Subsidies for local citizens and permanent residents improve accessibility of long-term care for the needy*" in the Industry Report. Under the Portable Subsidy Scheme, we are required to allocate a certain number of beds for subsidised patients.

BOL Scheme

Under the BOL Scheme, MOH Singapore will build and pay for the capital cost of developing new aged care facilities, and will appoint operators who can provide affordable and quality care to run such facilities by way of tender.

Generally, participants in a BOL tender have to be duly licensed and are required to submit a fee proposal and quality proposal, and are assessed based on criteria such as financial viability to sustain operations, service track record, proposed philosophy and model of care, qualifications and experience of their management team and care staff and manpower resourcing. An operator appointed under the BOL Scheme has key performance indicator targets relating to matters such as bed occupancy rate and timely processing of referrals of subsidised patients and is also required to provide the services as agreed in the terms of its appointment, including setting aside a specified percentage of the licensed bed capacity in the relevant nursing home for subsidised residents and adhering to the agreed fee schedule.

Generally, MOH Singapore leases the facilities to appointed operators for three years. There is an option to extend the lease for a period of three years upon the expiry of the initial term and an option to extend the lease for a further period of three years thereafter. The aim of the BOL Scheme is to reduce the capital commitment needed by, and lower the barriers to entry for, nursing home operators. Operators appointed under the BOL Scheme, whether private operators or VWOs, receive operating grants to serve subsidised patients, subject to the operators meeting the service requirements under the tender, which includes setting aside a specified number of licensed bed capacity for subsidised residents. MOH Singapore will determine the amount of subvention granted to each subsidised resident. Accordingly, the rates which we may charge subsidised patients are prescribed by MOH Singapore.

We were first appointed as an operator under the BOL Scheme for ECON Medicare Centre and Nursing Home – Yio Chu Kang in 2011 and were last re-appointed for the period from 1 January 2020 for a term of three years with options by MOH Singapore to extend for three years upon its expiry and another three years thereafter. Further, we have been appointed as an operator under the BOL Scheme for the upcoming ECON Medicare Centre and Nursing Home – Henderson and ECON Medicare Centre and Nursing Home – Jurong East. ECON Medicare Centre and Nursing Home – Henderson is expected to be operational in the second half of 2022 and ECON Medicare Centre and Nursing Home – Jurong East is expected to be operational in 2025.

QUALITY ASSURANCE

Maintaining the highest standards of quality and care at our medicare centres and nursing homes is imperative to the success of our business. Our nursing department conducts regular audits to ensure quality standards and practices are adhered to and to identify areas for improvement. Our team also continuously updates our quality indicators, in addition to adherence to the Enhanced Nursing Home Standard Guidelines issued by MOH Singapore and guidelines issued by the Ministry of Health of Malaysia. Such quality indications includes (i) incidence of falls, (ii) medication errors, (iii) pressure ulcers acquired at nursing homes and (iv) infections acquired at nursing homes. These quality indicators are measured monthly to ensure residents receive high quality of care. In addition, we adopt an incident reporting protocol whereby each incident has to be reported on the same day. Upon each reporting of incident, we will carry out investigations on such incidents and root cause analysis to identify the causes of such incident so as to ensure preventive and corrective actions are taken.

We also adopted the ISO quality standard framework for quality excellence and analyse and measure customer feedback, which is reported on a quarterly basis to our senior management team.

SALES AND MARKETING

We regularly engage the family members of our residents, healthcare agencies and other organisations through visits and engagement sessions to share our latest developments and services and may invite the family members of our residents or prospective residents to visit our medicare centres and nursing homes to introduce our service and care offerings to them and to enhance their understanding of the care environment of our medicare centres and nursing homes.

Our customers are generally referred to us by-word of-mouth through our past and existing customers, external partners such as hospitals and our social media sites. Our client engagement team also operates a dedicated hotline.

ACCREDITATIONS AND AWARDS

The table below sets out the material certifications and accreditations we have received as at the Latest Practicable Date.

Certification or Accreditation	Issued to	Issuing Organisation	Description
Certified On-Job Training Centre	Sunnyville Nursing Home (1996) Pte Ltd Econ Nursing Home Services (1987) Pte Ltd Econ Medicare Singapore	ITE	Certified On-Job Training Centre for ITE to conduct ITE Skills Certificate in Healthcare (Home Care)
Accredited Training Centre	ECON Careskill Training Centre	Singapore Resuscitation and First Aid Council	Accredited Training Centre with the National Resuscitation Council in relation to the Basic Cardiac Life Support Programme
Approved Training Provider	ECON Careskill Training Centre	AIC	Approved Training Provider with the AIC for the Caregivers Training Grant Programme
ISO 9001:2015 Certification (PSB, 2020)	Our Company	Singapore Accreditation Council (SAC)	Established, and applies, a Quality Management System for Provision of Residential Nursing Care

Over the years, our Group and our employees have received awards and accolades from various government bodies and industry authorities. The following table sets out some of the notable awards and accolades which our Group and our employees have received.

Year	Award	Description of Award	Awarding Organisation
2020	中国（重庆）自由贸易试验区渝中板块十大创新案例	The award honours the top ten innovation projects in the Yuzhong Free Trade Zone.	China (Chongqing) Pilot Free Trade Zone
2020	46 awards from the Silver, Gold and Star award categories at the Singapore Health Quality Service Awards 2020	Our Group's employees garnered 46 awards from the Silver, Gold and Star award categories at the Singapore Health Quality Service Awards 2020. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.	SingHealth Duke-NUS Academic Medical Centre
2020	ISO 9001 Standard	We were awarded the ISO 9001 Standard for our quality management system.	Productivity and Standards Board
2019	41 Silver Awards and 8 Gold Awards at the Singapore Health Quality Service Awards 2019	Our Group's employees garnered 41 Silver Awards and 8 Gold Awards at the Singapore Health Quality Service Awards 2019. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.	SingHealth Duke-NUS Academic Medical Centre
2018	31 Silver Awards and 2 Gold Awards at the Singapore Health Quality Service Awards 2018	Our Group's employees garnered 31 Silver Awards and 2 Gold Awards at the Singapore Health Quality Service Awards 2018. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.	SingHealth Duke-NUS Academic Medical Centre
2017	Best Geriatric Healthcare Operator Award at the 5th Asia Pacific Eldercare Innovation Awards	The award honours the healthcare operators that provide the best healthcare treatment, rehabilitation and medical services for older adults.	Ageing Asia Innovation Forum

Year	Award	Description of Award	Awarding Organisation
2017	Best Rehabilitation Operator Award at the 5th Asia Pacific Eldercare Innovation Awards	The award honours healthcare operators that provide the best programmes that enable improvements for daily living, strength and wellbeing.	Ageing Asia Innovation Forum
2017	Singapore Service Class Certification	We are the first in the nursing home industry to be awarded the Singapore Service Class Certification in recognition of our commendable performance in service excellence.	SPRING Singapore
2017	28 Silver Awards at the Singapore Health Quality Service Awards 2017	Our Group's employees garnered 28 Silver Awards at the Singapore Health Quality Service Awards 2017. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.	SingHealth Duke-NUS Academic Medical Centre
2017	Healthcare Humanity Award	Our Group's employees garnered three Healthcare Humanity Awards. These awards are given to outstanding healthcare workers who are inspirational role models for going the extra mile to offer care and comfort to the sick and infirmed. These awards also aim to raise public recognition and respect for the healthcare profession.	The Courage Fund administered by the National Healthcare Group
2016	Service Quality Improvement Team Award at the ILTC Excellence Awards 2016	We received a Service Quality Team Award at the Intermediate and Long Term Care (ILTC) Excellence Awards 2016 for the "Language Training Programme". The programme effectively improved staff proficiency in local languages such as Mandarin by incorporating elements of interactivity and technology.	AIC
2016	Four Silver Individual Service Quality Awards at the ILTC Excellence Awards 2016	Four of our nursing staff were awarded Silver Individual Service Quality Awards at the ILTC Excellence Awards 2016.	AIC
2016	17 Silver Awards at the Singapore Health Quality Service Awards 2016	Our Group's employees garnered 17 Silver Awards at the Singapore Health Quality Service Awards 2016. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.	SingHealth Duke-NUS Academic Medical Centre
2015	Best Wellness Programme Award at the 3rd Asia Pacific Eldercare Innovation Awards	The award recognises organisations that demonstrate eldercare innovation in their business as well as develop operational and service models that effectively change the way people age.	Ageing Asia Investment Forum
2015	One Gold Award and 16 Silver Awards at the Singapore Health Quality Service Awards 2015	Our Group's employees garnered one Gold Award and 16 Silver Awards at the Singapore Health Quality Service Awards 2015. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.	SingHealth Duke-NUS Academic Medical Centre
2014	Certificate of Appreciation	We were awarded the Certificate of Appreciation for efforts and contributions to transform Malaysia into a high-income nation.	Performance and Management Delivery Unit of Malaysia
2014	Eight Silver Awards at the Singapore Health Quality Service Awards 2014	Our Group's employees garnered eight Silver Awards at the Singapore Health Quality Service Awards 2014. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.	SingHealth Duke-NUS Academic Medical Centre

Year	Award	Description of Award	Awarding Organisation
2013	Best Facility Assisted Living Award at the 1st Asia Pacific Eldercare Innovation Awards	The award recognises organisations that demonstrate eldercare innovation in their business as well as develop operational and service models that effectively change the way people age.	Ageing Asia Investment Forum
2013	Eight Silver Individual Awards at the Singapore Health Quality Service Awards 2013	Our Group's employees garnered eight silver individual awards at the Singapore Health Quality Service Awards 2013. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.	SingHealth Duke-NUS Academic Medical Centre
2012	Three Silver Individual Awards at the Singapore Health Quality Service Awards 2012	Our Group's employees garnered three silver individual awards at the Singapore Health Quality Service Awards 2012. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.	SingHealth Duke-NUS Academic Medical Centre
2012	Healthcare Humanity Award	Our Group's employees were awarded the Healthcare Humanity Award. This award is given to outstanding healthcare workers who are inspirational role models for going the extra mile to offer care and comfort to the sick and infirmed. This award also aims to raise public recognition and respect for the healthcare profession.	The Courage Fund administered by the National Healthcare Group
2011	Healthcare Humanity Award	Our Group's employees were awarded the Healthcare Humanity Award. This award is given to outstanding healthcare workers who are inspirational role models for going the extra mile to offer care and comfort to the sick and infirmed. This award also aims to raise public recognition and respect for the healthcare profession.	The Courage Fund administered by the National Healthcare Group
2010	Healthcare Humanity Award	Our Group's employees were awarded the Healthcare Humanity Award. This award is given to outstanding healthcare workers who are inspirational role models for going the extra mile to offer care and comfort to the sick and infirmed. This award also aims to raise public recognition and respect for the healthcare profession.	The Courage Fund administered by the National Healthcare Group
2009	Healthcare Humanity Award	Our Group's employees were awarded the Healthcare Humanity Award. This award is given **to** outstanding healthcare workers who are inspirational role models for going the extra mile to offer care and comfort to the sick and infirmed. This award also aims to raise public recognition and respect for the healthcare profession.	The Courage Fund administered by the National Healthcare Group
2003	'Singapore Promising Brand' Award	We were the winner of the 'Singapore Promising Brand' Award by the Association of Small & Medium Enterprises ("**ASME**") and Lianhe Zaobao.	ASME and Lianhe Zaobao
2003	Singapore Quality Class Certification	We were awarded the Singapore Quality Class certification by SPRING Singapore.	SPRING Singapore

OUR CUSTOMERS

Due to the nature of our business, we do not have any major customers as our customers mainly comprise the individual residents of our medicare centres and nursing homes. None of our customers accounted for 5.0% or more of our revenue for FY2018, FY2019 and FY2020 and 6M2021.

OUR SUPPLIERS

Our Group has signed up to the shared procurement programme established by AIC for the procurement of certain supplies required by our Group, such as diapers and milkfeeds. The aim of the shared procurement programme is to, among others, obtain bulk discounts from such suppliers, and ensure consistency in quality of goods and services purchased from such suppliers. ALPS Pte. Ltd. acts as the agent for AIC and its members under the procurement programme and will source from the relevant supplies from vendors under the procurement programme. Our purchase of supplies from each supplier fluctuated during FY2018, FY2019, FY2020 and 6M2021 depending on among others, the choice of suppliers available under the AIC shared procurement programme, and the needs of our residents. We set out below the major suppliers of our Group:

		FY2018		FY2019		FY2020		6M2021	
Major Supplier(1)	Products or Services Purchased	Total purchases (S$'000)	Percentage of our Group's purchases (%)	Total purchases (S$'000)	Percentage of our Group's purchases (%)	Total purchases (S$'000)	Percentage of our Group's purchases (%)	Total purchases (S$'000)	Percentage of our Group's purchases (%)
Zuellig Pharma Pte Ltd	Milk Feed, Disinfectant, Pharmaceutical supplies	559.0	12.2	466.5	10.3	331.8	9.1	298.0	13.5
Vinda Singapore Pte. Ltd.	Adult Diapers	467.6	10.2	371.9	8.2	261.4	7.1	187.7	8.5
Food Buddyz Pte Ltd	Food – Vegetables, Fruits, Noodle,	116.8	2.5	172.3	3.8	184.8	5.0	142.1	6.4

Note:

(1) Both Zuellig Pharma Pte Ltd and Vinda Singapore Pte. Ltd. are suppliers under the AIC shared procurement programme. In FY2020, PricewaterhouseCoopers Business Advisory Services Pte Ltd provided consultancy services to our Group in relation to the Scale-up SG Programme, which amounted to approximately S$250,000 (approximately 8.1% of our Group's purchases for the year), of which S$90,000 was paid by our Group and S$160,000 was paid by Enterprise Singapore as part of the Scale-up SG Programme. Such services are one-off expenses incurred in FY2020 and are not expected to recur.

As disclosed in "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Transactions with WPHPL*", our Group purchased medicine and other medical supplies from WPHPL, which owned and operated West Point Hospital, and WPHPL provided medical and other services to our Group. As WPHPL and our Group were part of the group of companies under EHPL at the relevant time, the amounts paid to WPHPL by our Company for the supplies and services provided by WPHPL to our Company were not accounted as part of our Group's profit and loss statements under the line item "cost of supplies and consumables". Instead, such supplies were accounted under the balance sheet of our Company and were passed through to our Group's residents for the provision of such medical supplies by WPHPL. In relation to the other services provided by WPHPL to our Company such as the provision and receipt of pharmacy services and medical consultation services, such services were accounted under various line items such as "other operating expenses", "staff cost" and were not accounted under the line item "cost of supplies and consumables". West Point Hospital ceased operations in August 2020 and we no longer have such transactions with WPHPL.

Save for the above, none of our suppliers accounted for 5.0% or more of our total cost of supplies and consumables for FY2018, FY2019, FY2020 and 6M2021.

As of the date of this Offer Document and to the best of our knowledge, none of our Directors or Controlling Shareholders or their associates has any interest, direct or indirect, in any of our major suppliers.

CREDIT MANAGEMENT POLICY

Credit terms to our customers

We generally grant our customers credit terms of between 10 days and 30 days. The credit terms extended to our customers are on our Group's standard terms and do not vary between customers. Upon our customers' request, we may on a case-by-case review extend the credit terms or modify the payment terms granted.

The following table sets forth our trade receivables turnover days for FY2018, FY2019, FY2020 and 6M2021:

	FY2018	FY2019	FY2020	6M2021
Trade receivables turnover (days)(1)	31.6	30.7	40.6	61.7

Note:

(1) For FY2018, FY2019 and FY2020, trade receivables turnover days = (trade receivables and government grant receivables for subvention / aggregate revenue and operating subvention grants) X 365 days. For 6M2021, trade receivables turnover days = (trade receivables and government grant receivables for subvention / aggregate revenue and operating subvention grants) X 182 days. Trade receivables and government grant receivables for subvention are recorded based on the date which the invoices are issued to our customers.

The increase in trade receivable turnover days from 30.7 days for FY2019 to 40.6 days for FY2020 was mainly due to the increase in amounts due from a related corporation, namely WPHPL. We have since received payment of such amounts from WPHPL. The increase from 40.6 days for FY2020 to 61.7 days for 6M2021 was mainly due to delay in receipt of operating subvention grants during the 'circuit breaker' period in Singapore as a result of the COVID-19 pandemic. We have since received payment of such operating subvention grants.

As at the Latest Practicable Date, we had collected approximately S$5.5 million of the trade receivables which were outstanding as at 30 September 2020.

Credit terms from our suppliers

Our suppliers generally grant us credit terms of between 30 and 60 days. The availability of credit and the credit terms extended to us by our suppliers vary from supplier to supplier, depending on factors such as the length of our business relationship with them, their evaluation of our creditworthiness, as well as the supplier's internal policies.

The following table sets forth our trade payables turnover days for FY2018, FY2019, FY2020 and 6M2021:

	FY2018	FY2019	FY2020	6M2021
Trade payables turnover (days)(1)	99.4	79.8	105.1	73.5

Note:

(1) For FY2018, FY2019, FY2019 and 6M2021, trade payables turnover days = (trade payables/supplies and consumables) X 365 days. For 6M2021, trade payables turnover days = (trade payables/supplies and consumables) X 182 days.

The decrease in trade payable turnover days from 99.4 days for FY2018 to 79.8 days for FY2019 was mainly due to faster processing of payments due to our suppliers. The increase from 79.8 days for FY2019 to 105.1 days for FY2020 was mainly due to the 'circuit breaker' period in Singapore as a result of the COVID-19 pandemic and due to liquidity management in view of the uncertainty arising from the COVID-19 pandemic. With the relative stabilisation of the COVID-19 pandemic in Singapore, our trade payable turnover days reduced to 73.5 days for 6M2021.

INSURANCE

Our properties are insured in accordance with general market practice and legal requirements in the jurisdictions in which our properties are located. As at the Latest Practicable Date, we have obtained medical malpractice and third party liability insurance for all of our medicare centres and nursing homes in Singapore. Where practicable, our Group also maintains certain property damage, business interruption and general liability insurance in the various countries where we operate. There are no significant or unusual excess or deductible amounts required under such policies. There are however, certain types of risks that are not covered by such insurance policies, including acts of war and outbreaks of contagious diseases.

We also maintain other insurance policies including workmen's compensation and personal accident and personal injury insurance for our employees. We do not maintain any key man insurance for any of our Directors or Executive Officers.

The abovementioned insurance policies are reviewed annually to ensure that our Group has sufficient insurance coverage. We are of the view that the insurance coverage from the above insurance policies is sufficient for our present operations.

RESEARCH AND DEVELOPMENT, INNOVATION AND TECHNOLOGY

We did not have material expenditure on research and development activities in FY2018, FY2019, FY2020 and 6M2021.

As described in "– *Business Strategies and Future Plans – Enhance productivity through human capital investment, and technology and innovations*", our digital and technology investment strategy aims to scale our service quality across our new and existing medicare centres and nursing homes. We actively seek innovative solutions which could improve the standard of living of our residents or our systems which could help enhance operational efficiencies. For example, we have equipped some of our facilities with advanced physiotherapy equipment such as the Circuit Orientation Assistive Ceiling Hoist which allows residents with mobility issues to walk semi-independently enhancing our physiotherapy efficiency. We have implemented the use of smart appliances and applications to enhance our services and productivity such as the implementation and use of RFID technology in certain of our medicare centres and nursing homes to, among others, electronically record and monitor the body temperature of our sick residents, and to enhance accurate and timely contact tracing where required. For further details of the innovation and technology which we intend to implement, see "– *Business Strategies and Future Plans – Enhance productivity through human capital investment, and technology and innovations*".

COMPETITION

In the countries in which we operate, leading private-run nursing homes are our main competitors. We believe that our Group differs from most of these providers in the type and extent of medical services and ancillary services provided, range of facilities and customer outreach.

According to Euromonitor, our Group is the largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia, with a market share of 26.9% and 43.2% respectively.

To distinguish ourselves from our competitors, we focus on the quality of our services provided and the range of geriatrics and eldercare services. We place strong emphasis on providing quality care services to our residents and offer a wide spectrum of services targeting the geriatrics and eldercare services segment of medical care. Other than the provision of medicare centre and nursing home facilities and services, we also provide home care services to care for the elderly in the comfort of their home. With our experience in eldercare, we also provide healthcare training services to caregivers, healthcare personnel and nurses. We leverage on both eastern and western medicine philosophies, such as TCM in conjunction with western treatments like physiotherapy and rehabilitation, to harness the optimal rehabilitation and care benefits for our residents. In addition, we also manage senior activity centres in Singapore.

EMPLOYEES

The following tables show a breakdown of our permanent employees (including contract staff) as at 31 March 2018, 2019 and 2020 and 30 September 2020 by each function and by geographic locations.

	Number of permanent employees (including contract staff) as at			
Function	**31 March 2018**	**31 March 2019**	**31 March 2020**	**30 September 2020**
Frontline staff	632	567	559	551
Head office, administrative and support staff[(1)]	66	63	61	60
Total	698	630	620	611

	Number of permanent employees (including contract staff) as at			
Geographical regions	**31 March 2018**	**31 March 2019**	**31 March 2020**	**30 September 2020**
Singapore	534	459	439	422
Malaysia	164	171	181	189
Total	698	630	620	611

Note:

(1) The number of permanent employees within our finance department was 15, 16, 16 and 16 as at 31 March 2018, 31 March 2019, 31 March 2020 and 30 September 2020, respectively.

The number of employees decreased from 698 employees as at 31 March 2018 to 630 employees as at 31 March 2019 mainly due to the closure of a nursing home at 10 Ama Keng Road following the expiry of its lease and the downsizing of our ECON Medicare Centre and Nursing Home – Buangkok View Block 5 as requested by our landlord which required the premises for its own purposes.

The number of employees decreased from 630 employees as at 31 March 2019 to 620 employees as at 31 March 2020 mainly due to natural attribution and expiry of contracts in relation to frontline staff.

The number of employees decreased from 620 employees as at 31 March 2020 to 611 employees as at 30 September 2020 mainly due to some of our foreign staff not being able to return to work in Singapore following the border control imposed by the Singapore Government due to the COVID-19 pandemic.

We do not employ a significant number of temporary or part-time staff.

Our employees are not covered by any collective bargaining agreements and are not unionised.

LICENCES

As at the Latest Practicable Date, our Group has obtained the following material licences in relation to our business:

Licence Holder	Name of Medicare Centre and Nursing Home	Address of Premises	Issuing Authority	Date of Expiry	Nature of Licence
Econ Nursing Home Services (1987) Pte Ltd	ECON Medicare Centre and Nursing Home – Buangkok View Block 5 and ECON Medicare Centre and Nursing Home – Buangkok View Block 9	10 Buangkok View, Block 5, Level 1 & 2, Block 9, Level 2	MOH Singapore	15 September 2021	To operate a nursing home
Econ Medicare Singapore	ECON Medicare Centre and Nursing Home – Braddell	58 Braddell Road	MOH Singapore	3 August 2021	To operate a nursing home
Econ Medicare Singapore	ECON Medicare Centre and Nursing Home – Chai Chee	351 Chai Chee Street #03-01 & #04-01	MOH Singapore	26 April 2023	To operate a nursing home
Econ Medicare Singapore	ECON Medicare Centre and Nursing Home – Choa Chu Kang	53 Choa Chu Kang Road	MOH Singapore	28 February 2023	To operate a nursing home
Econ Medicare Singapore	ECON Medicare Centre and Nursing Home – Recreation Road	25 Recreation Road	MOH Singapore	12 May 2022	To operate a nursing home

Licence Holder	Name of Medicare Centre and Nursing Home	Address of Premises	Issuing Authority	Date of Expiry	Nature of Licence
Econ Medicare Singapore	ECON Medicare Centre and Nursing Home – Upper East Coast	452 Upper East Coast Road	MOH Singapore	6 October 2021	To operate a nursing home
Sunnyville Nursing Home (1996) Pte Ltd	ECON Medicare Centre and Nursing Home – Yio Chu Kang	451 Yio Chu Kang Road	MOH Singapore	3 December 2021	To operate a nursing home
Econ Medicare Malaysia	ECON Medicare Centre and Nursing Home – Pudu	3rd, 4th, 5th, 6th & 7th Floor, Chinese Maternity Hospital, 106, Jalan Pudu, 55100 Kuala Lumpur	Director General of Health, Ministry of Health of Malaysia	19 June 2021(2)	To operate or provide a private healthcare facility or service – private nursing home
Econ Medicare Malaysia	ECON Medicare Centre and Nursing Home – Taman Perling	No.1, Jalan Camar 3, Taman Perling, 81200 Johor Bahru, Johor	Director General of Health, Ministry of Health of Malaysia	29 December 2021	To operate or provide a private healthcare facility or service – private nursing home
Econ Medicare Malaysia	ECON Medicare Centre and Nursing Home – Pudu	3rd, 4th, 5th, 6th and 7th Floor, Chinese Maternity Hospital, 106, Jalan Pudu, 55100 Kuala Lumpur	Kuala Lumpur City Hall	17 March 2022	Business premise and advertisement licence
Econ Medicare Malaysia	ECON Medicare Centre and Nursing Home – Taman Perling	No.1, Jalan Camar 3, Taman Perling, 81200 Johor Bahru, Johor	Iskandar Puteri City Council	31 December 2021(2)	Business premise and advertisement licence
Chinese Maternity Hospital(3)	ECON Medicare Centre and Nursing Home – Pudu	3rd, 4th, 5th, 6th and 7th Floor, Chinese Maternity Hospital, 106, Jalan Pudu, 55100 Kuala Lumpur	Fire and Rescue Department of Malaysia	6 August 2021	To ensure compliance with life safety, fire prevention, fire protection and fire fighting requirements ("**Fire Certificate**")

Licence Holder	Name of Medicare Centre and Nursing Home	Address of Premises	Issuing Authority	Date of Expiry	Nature of Licence
Econ Medicare Malaysia	ECON Medicare Centre and Nursing Home – Taman Perling	No.1, Jalan Camar 3, Taman Perling, 81200 Johor Bahru, Johor	Fire and Rescue Department of Malaysia	24 February 2022	Fire Certificate
Econ Healthcare (M) Sdn Bhd	ECON Medicare Centre and Nursing Home – Puchong	Lot No.1, 2 & 3, Jalan TPP 1/4, Taman Perindustrian Puchong, Batu 12, Jalan Puchong, 47160 Puchong, Selangor	Director General of Health, Ministry of Health Malaysia	15 May 2022	To establish or maintain a private healthcare facility or service – private nursing home
Econ Healthcare (M) Sdn Bhd	ECON Medicare Centre and Nursing Home – Puchong	Lot No.1, 2 & 3, Jalan TPP 1/4, Taman Perindustrian Puchong, Batu 12, Jalan Puchong, 47160 Puchong, Selangor	Director General of Health, Ministry of Health Malaysia	7 December 2022	To operate or provide a private healthcare facility or service – private nursing home
Econ Healthcare (M) Sdn Bhd	ECON Medicare Centre and Nursing Home – Puchong	Lot No.1, 2 & 3, Jalan TPP 1/4, Taman Perindustrian Puchong, Batu 12, Jalan Puchong, 47160 Puchong, Selangor	Subang Jaya City Council	31 July 2021(2)	Business premise and advertisement licence
Econ Healthcare (M) Sdn Bhd	ECON Medicare Centre and Nursing Home – Puchong	Lot No.1, 2 & 3, Jalan TPP 1/4, Taman Perindustrian Puchong, Batu 12, Jalan Puchong, 47160 Puchong, Selangor	Fire and Rescue Department of Malaysia	See note below(1)	Fire Certificate

Licence Holder	Name of Medicare Centre and Nursing Home	Address of Premises	Issuing Authority	Date of Expiry	Nature of Licence
Chongqing Yikang Bailingbang	Chongqing Nursing Home	Street office of Jiefangbei, Yuzhong District, Chongqing (重庆市渝中区人民政府解放碑街道办事处)	Administration for Market Regulation of Yuzhong District, Shenzhen Municipality (重庆市渝中区市场监督管理局)	Not applicable	To incorporate Chongqing Yikang Bailingbang
Chongqing Yikang Bailingbang	Chongqing Nursing Home	Street office of Jiefangbei, Yuzhong District, Chongqing (重庆市渝中区人民政府解放碑街道办事处)	Administration for Market Regulation of Yuzhong District, Chongqing Municipality (重庆市渝中区市场监督管理局)	3 December 2025	Production and sale of hot food (热食类食品制售)
Chongqing Yikang Bailingbang	Chongqing Nursing Home	Street office of Jiefangbei, Yuzhong District, Chongqing (重庆市渝中区人民政府解放碑街道办事处)	Development and Reform Commission of Yuzhong District, Chongqing Municipality (重庆市渝中区发展和改革委员会)	Not applicable	Fixed asset investment, in particular the interior decoration and design of the Chongqing Nursing Home

Notes:

(1) The Fire and Rescue Department of Malaysia (the "**Fire Department**") has conducted an inspection of our ECON Medicare Centre and Nursing Home – Puchong and has issued fire supporting letters. As at the Latest Practicable Date, we have submitted the application for and are awaiting receipt of the Fire Certificate for our ECON Medicare Centre and Nursing Home – Puchong.

(2) We do not presently foresee difficulty in renewing such licences upon expiry.

(3) Our ECON Medicare Centre and Nursing Home – Pudu is located on certain floors of the Chinese Maternity Hospital. The renewal application for the Fire Certificate is made by the landlord and the Fire Certificate is issued in respect of the Chinese Maternity Hospital.

It is our understanding from discussions with officers from the Fire Department that the movement restrictions imposed under the Movement Control Order in Malaysia as a result of the COVID-19 pandemic resulted in a backlog in the processing of applications and renewals for Fire Certificates and that we may continue operations at our ECON Medicare Centre and Nursing Home – Puchong pending receipt of the Fire Certificate. Accordingly, the operating of our Econ Medicare Centre and Nursing Home – Puchong has not been affected by the pending Fire Certificate.

We do not expect our application for the Fire Certificate for our Econ Medicare Centre and Nursing Home – Puchong to be rejected by the Fire Department, taking into account that the Fire Department had already conducted an inspection of our Econ Medicare Centre and Nursing Home – Puchong and issued fire supporting letters (which we have used as supporting documents to apply for certain other permits and licences).

In addition, it is not a condition of the current insurance policies for our Econ Medicare Centre and Nursing Home – Puchong that the Fire Certificate has to be obtained and it is our understanding from the relevant insurers that the pending Fire Certificate do not affect the validity of the relevant insurance policies.

Taking into account the foregoing, our Company has obtained all requisite licences and approvals which are material to our business operations and is in compliance with all relevant laws and regulations that would materially affect our business operations.

In respect of the Fire Certificate for our Econ Medicare Centre and Nursing Home – Pudu which is expiring on 6 August 2021, we likewise do not expect the application to renew such Fire Certificate to be rejected by the Fire and Rescue Department of Malaysia, taking into account that such Fire Certificate has already been obtained and as at the Latest Practicable Date, the Fire and Rescue Department of Malaysia has not since the establishment of our ECON Medicare Centre and Nursing Home rejected any renewal application for such Fire Certificate. However, it is possible that such Fire Certificate may not be renewed on a timely basis on expiry if the current situation arising from the COVID-19 pandemic (as described above) persists.

We are subject to various licensing requirements and there is no assurance that we will always be able to obtain, maintain or renew the requisite registrations, certifications, licences and permits on a timely basis or at all, as further described in "*Risk Factors – Risks Relating to Our Business and Operations – We are subject to various licensing requirements and our licences are subject to regular renewal, and we may not be able to obtain, maintain or renew such licences on a timely basis or at all*".

PROPERTIES

As at the Latest Practicable Date, our Group owns the following material properties:

Address	Owner	Existing use	Built-up area/ land area (sq m)	Tenure	Encumbrances
No. 1 Jalan Camar 3, Taman Perling Johor Bahru, 81200 Johor	Econ Medicare Malaysia	Medicare centre and nursing home	2,929 (built-up area)	Freehold	Charge in favour of Alliance Bank Malaysia Berhad
5, Jalan Cheras, Batu 11, Bukit Dukung Business Park, 43000 Kajang, Selangor	Econ Medicare Malaysia	Rented out to a third party to operate an education centre	8,792 (land area)	Freehold	Nil

Our ECON Medicare Centre and Nursing Home – Taman Perling and asset in Cheras, Malaysia were acquired by Econ Medicare Malaysia, the entity which operates our ECON Medicare Centre and Nursing Home – Taman Perling and our ECON Medicare Centre and Nursing Home – Pudu, prior to the Restructuring Exercise. Accordingly, when we acquired Econ Medicare Malaysia from EHPL pursuant to the Restructuring Exercise, we also acquired such properties held by Econ Medicare Malaysia. We may explore opportunities to develop the land plot in Cheras, as further described in "*Business – Business Strategies and Future Plans – Expand our business operations organically and through, among others, investments, merger and acquisitions, joint ventures and/or strategic collaborations – Malaysia*". Pending such development of the land plot in Cheras, the property is rented out to a third party to operate an education centre.

As at the Latest Practicable Date, our Group leases the following material properties:

Address	Lessor	Lessee	Existing use	Built-up area (sq m)	Tenure
10 Buangkok View, Block 5, Level 1 & 2	Institute of Mental Health	Our Company, which has sub-leased the premises to Econ Nursing Home Services (1987) Pte Ltd	Medicare centre and nursing home	2,760	25 months commencing from 30 September 2015 and ending on 31 October 2017, further extended to 31 October 2020, and subsequently further extended to 31 October 2023
10 Buangkok View, Block 9, Level 2	Institute of Mental Health	Our Company, which has sub-leased the premises to Econ Nursing Home Services (1987) Pte Ltd	Medicare centre and nursing home	2,681	Eight months commencing from 1 April 2017 and ending on 31 October 2017, further extended to 31 October 2020, and subsequently further extended to 31 October 2023
451 Yio Chu Kang Road	The Government of the Republic of Singapore c/o The Singapore Land Authority	Sunnyville Nursing Home (1996) Pte Ltd	Medicare centre and nursing home	2,622.67	Three years commencing from 1 January 2020 and ending on 31 December 2022, which may pursuant to the tenant's request be renewed at the sole discretion of the landlord for a further term of three years
351 Chai Chee Street #03-00 & #04-00	SATA CommHealth	EHPL, which has sub-leased the premises to Econ Medicare Singapore	Medicare centre and nursing home	2,371.02	10 years commencing from 7 October 2014 and ending on 6 October 2024 with an option to renew for a further period of 10 years
25 Recreation Road[(1)]	Econ Medicare Centre Holdings	Econ Medicare Singapore	Medicare Centre and Nursing Home	684.50	18 months commencing from 9 October 2020 and ending on 31 March 2022, with an option to renew for a further period of three years

Address	Lessor	Lessee	Existing use	Built-up area (sq m)	Tenure
27 Recreation Road(1)	Econ Medicare Centre Holdings	Econ Medicare Singapore	Staff quarters	216	18 months commencing from 9 October 2020 and ending on 31 March 2022, with an option to renew for a further period of three years
452 Upper East Coast Road(1)	EHPL	Econ Medicare Singapore	Medicare centre and nursing home	2,205.65	Three years commencing from 1 April 2019 and ending on 31 March 2022, with an option to renew for a further period of three years
53 Choa Chu Kang Road(2)	EHPL	Econ Medicare Singapore	Medicare centre and nursing home	1,063.80	Three years commencing from 1 April 2019 and ending on 31 March 2022, with an option to renew for a further period of three years
58 Braddell Road(1)	EHPL	Econ Medicare Singapore	Medicare centre and nursing home	1,065.54	Three years commencing from 1 April 2019 and ending on 31 March 2022, with an option to renew for a further period of three years
152B Bishan Street 11 #01-271	The Government of the Republic of Singapore, as represented by MOH Singapore	Econ Health & Wellness	Senior activity centres; Rehabilitation centre	300.36	18 months commencing from 1 December 2019 and ending on 31 May 2021(3)
175B Yung Kuang Road #01-27	The Government of the Republic of Singapore, as represented by MOH Singapore	Econ Heath & Wellness	Senior activity centres; TCM clinic	334.50	Three years commencing from 16 April 2019 and ending on 15 April 2022(3)

Address	Lessor	Lessee	Existing use	Built-up area (sq m)	Tenure
609A Bedok Reservoir Road #01-1700	The Government of the Republic of Singapore, as represented by MOH Singapore	Econ Health & Wellness	Senior activity centres	329	Three years commencing from 1 October 2019 and ending on 30 September 2022(3)
327A Anchorvale Road #01-344	The Government of the Republic of Singapore, as represented by MOH Singapore	Econ Health & Wellness	Senior activity centres	332.84	One year commencing from 16 September 2020 and ending on 15 September 2021(3)
160 Changi Road, #05-01-13 Hexacube	Ekang International Holdings Pte. Ltd.	Our Company	Office	1,181	Three years commencing from 1 April 2020 and ending on 31 March 2023, with an option to renew for a further period of three years
Block 150 Bishan Street 11 #01-135	Madam Lok Teen Hong	Econ TCM Services Pte. Ltd.	TCM clinic	66	36 months commencing from 1 March 2020 and ending on 28 February 2023, with an option to renew for a further period of two years
Block 3 Lorong Lew Lian #01-62	Housing and Development Board	Econ TCM Services Pte. Ltd.	TCM clinic	201.20	31 months commencing from 1 November 2019 and ending on 30 May 2022, which may pursuant to the tenant's request be renewed at the sole discretion of the landlord for a further term of up to three years(4)

Address	Lessor	Lessee	Existing use	Built-up area (sq m)	Tenure
4th, 5th, 6th and 7th floor, Chinese Maternity Hospital, No. 106 Jalan Pudu, 55100 Kuala Lumpur	The Chinese Maternity Association	Econ Medicare Malaysia	Medicare centre and nursing home	3,814.20	Three years commencing from 1 December 2011 and ending on 30 November 2014, extended to 30 November 2017, further extended to 30 November 2020 and subsequently further extended to 30 November 2023(5)
3rd floor, Chinese Maternity Hospital, No. 106 Jalan Pudu, 55100 Kuala Lumpur	The Chinese Maternity Association	Econ Medicare Malaysia	Medicare centre and nursing home	953.55	Three years commencing from 1 April 2019 and ending on 31 March 2022, with an option to renew for a further period of three years(5)
Lot No. 1, 2, & 3, Jalan TPP 1/4, Taman Perindustrian Puchong, Batu 12, Jalan Puchong, 47160 Puchong, Selangor Darul Ehsan	Taman Industri Puchong Sdn Bhd	Econ Healthcare (M) Sdn Bhd	Medicare centre and nursing home	Lot 1: 2,397.53 Lot 2: 936.32 Lot 3: 936.32	Three years commencing from 1 March 2021 and ending on 29 February 2024, with an option to renew for five further terms, each with a period of three years
No. 8, Jiuchi Kan of Cangbai Road, Yuzhong District, Chongqing, China (重庆渝中区解放碑九尺坎8号)	Street office of Jiefangbei, Yuzhong District, Chongqing (重庆市渝中区人民政府解放碑街道办事处)	Chongqing Yikang Bailingbang	Nursing home	1,550.28	20 years commencing from 24 December 2019 to 23 December 2039

Notes:

(1) Encumbered by legal mortgage in favour of DBS Bank Ltd. in connection with credit facilities granted by DBS Bank Ltd. to EIH and Econ Medicare Singapore. DBS Bank Ltd. has agreed to the discharge of the legal mortgage in connection with the credit facilities granted to Econ Medicare Singapore on the date of registration of this Offer Document as described in "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions - Provision of security to and by interested persons – Provision of security by interested persons to our Group – Credit facilities provided by DBS Bank Ltd.*". The legal mortgage over such properties will remain in place in connection with the credit facilities granted to EIH.

(2) Encumbered by legal mortgage in favour of United Overseas Bank Limited in connection with credit facilities granted by United Overseas Bank Limited to EHPL.

(3) Under the terms of the respective lease agreement for these senior activity centres, the lessor, the Government of the Republic of Singapore as represented by MOH Singapore, has the right to terminate the agreement unilaterally by serving

on the lessee 14 days' written advance notice of termination, without the need to give or assign any reasons therefore. Any such termination by MOH Singapore is unlikely to have a material impact on our Group's business or operations and we believe we will be able to secure leases for alternative premises in such event.

(4) Under the terms of the lease agreement for this TCM clinic, either party may by one month's notice in writing expiring upon the last day of any month without furnishing any reason whatsoever determine the tenancy and immediately upon the expiration of such notice the tenancy shall cease. Any termination by the landlord of the lease of this TCM clinic is unlikely to have a material impact on our Group's business or operations and we believe we will be able to secure a lease for an alternative premise in such event.

(5) Under the terms of the lease agreement for our ECON Medicare Centre and Nursing Home – Pudu, either party to the tenancy agreement may terminate the tenancy by giving the other party three months' notice in writing of such intention. In the event the landlord gives notice of termination, we will have to secure a lease for alternative premises and/or re-locate the residents at our ECON Medicare Centre and Nursing Home – Pudu to our ECON Medicare Centre and Nursing Home – Puchong. See "*Risk Factors – Risks Relating to Our Business – Some of our medicare centres and nursing homes are subject to lease renewals and relocation risks*".

INTELLECTUAL PROPERTY

Our Company has entered into the Licence Agreement with EHPL (see "*Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Licence Agreement*" for further details), pursuant to which we are licensed to use the following registered trademarks:

Trademark	Registered Proprietor	Class Code	Country of Registration	Expiry Date	Trademark Number
	EHPL	42	China	20 February 2029	1249949
	EHPL	42	China	20 January 2022	1703950
	EHPL	41	India	2 December 2023	2636228
	EHPL	44	India	2 December 2023	2636229
	EHPL	41 and 44	Indonesia	13 September 2023	IDM000511202
	EHPL	42	Singapore	12 October 2028	T9810298G

Trademark	Registered Proprietor	Class Code	Country of Registration	Expiry Date	Trademark Number
PHYSIOWORKS	EHPL	44	Singapore	28 November 2026	T0625927B
ECON	EHPL	35, 41, 44	Singapore	8 August 2028	40201815663W
宜康	EHPL	35, 41, 44	Singapore	8 August 2028	40201815666X
ECON	EHPL	44	Sri Lanka	11 September 2023	183239
ECON	EHPL	41 and 44	Taiwan	15 March 2024	01633753
ECON	EHPL	41 and 44	Taiwan	31 July 2027	01859629
ECON ECON	EHPL	44	Malaysia	19 November 2028	98013439
ECON	EHPL	44	Malaysia	10 August 2018	2018066065
ECON	EHPL	41	Vietnam	23 August 2023	268890

LEGAL PROCEEDINGS

We are not, and have not been, involved in any legal or arbitration proceedings and no proceedings are currently pending or contemplated which may have or have had in the 12 months immediately preceding the date of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the MAS, a material effect on our financial position or profitability.

CORPORATE SOCIAL RESPONSIBILITY

We are committed to fulfilling our corporate social responsibilities to society and other stakeholders and making an effort to contribute towards the less fortunate in society. In line with our commitment to give back to the community, we operate four ECONLIFE! Hubs (previously known as ECON Health and Wellness Centre) located in Singapore's heartland areas. We are the first private organisation to be appointed by the Ministry of Social and Family Development to manage senior activity centres in Singapore, which is now under the purview of MOH Singapore. The management philosophy for our ECONLIFE! Hubs is to be "with the community", "in the community" and "for the community". Through these centres, we aim to promote health and wellness and strengthen community bonds. ECONLIFE! Hubs serve as a one-stop resource centre for the senior community and their families where we provide free information and medical referral services.

Our senior care model adopted at these ECONLIFE! Hubs is centred on the following key thrusts for seniors to engage in an active lifestyle:

- promoting healthy living;
- encouraging the development of active lifestyles and social networks to facilitate good physical, social, emotional and mental health;
- encouraging lifelong learning and opportunities for seniors to contribute back to the society; and
- building strong family ties with support for families and caregivers.

At these ECONLIFE! Hubs, we organise community outreach programmes such as educational health workshops and seminars, fitness exercises, dance and wellness activities, handicraft, life skill workshops, movie and drama screenings, brain gym, board games and regular community outings for nominal fees and offer services such as a recreation lounge, reading corner, internet browsing corner and a fitness corner. Further, we also provide healthcare services such as TCM and rehabilitation services at selected ECONLIFE! Hubs. Such services are charged at rates which are comparable to other clinics offering similar services, with some discount provided to members of our ECONLIFE! Hubs. We also host regular health workshops and activities, recreation activities and parties for seniors and their families.

REGULATORY ENVIRONMENT

We operate in a regulated industry in Malaysia, Singapore and China, with guidelines, regulations and laws governing our operations in Malaysia, Singapore and China. These regulations require us to possess various licences or approvals in order to carry out our operations. See "*Business – Licences*" for further information on the various material licences we hold. The following description is a summary of the material laws and regulations applicable to our Group under Singapore law, Malaysia law and China law. The summary set out below is not exhaustive, is only intended to provide general information and is neither designed nor intended to be a substitute for professional advice.

SINGAPORE

Private Hospitals and Medical Clinics Act, Chapter 248 of Singapore (the "Medical Clinics Act")

Private hospitals (including nursing homes), medical clinics, clinical laboratories and healthcare establishments in Singapore are regulated by the Medical Clinics Act and relevant subsidiary legislation, primarily the Private Hospitals and Medical Clinics Regulations (the "**Medical Clinics Regulations**"), which requires that a licence be obtained before any premises or conveyance is used as a private hospital, medical clinic, clinical laboratory or healthcare establishment.

All our nursing homes in Singapore hold licences issued by MOH Singapore and are subject to the Medical Clinics Act, the Medical Clinics Regulations and any directions or guidelines as may be given or issued from time to time by the Director of Medical Services (the "**DMS**").

A licence for a private hospital may be issued to the person having the management or control of a private hospital.

In determining whether to issue or refuse to issue a licence, the DMS shall have regard to the character and fitness of the applicant or (where the applicant is a corporation) of the members of the board of directors or committee or board of trustees or other governing body of the corporation, the ability of the applicant to operate and maintain a private hospital in accordance with the prescribed standards, the suitability of the premises or conveyance (including the facilities and equipment therein) to be licensed for use as a private hospital and the adequacy of the nursing and other staff to be employed at the premises or conveyance to be licensed.

The DMS may vary or revoke any of the terms or conditions of a licence or suspend or revoke a licence if, among others, there is contravention of or failure to comply with any of the provisions of the Medical Clinics Act or any regulations thereunder or of any term or condition of the licence.

The person managing a nursing home must be a medical practitioner or a registered nurse. Any changes in the manager or deputy manager of a licensee of a private hospital or any intention by a licensee to cease operation or to let, sell or in any way dispose of a private hospital have to be notified to the DMS.

In addition, the licensee of a private hospital is required to keep and maintain proper medical records and has to take all reasonable steps, including implementing such processes as are necessary, to ensure that such medical records are accurate, complete and up-to-date and to implement adequate safeguards to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification.

The Private Hospitals and Medical Clinics (Amendment) Regulations 2021 which come into operation on 1 May 2021 will introduce certain provisions to the Medical Clinics Regulations, including that the licensee of a nursing home must take all reasonable steps to ensure that every patient residing at the nursing home receives appropriate nursing care provided by the nursing home, and to ensure the safety and wellbeing, and protect the privacy, of every patient residing at the nursing home.

In addition, under Section 6(5) of the Medical Clinics Act, a nursing home will have to comply with the licensing terms and conditions imposed by MOH Singapore which came into effect on 20 April 2015. The licensing terms and conditions prescribe standards for nursing care in three broad aspects, as follows:

(a) **Clinical Aspects**: Relates to safe care and includes pain management, continence management, falls prevention and mobility, skin care and pressure ulcers, oral hygiene and advance care planning, medical and food service.

(b) **Social Aspects**: Focuses on preserving the dignity of care for residents and covers several areas, including ensuring that residents and their families or representatives are informed about their care plan, requiring nursing homes to ensure that the dignity of the individual resident is respected, requiring that physical restraints be used on residents only as a last resort, as well as attending to the psychosocial well-being of residents. There are also prescribed standards for aspects of the living environment such as the premises, facilities and equipment.

(c) **Organisation Aspects**: Sets organised systems to identify and address areas of improvement, covering financial management, staff organisation and management, staff competence, training and supervision, customer relations, continuous improvement, and emergency preparedness.

A breach or non-compliance of such licensing terms and conditions by a nursing home may result in the suspension or revocation its licence and the prosecution of such nursing home.

The Singapore Parliament passed the Healthcare Services Bill on 6 January 2020, which is intended to replace the Medical Clinics Act. MOH Singapore plans to implement the Health Care Services Act in three phases starting from late 2021, with all phases activated by early 2023.

The key features and amendments under the Healthcare Services Bill are as follows:

(a) broadening the regulatory scope to include healthcare services, allied health and nursing services, traditional medicine and complementary and alternative medicine. The scope does not include beauty and wellness services. While allied health and nursing services, traditional medicine and complementary and alternative medicine are within the scope of the Healthcare Services Bill, these services do not require licensing at the moment. Professionals such as physiotherapists and TCM practitioners will continue to be regulated through existing legislation to ensure patient safety;

(b) shift from 'premises-based' to 'services-based' licensing in recognition of new and emerging healthcare service models and businesses that are not based out of physical locations, such as telemedicine and mobile medical services. Standards required for each licensable healthcare service will be stipulated in their respective regulations;

(c) addition of the requirement for the governing body of a healthcare service to possess the competence and skills to carry out its role. In the case of, among others, board of directors that comprise different individuals, this can be met collectively by different members of the board of directors;

(d) enhanced roles for the principal officer who would take on the role of ensuring overall compliance in the day-to-day operations of the healthcare institution, and an additional requirement of the appointment of a clinical governance officer for selected services, who will be responsible for clinical and technical oversight of more complex services that require specialised expertise and who will be required to meet stipulated qualifications depending on the service in question;

(e) with regard to committees for clinical quality and medical ethics, (i) the quality assurance process will be enhanced by designating a suitably qualified and competent individual within every Quality Assurance Committee to oversee quality assurance processes in the relevant licensed service; (ii) a new requirement for Service Review Committees for selected services or programmes that are deemed higher-risk, more complex or of greater public interest; and (iii) Service Ethics Committees are mandatory for selected licensees to ensure that patients are treated in an ethical manner before certain complex and high-risk medical treatments can be conducted;

(f) MOH Singapore, or an appointed operator, is empowered to 'step-in' and assist in the operations of failing healthcare services where necessary in order to protect patients against abrupt discontinuation of residential care services. This is a transitional measure until patients can be transferred to other service providers;

(g) enhancing existing powers under the Medical Clinics Act to enable MOH Singapore to gather data for purposes of patient safety, care and welfare, as well as public health interests. MOH Singapore is also authorised to publish information about non-compliant licensees and unlicensed providers;

(h) imposing restrictions on licensees employing staff to work in healthcare services that cater to frail or vulnerable patient groups such as long-term residential care, mobile medical and the Institute of Medical Health to ensure the safety and well-being of vulnerable patients;

(i) amending of existing naming restrictions under the Medical Clinics Act for better clarity to patients on the healthcare services provided. Restrictions will also be placed on the provision of licensable healthcare services together with other un-related or unlicensed services at a premise or a conveyance. Additionally, publicity controls will be tightened, and only authorised persons such as licensees and their appointed agents will be allowed to advertise healthcare service claims; and

(j) updating the penalties for offences and aligning such penalties with comparable offences under other recently enacted legislations.

Medical Registration Act, Chapter 174 of Singapore (the "Medical Registration Act")

The Medical Registration Act provides for, among others, the establishment of the Singapore Medical Council and the registration of medical practitioners in Singapore.

Some of the important functions of the Singapore Medical Council are to keep and maintain registers of registered medical practitioners, approve or reject applications for registration under the Medical Registration Act, to issue practising certificates to registered medical practitioners, make recommendations to the appropriate authorities for the training and education of registered medical practitioners and to determine and regulate their conduct and ethics. Subject to certain exemptions as provided for under the Medical Registration Act, no person shall practice as a medical practitioner unless he is registered under the Medical Registration Act and has a valid practising certificate.

The Medical Registration (Amendment) Act 2020, which was passed by the Singapore Parliament on 6 October 2020 but which has not, as at the Latest Practicable Date, come into force, is intended to amend the Medical Registration Act and to strengthen the medical disciplinary process such as through the introduction of inquiry and review committees and a disciplinary commission.

Traditional Chinese Medicine Practitioners Act, Chapter 333A of Singapore (the "TCM Act")

The TCM Act provides for, *inter alia*, the establishment of a TCM Practitioners Board and the registration of TCM practitioners in Singapore. TCM practitioners who practise the prescribed practice of TCM (as defined under the TCM Act) have to be registered under the TCM Act and be issued with a licence to practise.

The functions of the TCM Practitioners Board are, *inter alia*, to approve and reject applications for registration of TCM Practitioners, accredit courses in the practice of TCM in Singapore for the purposes of registration and the institutions of higher learning in Singapore offering any of these courses, make recommendations to the appropriate authorities for the continuing training and education of registered persons, determine and regulate the conduct and ethics of registered TCM practitioners.

Subject to certain exemptions, no person shall carry out, or advertise or otherwise hold himself out to be qualified to carry out, any prescribed practice of TCM, unless he is a qualified person in respect of that prescribed practice of TCM and he carries out that prescribed practice in accordance with the conditions of his registration as prescribed under the TCM Act. No person shall employ or engage a person who is not a qualified person in respect of a prescribed practice of TCM to carry out that prescribed practice of TCM. Any person who contravenes the above shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$25,000 or to imprisonment for a term not exceeding six months or to both and, in the case of a second or subsequent conviction, to a fine not exceeding S$50,000 or to imprisonment for a term not exceeding 12 months or to both.

Nurses and Midwives Act, Chapter 209 of Singapore (the "Nurses Act") and Nurses and Midwives Regulations 2012 (the "Nurses Regulations")

The Nurses Act and the Nurses Regulations provide for, *inter alia*, the establishment of the Singapore Nursing Board and the registration and enrolment of nurses in Singapore.

The functions of the Singapore Nursing Board are, *inter alia*, to approve and reject applications for registration and enrolment of nurses, accredit courses in Singapore for the purposes of registration and enrolment of nurses, regulate the professional conduct and ethics of registered nurses and enrolled nurses.

Subject to certain exemptions, under the Nurses Act, no person other than a registered or enrolled nurse who holds a valid practising certificate authorising him to practise nursing shall carry out any act of nursing for a fee or reward. Any person who contravenes the above shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$10,000 and, in the case of a second or subsequent conviction, to a fine not exceeding S$20,000 or to imprisonment for a term not exceeding six months or to both. Further, under the Nurses Act, no person shall employ or engage a person who is not a qualified nurse to carry out any act of nursing subject to certain exemptions. Any person who contravenes the abovementioned will be guilty of an offence and liable on conviction to a fine not exceeding S$10,000 and, in the case of a second or subsequent conviction, to a fine not exceeding S$20,000 or to imprisonment for a term not exceeding six months or to both. In any proceedings for such an offence, it is a defence for the employer to prove that he did not know that the person concerned was not a qualified nurse and that he had exercised due diligence to ascertain if that person was a qualified nurse.

Allied Health Professions Act, Chapter 6B of Singapore (the "Allied Health Professions Act")

The Allied Health Professions Act provides for, *inter alia*, the establishment of the Allied Health Professions Council and registration of prescribed allied health professionals (including physiotherapists) for the protection of the health and safety of the public and for purposes connected therewith.

The Allied Health Professions Council was established to, *inter alia*, issue practising certificates to registered allied health professionals, accredit programmes for the training and assessment of persons seeking to become registered allied health professionals, determine and regulate the standards of practice, competence, conduct and ethics of registered allied health professionals and maintain the register of allied health professionals in Singapore.

Subject to certain exceptions, no person can advertise or hold himself out as an allied health professional from a prescribed allied health profession unless he is registered under the Allied Health Professions Act and has a valid practising certificate.

Radiation Protection Act, Chapter 262 of Singapore (the "Radiation Protection Act")

Our nursing homes are subject to the Radiation Protection Act which regulates, *inter alia*, the use and possession of radioactive materials and irradiating apparatus. The Radiation Protection Act provides that no person shall, except under and in accordance with a licence, have in his possession or under his control or use or otherwise deal in any radioactive material or irradiating apparatus.

The licences are issued by the Radiation Protection & Nuclear Science Department under the Radiation Protection Act and its subsidiary legislation, the Radiation Protection (Ionising Radiation) Regulations which regulates, *inter alia*, the control of radiation exposure, medical and radiological supervision, labelling of irradiating apparatus and radioactive materials, storage of radioactive materials and the use of irradiating apparatus for medical and dental diagnostic purposes.

Personal Data Protection Act 2012, No. 26 of 2012 of Singapore (the "PDPA")

The PDPA generally requires organisations to give notice and obtain consents prior to collection, use or disclosure of personal data (being data, whether true or not, about an individual who can be identified from that data or other accessible information), and to provide individuals with the right to access and correct their own personal data. Organisations have mandatory obligations to assess data breaches they suffer, and to notify the Singapore Personal Data Protection Commission ("**PDPC**") and the relevant individuals where the data breach is of a certain severity. The PDPA also imposes various baseline obligations on organisations in connection with permitted uses of, accountability for, the protection of, the retention of, and overseas transfers of, personal data.

The PDPA creates various offences in connection with the improper use of personal data, certain methods of collecting personal data and certain failures to comply with the requirements under the PDPA. These offences may be applicable to organisations, their officers and/or their employees. Offenders are liable on conviction to fines and/or imprisonment. The PDPA empowers the PDPC with significant regulatory powers to ensure compliance with the PDPA, including powers to investigate, give directions and impose a financial penalty of up to S$1 million. In addition, the PDPA created a right of private action, pursuant to which the Singapore courts may grant damages, injunctions and relief by way of declaration, to persons who suffer loss or damages directly as a result of contraventions of certain requirements under the PDPA.

The PDPA was last amended by the Personal Data Protection (Amendment) Act 2020, which is only partially in force. As of the Latest Practicable Date, key portions of such Act not yet in force include a requirement for organisations to transfer personal data of an individual to a different organisation where requested by the individual (generally referred to as "data portability"), and for organisations with more than S$10 million annual turnover in Singapore, the maximum financial penalty the PDPC may impose will increase to 10% of their annual turnover in Singapore.

Private Hospitals and Medical Clinics (Advertisement) Regulations 2019 (the "Advertisement Regulations")

The advertising of healthcare institutions is regulated under the Advertisement Regulations. The licensee of a healthcare institution must ensure that any advertisement of the services of the healthcare institution conducted by or on his behalf complies with certain requirements, including that the information contained in the advertisement must be factually accurate, capable of being substantiated, not exaggerated, false, misleading or deceptive, not offensive, ostentatious or in bad taste such as to undermine the honour and dignity of the medical, dental or nursing profession and must not contain any information that implies that the healthcare institution can obtain results from treatment not achievable by other healthcare institutions or compares and contrasts the quality of the services of the healthcare institution with those provided by other healthcare institutions or deprecate the services of other healthcare institutions. The information contained in the advertisement must not be in such a manner as to amount to soliciting or encouraging the use of services provided by or at any healthcare institution.

Employment Act, Chapter 91 of Singapore (the "Employment Act")

The Employment Act is administered by the Ministry of Manpower and sets out the basic terms and conditions for employees covered under the Employment Act.

The term "employee" is defined in the Employment Act to mean a person who has entered into or works under a contract of service with an employer and includes, among others, a workman, but does not include certain specified categories of employees including, among others, any domestic worker.

Part II of the Employment Act relates to certain aspects of contracts of services including, amongst others, termination of contract, notice of termination of contract and liability on breach of contract. For instance, Section 10 of the Employment Act provides, amongst others, that either party to a contract of service may at any time give to the other party notice of his intention to terminate the contract of service; and the length of such notice shall be the same for both employer and employee and shall be determined by any provision made for the notice in the terms of the contract of service, or, in the absence of such provision, shall be in accordance with Section 10(3) of the Employment Act.

Section 19 of the Employment Act provides that any employer who enters into a contract of service or collective agreement contrary to the provisions of Part II of the Employment Act shall be guilty of an offence. Section 112 of the Employment Act provides that any person who is guilty of any breach or any offence under the Employment Act for which no penalty is otherwise provided shall be liable on conviction to a fine not exceeding S$5,000 or to imprisonment for a term not exceeding six months or to both, and for a subsequent offence under the same section to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or to both. Part IV of the Employment Act sets out requirements for, among others, rest days, hours of work and other conditions of service.

Part IV of the Employment Act only applies to certain specified categories of employees, namely (a) workmen who are in receipt of a salary not exceeding S$4,500 a month (excluding overtime payments, bonus payments, annual wage supplements, productivity incentive payments and any allowance however described) or such other amount as may be prescribed by the Minister; and (b) every employee (other than a workman or a person employed in a managerial or an executive position) who receives a salary not exceeding S$2,600 a month (excluding any overtime payment, bonus payment, annual wage supplement, productivity incentive payment and any allowance however described) or such other amount as the Minister may prescribe (the **"Part IV Employees"**).

For instance, Section 36(1) of Part IV of the Employment Act provides that a Part IV Employee shall be allowed in each week a rest day without pay of one whole day which shall be Sunday or such other day as may be determined from time to time by the employer.

Section 53(1) of the Employment Act provides that any employer who employs any person as a Part IV Employee contrary to the provisions of Part IV of the Employment Act or fails to pay any salary in accordance with the provisions of Part IV of the Employment Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$5,000, and for a second or subsequent offence to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or to both. Part X of the Employment Act sets outs the provisions in relation to holiday, annual leave and sick leave entitlements. For instance, Section 89(1) of Part X of the Employment Act provides that any employee who has served an employer for a period of not less than six months is entitled, after examination by a medical practitioner, to such paid sick leave, as may be certified by the medical practitioner, not exceeding in the aggregate (a) if no hospitalisation is necessary, 14 days in each year; or (b) if hospitalisation is necessary, the lesser of the following: (i) 60 days in each year; and (ii) the aggregate of 14 days plus the number of days on which he is hospitalised.

Section 90(1) of the Employment Act provides that any employer who employs any person as an employee contrary to the provisions of Part X of the Employment Act or fails to pay any salary in accordance with the provisions of Part X of the Employment Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$5,000, and for a second or subsequent offence to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or to both.

Employment of Foreign Manpower Act, Chapter 91A of Singapore (the "EFMA") and Employment of Foreign Manpower (Work Passes) Regulations 2012

The availability and the employment cost of skilled and unskilled foreign workers are affected by the government's policies and regulations on the immigration and employment of foreign workers in Singapore. We are subject to such policies and regulations as we employ foreigners for our business operations in Singapore. The employment of foreign manpower in Singapore is governed by the EFMA and is regulated by the Ministry of Manpower.

Section 5(1) of the EFMA provides that no person shall employ a foreign employee unless the foreign employee has a valid work pass issued by the Controller of Work Passes under Section 7 of the EFMA and in accordance with the Employment of Foreign Manpower (Work Passes) Regulations 2012 ("**EFMR**"). Any person who contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall:

- be liable on conviction to a fine not less than S$5,000 and not more than S$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- on a second or subsequent conviction: (i) in the case of an individual, be punished with a fine of not less than S$10,000 and not more than S$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; or (ii) in any other case, be punished with a fine of not less than S$20,000 and not more than S$60,000.

The EFMR requires employers of work permit holders, among others, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage in certain instances);
- provide safe working conditions and take such measures as are necessary to ensure the safety and health of the foreign employee;
- provide acceptable accommodation consistent with any law or governmental regulations; and
- purchase and maintain medical insurance for inpatient care and day surgery, with coverage of at least S$15,000 per every 12-month period (or for such shorter period where the foreign employee's period of employment is less than 12 months).

The EMFR also requires employers of S pass holders, among others, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage in certain instances); and
- purchase and maintain medical insurance for inpatient care and day surgery, with coverage of at least S$15,000 per every 12-month period (or for such shorter period where the foreign employee's period of employment is less than 12 months).

An employer of foreign workers is also subject to, among others, the provisions set out in the Employment Act, the EFMA, the Immigration Act, Chapter 133 of Singapore and the Immigration Regulations.

MALAYSIA

Private Healthcare Facilities and Services Act 1998

The Private Healthcare Facilities and Services Act 1998 ("**Private Healthcare Facilities Act**") regulates and controls the establishment, maintenance, operation and provision of private healthcare facilities and services and other health-related facilities and services and matters related thereto in Malaysia. "Private healthcare facility" is defined as any premises, other than a Government healthcare facility, used or intended to be used for the provision of healthcare services or health-related services, such as a private hospital, hospice, ambulatory care centre, nursing home, maternity home, psychiatric hospital, psychiatric nursing home, community mental health centre, haemodialysis centre, medical clinic, dental clinic and such other healthcare or health-related premises as the Minister of Health Malaysia may from time to time, by notification in the Gazette, specify.

Private Nursing Home

A "private nursing home" means any premises, other than a Government nursing home, used or intended to be used for the reception of, and the provision of nursing care for, persons suffering or convalescing from any sickness, injury or infirmity.

No person (i) shall establish or maintain a private nursing home without approval being granted by the Director General of Health, or (ii) operate or provide a private nursing home without a licence to operate or to provide a private nursing home ("**PNH Licence**"). The PNH Licence shall, unless sooner suspended or revoked, remain in force for a period of two years from the date on which it is issued. An application for the renewal of a licence shall be made six months before the expiry of the said licence. Where the holder of the PNH Licence is a body corporate, the board of directors of the licensee shall consist of at least one person who is a registered medical practitioner. Notwithstanding the abovementioned, approval to establish or maintain or a licence to operate or provide a private nursing home may be issued to a registered nurse if contractual arrangements have been made for a registered medical practitioner to visit the patients in such home at such frequency as may be prescribed.

Transfer, assignment or disposal of a certificate of registration or a PNH Licence is prohibited unless approved in writing by the Director General of Health.

Medical Act 1971 (the "Medical Act")

The Medical Act was enacted to consolidate and amend the laws relating to the registration of medical practitioners, the control and regulation of the practice of medicine, to provide for certain provisions with regard to a period of service in the public services after full registration as a medical practitioner and for purposes connected thereto. The Director General of Health shall keep a register of medical practitioners, also known as the Malaysian Medical Register ("**MMR**"), and shall be responsible for the maintenance and custody of the MMR. A medical practitioner must be fully registered with the MMR and such fully registered person who desires to practise as a medical practitioner shall apply for and hold a certificate authorising the applicant to practise as a medical practitioner during the year for which the certificate is issued ("**annual practising certificate**"). A fully registered person with an annual practising certificate in force shall be entitled, according to his or her qualifications, to practise medicine, and to recover in due course of law reasonable charges for professional aid, advice, visits and the value of any medicine or any medical or surgical appliances rendered, made or supplied by him to his patients.

The Malaysian Medical Council (the "**MMC**") has the disciplinary jurisdiction over all persons registered under the Medical Act. The MMC may, in the exercise of its disciplinary jurisdiction, order the name of such registered person to be struck off or suspended from the MMR, order the registered person to be reprimanded or order such medical practitioner's registration to be subjected to conditions. Any person who is aggrieved by any order made by the MMC in the exercise of its disciplinary jurisdiction may appeal to the High Court.

All our doctors practising in our nursing homes in Malaysia have valid and existing annual practising certificates.

Traditional and Complementary Medicine Act 2016 (the "Traditional and Complementary Medicine Act")

The Traditional and Complementary Medicine Act was enacted to provide for the establishment of the Traditional and Complementary Medicine Council ("**TCM Council**") to regulate the traditional and complementary medicine ("**TCM**") services in Malaysia and matters connected therewith. The functions of the TCM Council include advising the Minister of Health of Malaysia on matters of national policy relating to TCM practice, to establish the eligibility requirements of each practice area and to register individuals who will provide TCM services to the public.

The Private Healthcare Facilities Act shall not apply to the practice of TCM including the use of any premises, building and facility for such medical practice. Practice of TCM means a form of health-related practice designed to prevent, treat or manage ailment or illness or preserve the mental and physical well-being of an individual and includes such practices as traditional Malay medicine, traditional Chinese medicine, traditional Indian medicine, Islamic medical practice, homeopathy, and complementary therapies, but excludes medical and dental practices used by a medical and dental practitioner respectively. Pursuant to the Traditional and Complementary Medicine Act, no person shall practise in any practice area which is not a recognised practice area as prescribed by the Minister of Health by order published in the Gazette after considering the recommendation of the TCM Council. At present, the following are prescribed recognised practice areas in Malaysia: traditional Malay medicine, traditional Chinese medicine, traditional Indian medicine, homeopathy, chiropractic, osteopathy and Islamic medical practice.

The secretary of the TMC Council, who is the registrar, shall maintain a register of registered practitioners who have been issued with practising certificates. A registered practitioner shall not practise a recognised practice area unless he or she holds a valid and subsisting practising certificate. A practising certificate shall be valid for not more than 12 months from the date of issuance and an application for renewal shall be made to the registrar not less than 30 days before the date of expiry.

The TCM Council has the disciplinary jurisdiction over all persons registered under the Traditional and Complementary Medicine Act. The TCM Council may, in the exercise of its disciplinary jurisdiction, order the name of such registered person to be struck off or suspended from the register, order the registered person to be reprimanded or order such registered practitioner's registration to be subjected to conditions. Any person who is aggrieved by any order made by the TCM Council in the exercise of its disciplinary jurisdiction may appeal to the High Court.

Nurses Act 1950 (the "Malaysian Nurses Act")

The **Malaysian** Nurses Act was enacted to provide for the registration of nurses for the sick. The Nursing Board shall keep a register of nurses for the sick. Any registered person who desires to practise as a nurse shall apply for and hold a certificate to practice authorising the applicant to practise as a nurse during the year for which the certificate is issued ("**annual practising certificate**").

The Nursing Board has the disciplinary jurisdiction over all persons registered under the **Malaysian** Nurses Act. The Nursing Board may, in the exercise of its disciplinary jurisdiction, order the name of such registered person to be removed or suspended from the register or order the registered person to be reprimanded. Any person who is aggrieved by the removal of his or her name from the register may, within three months after the date on which notice has been served on him or her by the Nursing Board that his or her name has been so removed, appeal against the removal to the Minister of Health.

As at the Latest Practicable Date, all our nurses practising in our nursing homes in Malaysia have valid and existing annual practising certificates.

Allied Health Professions Act 2016 (the "Malaysian Allied Health Professions Act")

The Malaysian Allied Health Professions Act provides for the establishment of the Malaysian Allied Health Professions Council ("**MAHPC**"), to provide for the registration of persons practising as allied health practitioners (including physiotherapists) and persons carrying on activities relating to allied health, to regulate the practice of allied health professions. Activity relating to allied health means any activity which has a direct or an indirect effect on patient care, or on the health of an individual or the population.

No person shall practise an allied health profession or carry out any activity prescribed as an activity relating to allied health unless he is registered under the Malaysian Allied Health Professions Act. A registered practitioner who intends to practise shall apply to the MAHPC for a practising certificate which shall be valid for two years. The Director of Allied Health Sciences Division shall have the function of issuance of certificates and the maintenance of the register.

The MAHPC has disciplinary authority over practitioners registered under the Malaysian Allied Health Professions Act. The MAHPC may, in the exercise of its disciplinary authority, order the name of such registered practitioner to be removed or suspended from the register or order the registered practitioner to be reprimanded. Any person who is aggrieved by an order made against him or her by the MAHPC in the exercise of its disciplinary authority may, within 30 days from the date of the making of the order, appeal to the Minister of Health of Malaysia.

Poisons Act 1952 (the "Poisons Act")

The Poisons Act regulates the importation, possession, manufacture, compounding, storage, transport, sale and use of poisons. "Poison" is defined as any substance specified by name in the first column of the poison list set out in the first schedule of the Poisons Act and includes any preparation, solution, compound, mixture or natural substance containing such substance, other than an exempted preparation or an article or preparation included for the time being in the second schedule of the Poisons Act. The Director General of Health, the Director of Pharmaceutical Services or the Director of Medical and Health Services of any State duly appointed in writing by the Director General of Health to be a Licensing Officer of any State or the Federal Territory may issue Type A licences to a pharmacist in respect of the importing, storing and dealing generally by wholesale and retail or by wholesale only or by retail only in all poisons. The Licensing Officer may in his discretion impose terms and conditions on the licences issued, subject however, in all cases, to an appeal made to the Minister of Health. All such licences issued shall be personal to the licensee named in the licence. Under the Poisons Act, a registered medical practitioner may dispense, compound or mix poisons with any other substance, whether a poison or not, for the purpose of its being used for medical treatment for his patients and he may sell, supply or administer any poison, other than a Group A Poison, to his patient.

Sale of Drugs Act 1952 (the "Sale of Drugs Act")

The Sale of Drugs Act and the Control of Drugs and Cosmetics Regulations 1984 (the "**CDCR**") contain prohibitions against the manufacture, sale, supply, import, possession or administration of any (i) drug in a dosage unit or otherwise, for use wholly or mainly by being administered to one or more human beings or animals for a medicinal purpose; and (ii) drug to be used as an ingredient of a preparation for a medicinal purpose (collectively, the "**product**"), unless the product is a registered product and the person holds the appropriate licence required and issued pursuant to the CDCR. Pursuant to Regulation 12(1) of the CDCR, the Director of Pharmaceutical Services is authorised to issue licences including a wholesaler's licence, authorising the licensee to sell by wholesale or supply the registered products from the address of the business premises specified in the licence. The licence shall be valid for a period of one year and shall be personal to the licensee named in the licence. Under the CDCR, a fully registered medical practitioner may dispense a drug for the purpose of its being used for medical treatment of a particular patient.

Personal Data Protection Act 2010 (the "Malaysian PDPA")

Under the Malaysian PDPA, organisations are required to (i) obtain consent from the individuals prior to collecting, using or disclosing their personal data unless the limited exceptions under the Malaysian PDPA arises; (ii) inform individuals in writing in two languages (i.e. English and the national language) of, amongst other things, the purposes for which their personal data will be processed and the third parties to whom their personal data will be disclosed; and (iii) ensure that the personal data collected will be processed in a safe and secure manner, in accordance with the security standards prescribed under the Personal Data Protection Standard 2015.

An organisation that fails to comply with the provisions under the Malaysian PDPA may, if found guilty, be liable to a financial penalty up to a maximum of MYR500,000 and any person who, at the time of the commission of the offence, was a director, chief executive officer, chief operating officer, manager, secretary or any person in a managerial capacity may also be jointly or severally liable with the organisation and be subject to imprisonment of up to a maximum of three years or both.

The Employment Act 1955 (the "Malaysian EA")

The Malaysian EA governs matters of employment in Peninsular Malaysia and Labuan. The Malaysian EA generally covers employees whose wages do not exceed MYR2,000 a month and any person, irrespective of his wage, who is engaged in manual labour or in the operation and maintenance of any mechanically propelled vehicle operated for the transport of passengers or goods or for reward or for commercial purposes, or who supervises or oversees other employees engaged in manual labour employed by the same employer in and throughout the performance of their work, or who is engaged in any capacity in a vessel registered in Malaysia, or who is engaged as a domestic servant. For employees who are covered under the Malaysian EA ("**EA employees**"), the EA prescribes minimum conditions relating to among others sick leave, holidays, termination notice, termination benefits, salary payment and maternity benefits. The terms of employment of EA employees must abide by the minimum conditions set by the Malaysian EA. Any terms in an employment contract which are less favourable to EA employees than those prescribed in the Malaysian EA are null and void to the extent that they are less favourable. Entitlements of employees who are not covered by the Malaysian EA, in general, are determined as a matter of contract.

General Conditions of Employment

Minimum Wage

Remuneration in relation to employees is entirely a matter of agreement between the employer and the employee, subject to the Minimum Wages Order 2020 which came into force on 1 February 2020. The Minimum Wages Order 2020 prescribes the monthly minimum wage to be MYR1,200 for employees who work in a place of employment in any of the City Council or Municipal Council areas listed in the Schedule which include among others Kuala Lumpur, Petaling Jaya, Subang Jaya, Sepang and Johor Bahru. For employees who work in a place of employment other than the City Council or Municipal Council areas as specified in the Schedule, the monthly minimum wage is MYR1,100.

Retirement Age

The Minimum Retirement Age Act 2012 currently provides for a minimum retirement age of 60 years notwithstanding anything to the contrary in any other written law, contract of service or collective agreement and prohibits an employer from dismissing an employee below the prescribed minimum retirement age on the ground of age alone. This requirement does not apply to persons specified in the Schedule to the Minimum Retirement Age Act 2012, which include a person employed by the Federal Government, any State Government, any Statutory Board or any local authority, a non-citizen employee and a person who is employed in any employment with average hours of work not exceeding seventy percent of the normal hours of work of a full-time employee.

Employees Provident Fund

The Employees Provident Fund ("**EPF**") is a pension fund that is mandatory (with a few exceptions) for all Malaysian employees (each, an "**Eligible Employee**"). The EPF is a secure savings account, the contents of which may be withdrawn in situations such as death, the Eligible Employee reaching 55 years of age, physical or mental incapacitation, or when a non-Malaysian citizen leaves Malaysia with no intention of returning.

Under the Employees Provident Fund Act 1991, an Eligible Employee and his employer are required to make monthly contributions to the Eligible Employee's EPF account, calculated as a percentage of the Eligible Employee's wages. Currently, in respect of employees who are Malaysian citizens and have yet to attain the age of sixty years, the employers' contributions are 12% Of the employees' monthly wages for employees whose monthly wages are above MYR5,000, and 13% for employees whose monthly wages are MYR5,000 and below. The statutory contribution rate for employees has been reduced from 11% of monthly wages to 9% for a period of 12 months from the year 2021 for employees below 60 years of age who are liable for contribution. However, such employees can opt to maintain the contribution rate at 11% by completing the prescribed form and submitting the same to their employers for online registration. The statutory contribution rate for employees aged 60 years and above remains at 11% of monthly wages.

Employees' Social Security

The Employees' Social Security Act 1969 (the "**ESS Act**") provides for social security for employment injury contingencies in favour of employees and is administered by the Social Security Organisation. It provides the right to claim benefits such as invalidity pension, disablement benefit, dependant's benefit, funeral benefit and survivors' pension. The rates of contribution are prescribed under the ESS Act and generally calculated based on the monthly wages and age of an employee. With effect from 1 June 2016, employers are required to make deductions and contributions for all employees regardless of their wages. There are two different categories of contributions. For the first category (employment injury scheme and invalidity scheme), the employer's monthly contribution ranges from MYR0.40 to MYR69.05 (being calculated at a rate of 1.75% of monthly wages) whereas the employee's monthly contribution ranges from MYR0.10 to MYR19.75 (being calculated at a rate of 0.5% of monthly wages). For the second category (employment injury scheme), the monthly contribution is paid by the employer, which ranges from MYR0.30 to MYR49.40.

Employment Insurance System

The Employment Insurance System Act 2017 (the "**EIS**") is an Act administered by the Social Security Organisation to provide certain benefits and a re-employment programme for insured persons in the event of loss of employment. The EIS will provide temporary financial aid to certain eligible categories of retrenched employees until they find new employment. In addition to that, the EIS also provides other benefits which include training allowance and job search allowances. Under the EIS, with effect from 1 January 2018, the employer's and employee's monthly contributions towards the Employment Insurance Fund range from MYR0.05 to MYR7.90 (being calculated at a rate of 0.2 per cent of monthly wages).

Employment of non-Malaysian citizens

The Employment (Restriction) Act 1968 provides for the restriction of employment in certain business activities in Malaysia of non-citizens and the registration of such non-citizens. No non-citizens shall be employed in any business in Malaysia or accept employment in any business in Malaysia unless there has been issued in respect of such non-citizen a valid employment permit. Under the Immigration Act 1959/63, any person who employs one or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid pass shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than MYR10,000 but not more than MYR50,000 or to imprisonment for a term not exceeding 12 months or to both for each such employee.

CHINA

Rules on Foreign Investment

The Catalogue for the Guidance of Foreign Investment Industries and the Special Administrative Measures (Negative List) for the Access of Foreign Investment

The Foreign Investment Law of China (《中华人民共和国外商投资法》, the "Foreign Investment Law") was promulgated by the National People's Congress (the "**NPC**") of China on 15 March 2019, which came into force as of 1 January 2020. Under the Foreign Investment Law, China adopts a system of pre-entry national treatment plus negative list with respect to foreign investment administration. Foreign investment shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the Negative List.

According to the Special Administrative Measures (Negative List) for Foreign Investment Access (2020 Edition) (《外商投资准入特别管理措施（负面清单）（2020年版）》, the "Negative List") promulgated on 23 June 2020 and came into effect on 23 July 2020, elderly care industry falls into the industries where foreign investment is not prohibited or restricted.

Administrative Measures for Elderly Care Institutions

According to Administrative Measures for Elderly Care Institutions (《养老机构管理办法》) which came into effect on 1 November 2020, elderly care institutions is defined as institutions with more than 10 beds registered in accordance with laws to provide full-time concentrated residence and care services for the aged. Under such law, elderly care institutions include for-profit and non-profit ones. Elderly care institutions shall provide services in accordance with laws, regulations and mandatory standards of construction, fire protection, food safety, medical & hygiene, special equipment, etc.

Under the Administrative Measures for Elderly Care Institutions, the establishment of for-profit elderly care institutions shall be registered with the administrative departments for market regulation. The establishment of non-profit elderly care institutions shall be subject to the corresponding registration in accordance with laws. For-profit elderly care institutions shall, within 10 working days after the aged are admitted, handle the record-filing procedures with the civil affairs department of the people's government at the county level of the location of the service place. Non-profit elderly care institutions shall, within 10 working days after the aged are admitted, handle the record-filing procedures with the civil affairs department of the people's government at the same level with the registration administrative authority.

The Food Safety Law and Implementation Rules

In accordance with the Food Safety Law of China (《中华人民共和国食品安全法》, the "Food Safety Law"), which was promulgated on 28 February 2009 and was amended on 24 April 2015 and 29 December 2018, food producers and food business operators shall be responsible for the safety of food produced or traded and must produce and trade food in accordance with relevant laws, regulations and food safety standards. Food producers and food business operators shall ensure food safety, act in good faith and be self-disciplined, be accountable to society and the public, accept public supervision, and assume their social responsibilities.

Pursuant to the Food Safety Law, the State implements a licensing system for food production and trading. A person who engages in food production, food selling or catering services must obtain a licence in accordance with the law.

On 31 August 2015, China Food and Drug Administration (now merged into the State Administration for Market Regulation) promulgated the Administrative Measures for Food Business Licensing (《食品经营许可管理办法》), which was amended on 17 November 2017. According to the Administrative Measures for Food Business Licensing, a food business licence must be obtained in accordance with the law to engage in food selling and catering services within China. The principle of "one licence for one site" shall apply. That is, food business operators shall obtain separate food business licences for each operation site. Food and drug administrative authorities shall implement classified licensing for food business according to the type of food business operators and the degree of risk of their operating items.

Laws and Regulations regarding Labour Protection

The Labour Law of the People's Republic of China

The Labour Law of the People's Republic of China (《中华人民共和国劳动法》), which was promulgated by the Standing Committee of the National People's Congress ("**SCNPC**") on 5 July 1994, came into effect on 1 January 1995, and was amended on 27 August 2009 and 29 December 2018, provides that an employer shall develop and improve its rules and regulations to safeguard the rights of its workers. An employer shall develop and improve its labour safety and health systems, stringently implement national protocols and standards on labour safety and health, conduct labour safety and health education for workers, guard against labour accidents and reduce occupational hazards. Labour safety and health facilities must comply with relevant national standards. An employer must provide workers with the necessary labour protection equipment that complies with labour safety and health conditions stipulated under national regulations, as well as provide regular health checks for workers that are engaged in operations with occupational hazards. Workers engaged in special operations shall have received specialised training and obtained the pertinent qualifications. An employer must develop a vocational training system. Vocational training funds must be set aside and used in accordance with national regulations and vocational training for workers must be carried out systematically based on the actual conditions of the company.

The Labour Contract Law of the People's Republic of China and its implementation regulations

The Labour Contract Law of China (《中华人民共和国劳动合同法》), which was promulgated by the SCNPC on 29 June 2007, came into effect on 1 January 2008, and was amended on 28 December 2012 and came into effect on 1 July 2013, and the Implementation Regulations on Labour Contract Law (《劳动合同法实施条例》) which were promulgated on 18 September 2008 and came into effect on the same day, regulate employer and the employee relations and contain specific provisions involving the terms of the labour contract. Labour contracts must be made in writing and may, after reaching agreement upon due negotiations, be for a fixed-term, an un-fixed term, or conclude upon the completion of certain work assignments. An employer may legally terminate a labour contract and dismiss its employees after reaching an agreement upon due negotiations with the employee or by fulfilling the statutory conditions.

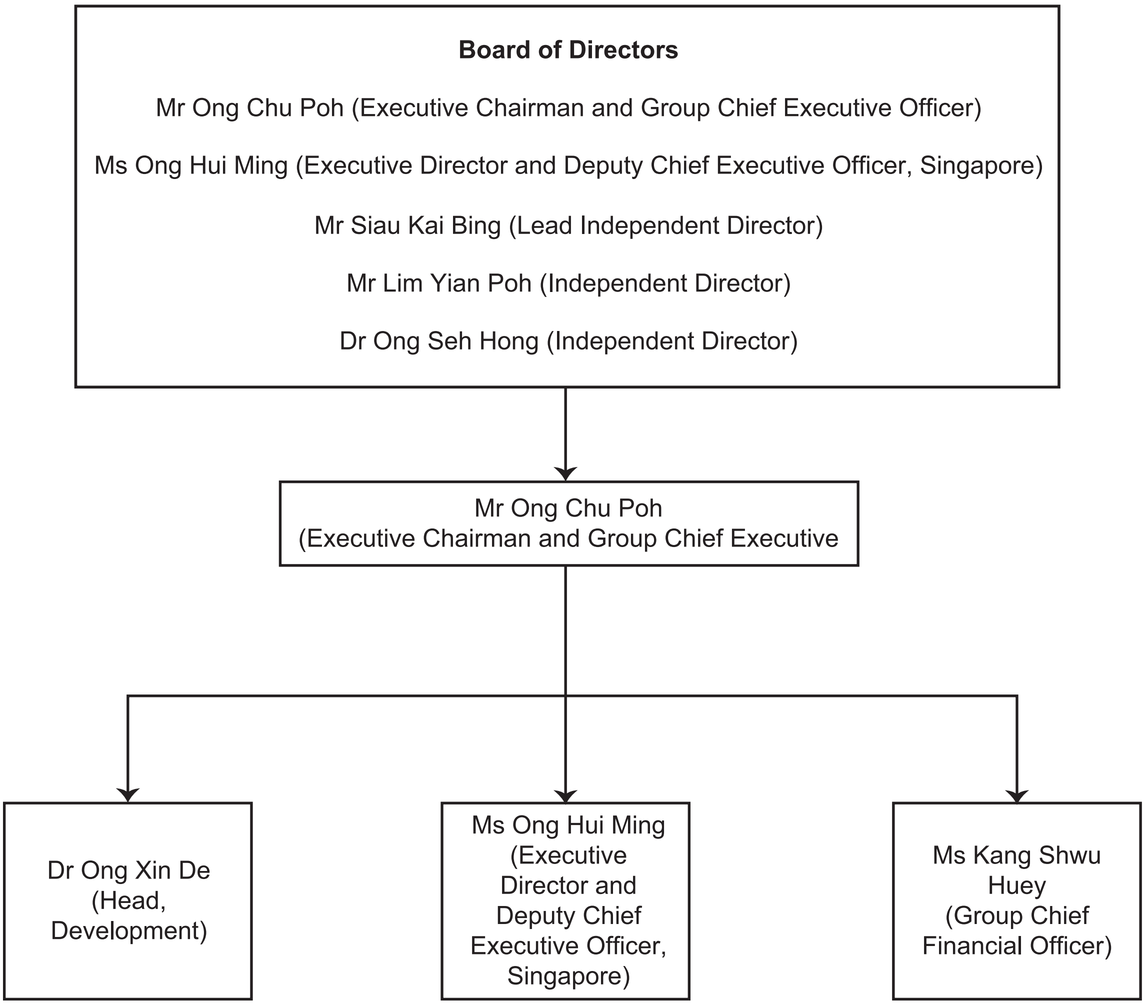
The Laws and Regulations on Social Security Insurance and Housing Provident Funds

According to applicable laws and regulations, including the Law on Social Insurance of China (《中华人民共和国社会保险法》), which was promulgated by the SCNPC on 28 October 2010 and came into effect on 1 July 2011 and revised on 29 December 2018, the Regulations on the Administration of Housing Provident Fund (《住房公积金管理条例》), which were promulgated by the State Council and came into effective on 3 April 1999, and amended on 24 March 2002 and 24 March 2019, workers shall participate in basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and shall pay and deposit housing provident funds. An employing entity shall undertake social insurance registration and registration of payment and deposit of the housing provident fund; shall pay work-related injury insurance premiums and maternity insurance premiums, and shall pay and deposit housing provident funds for workers. The basic pension insurance premiums, basic medical insurance premiums and unemployment insurance premiums shall be paid jointly by the employing entities and the workers. If an employing entity does not pay the full amount of social insurance premiums and housing provident funds as scheduled, it may be ordered to make the payment or make up the difference within the stipulated period and imposed a fine of the overdue payment.

MANAGEMENT AND CORPORATE GOVERNANCE

MANAGEMENT REPORTING STRUCTURE

The following chart shows our management reporting structure.



DIRECTORS

The Board is entrusted with the responsibility for the overall management of our Group. The following table sets forth information regarding our Directors:

Name	Age	Address	Position	Date of Appointment as Director
Mr Ong Chu Poh	67	160 Changi Road #05-01-13 Hexacube Singapore 419728	Executive Chairman and Group Chief Executive Officer	28 January 2004
Ms Ong Hui Ming	38	160 Changi Road #05-01-13 Hexacube Singapore 419728	Executive Director and Deputy Chief Executive Officer, Singapore	22 May 2018
Mr Siau Kai Bing	66	160 Changi Road #05-01-13 Hexacube Singapore 419728	Lead Independent Director	22 March 2021
Mr Lim Yian Poh	75	160 Changi Road #05-01-13 Hexacube Singapore 419728	Independent Director	22 March 2021
Dr Ong Seh Hong	58	160 Changi Road #05-01-13 Hexacube Singapore 419728	Independent Director	22 March 2021

None of the Independent Directors sits on the board of any of the principal subsidiaries of our Company that are based in jurisdictions other than Singapore.

Experience and Expertise of our Board

Certain information on the business and working experience of our Directors is set out below:

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

Mr Ong Chu Poh is the founder of our Group. Mr Ong is responsible for the overall management, operations and the charting of corporate directions and strategies of our Group and spearheaded our expansion into Malaysia and China. Mr Ong set up his first nursing home in 1987 and has since managed the expansion and business of our Group. Between 1978 and 1987, Mr Ong held marketing and general management positions with Fraser & Neave Ltd, Malayan Breweries Ltd, Beecham Manufacturing (S) Pte Ltd and Provision Suppliers Corporation Ltd.

Mr Ong received the Entrepreneur of The Year Award by Rotary-ASME in 2002. Mr Ong also received the Public Service Medal (PBM – Pingkat Batkti Masyarakat) conferred by the Prime Minister Office of the Republic of Singapore in 2002 for his dedication to serving the community. He was also awarded the Public Service Star (BBM – Bintang Bakti Masyarakat) in 2014 conferred by the Prime Minister's Office of the Republic of Singapore by the President of Singapore for his contributions to communities in Singapore.

Mr Ong graduated in 1978 with a Bachelor of Arts from the then Nanyang University, Singapore and has a Diploma in Marketing Management from Ngee Ann Polytechnic. He is also a graduate of the Singapore Command and Staff College.

Ms Ong Hui Ming is our Executive Director and Deputy Chief Executive Officer, Singapore.

Ms Ong Hui Ming joined our Group in 2006. Ms Ong is responsible for overseeing and managing the daily operations of our Group's business. She also supports Mr Ong Chu Poh in the development and execution of strategic plans of our Group.

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 is our Lead Independent Director.

Mr Siau 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 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. He 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. He also set up and is the Chairman of the board of V-Campus Pte. Ltd., an education provider.

Mr Lim is currently the lead independent director of T T J Holdings Limited and an independent director of CASA Holdings Limited (both of which are companies listed on the SGX-ST) and an independent director of Zicom Group Limited (a company listed on the Australian Stock Exchange). Mr Lim has also been an honorary Commercial Advisor to the Administrative Committee of Jiaxing Economic Development Zone, China since 2000. He has also been invited as an expert consultant of Suzhou Vocational University since May 2017.

He obtained his Bachelor of Science degree from Nanyang University, Singapore in 1969 and his Master of Science degree from the University of Hull, England in 1972. He has completed the Stanford-NUS Executive Program offered by Stanford University and the National University of Singapore and the Senior Management Development Program organised by Harvard Business School Alumni Club of Malaysia. He was awarded the Nanyang Alumni Service Award of Nanyang Technological University in 2008 in recognition of his outstanding service to the university.

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, and as independent director of Zhongmin Baihui Retail Group Ltd. and Dyna-Mac Holdings Ltd, all of which are 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.

Dr Ong graduated from the National University of Singapore with a MBBS degree in 1987. He obtained a MRCPsyh from The Royal College of Psychiatrist (UK) and FAMS from the Academy of Medicine, Singapore, in 1994 and 1997 respectively. He also earned a Master of Science (Applied Finance) degree from the National University of Singapore in 1999.

Listed Company Experience

The Directors have been briefed on the roles and responsibilities of a director of a public-listed company in Singapore.

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 EHPL 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 will complete the prescribed mandatory training as specified under Practice Note 4D of the Catalist Rules within the end of the first year of our Company's listing.

Terms of Office for our Directors

Our Directors do not have fixed terms of office. Each Director is required to retire from office once every three years and for this purpose, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) is required to retire from office by rotation and will be eligible for re-election at that annual general meeting (the Directors so to retire being those longest in office).

CORPORATE GOVERNANCE

We recognise the importance of corporate governance and the maintenance of high standards of accountability to our Shareholders.

Independence of our Independent Directors

In assessing the suitability and independence of our Independent Directors, our Board has considered the guidance from the Singapore Code of Corporate Governance 2018 (the "**Code**"). The Code requires that the board of directors of a company listed on the SGX-ST ("**Listco**") 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 Listco.

Under the Code, an "independent director" is one who is independent in conduct, character and judgment, and has no relationship with the Listco, 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 judgment in the best interests of the Listco.

A director who falls under the following circumstances is not independent:

(a) if he is employed by the Listco or any of its related corporations for the current or any of the past three financial years;

(b) if he has an immediate family member who is, or has been in any of the past three financial years, employed by the Listco or any of its related corporations and whose remuneration is determined by the remuneration committee of the Listco; and

(c) with effect from 1 January 2022, if he has been a director for an aggregate period of more than nine years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the Listco, and their respective associates (the "**Independence Tenure Requirements**").

Prior to 1 January 2022, the independence of any director who has served on the board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the board should also take into account the need for progressive refreshing of the board and should also explain why any such director should be considered independent.

Other examples of relationships which should deem a director not to be independent include:

(i) a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the Listco or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service. The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S$50,000 should generally be deemed significant;

(ii) a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Listco or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services). The amount and nature of the service, and whether it is provided on a one-off or recurring basis, are relevant in determining whether the service provided is material. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question; and

(iii) a director who is or has been directly associated with a substantial shareholder of the Listco, in the current or immediate past financial year. A director is considered "directly associated" with a substantial shareholder when he is accustomed or under the obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder in relation to the corporate affairs of the Listco. A director will not be considered "directly associated" with a substantial shareholder by reason only of his or her appointment having been proposed by that substantial shareholder.

In view of the above, our Board is of the view that our Independent Directors do not have any relationship with our Group, our Controlling Shareholders or our Executive Officers which could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of our Company.

Committees of Our Board

We have three Board committees: the Audit Committee, the Remuneration Committee and the Nominating Committee.

Our Audit Committee

Our Audit Committee comprises our Independent Directors, Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong. The Chairman of our Audit Committee is Mr Siau Kai Bing. Our Audit Committee will meet periodically and will, among others, carry out the following functions:

- 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;
- reviewing with our Group Chief Financial Officer and the external auditor 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;
- 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;
- 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;
- discussing with the external auditor 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;
- 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 management to the external auditors) and the internal audit function;
- 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;
- meeting with the external auditors, and with the internal auditors, in each case without the presence of management, at least annually and reviewing the co-operation extended to the internal auditors and the external auditors;
- reviewing and approving all hedging policies and types of hedging instruments to be implemented by us, if any;
- 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. See "*Interested Person Transactions and Potential Conflicts of Interest – Review Procedures for Future Interested Person Transactions*";
- where applicable, deciding on the appointment, termination and remuneration of the head of the internal audit function;
- 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;
- 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;

- 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;
- 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;
- 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 the management of such conflicts;
- 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;
- 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;
- 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;
- 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
- monitoring and reviewing the adequacy and implementation of measures to safeguard the corporate seals of our subsidiaries in China.

Based on the internal controls and risk management framework established and maintained by our Group, work performed by internal and external auditors and reviews performed by our management and various Board committees, our Board, with the concurrence of our Audit Committee, is of the opinion that the risk management systems and internal controls, including operational, financial, compliance and information technology controls, of our Group are adequate and effective as at the date of this Offer Document to address financial, operational, compliance and information technology risks, which our Group considers relevant and material to our operations.

Our Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that our Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, our Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Following the Listing, our Audit Committee will continually review the effectiveness of our internal control procedures and, if necessary, outsource our internal audit function to ensure the adequacy and sufficiency of internal control procedures within our Group.

Our Nominating Committee

Our Nominating Committee comprises our Independent Directors, Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong, and our Executive Director and Deputy Chief Executive Officer, Singapore, Ms Ong Hui Ming. The Chairman of our Nominating Committee is Mr Lim Yian Poh.

The responsibilities of our Nominating Committee include, among others:

- 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 Chief Executive Officer 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;
- 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;
- 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;
- 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
- 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.

In addition, our Nominating Committee will undertake a formal annual assessment of our Board's effectiveness as a whole and that of each of our Board committees and individual Directors and recommend for our Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each of our Board committee separately, as well as the contribution of each individual Director to our Board. Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of any matter in which he has an interest.

Our Nominating Committee, after having considered the following:

(a) the principal occupation and commitments of our Independent Directors, including the number of listed company board representations that each of them has;

(b) the attendance to-date at board meetings of listed companies that each of our Independent Directors serves as independent directors;

(c) the confirmations by our Independent Directors that they are able to devote sufficient time and attention to the matters of our Group;

(d) the professional experience and expertise of our Independent Directors; and

(e) the composition of our Board,

is of the opinion that Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong are able to commit sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience to be appointed as our Independent Directors.

Our Remuneration Committee

Our Remuneration Committee comprises our Independent Directors, Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong. The Chairman of our Remuneration Committee is Dr Ong Seh Hong.

The responsibilities of our Remuneration Committee include, among others:

- 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;
- 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;
- 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;
- 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;
- 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
- 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.

Our Remuneration Committee shall also ensure that the level and structure of remuneration of our Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of our Company, taking into account the strategic objectives of our Company, and should be aligned with the long-term interest and risk policies of our Group and should be appropriate, to attract, retain and motivate (a) our Directors to provide good stewardship of our Group and (b) Key Management Personnel to successfully manage our Company and our Group for the long term, as well as ensure accountability of our Group.

Members of our Remuneration Committee shall not participate in any discussion or vote on any matter considered by the Committee which is in respect of his own remuneration package. If a member of our Remuneration Committee has an interest in a matter being reviewed or considered by our Remuneration Committee, the decision of our Remuneration Committee will exclude the vote, approval or recommendation of such member in relation to that matter.

Investment Process

Our Company will adhere to the following process when proposing to undertake future investments or business expansion, including (i) investments in and/or acquisition of any property, business, asset or entity, and (ii) entry into of any joint venture or partnership agreement or arrangement (any of the foregoing being a "**Future Opportunity**"):

(a) upon identification of a Future Opportunity, our management will conduct an analysis of the Future Opportunity, which may include, among other things, a feasibility study and risk analysis on such Future Opportunity. Such analysis may be conducted in-house or may be outsourced to third party professional service providers;

(b) in the event that our management decides to pursue such Future Opportunity having regard to the analysis so conducted, we will engage third party professionals (such as legal, accounting, financial or tax advisors, independent valuers and/or private investigators) to undertake due diligence on the Future Opportunity. In determining the appropriate level of due diligence to be undertaken on the Future Opportunity, management will give due consideration to whether the Future Opportunity is one which crosses any of the Investment Thresholds (as defined herein). A higher level of due diligence will be required where a Future Opportunity is one which crosses any of the Investment Thresholds, and will cover matters including but not limited to, the validity of title (which may include, among other things, title to shares, properties and/or assets) to or comprised by the Future Opportunity or the asset(s) held by the Future Opportunity, validity of rights held by the Future Opportunity, validity of licences, permits and/or approvals held by the Future Opportunity and litigation or disputes concerning the Future Opportunity;

(c) if our management decides to proceed with the Future Opportunity having regard to the due diligence findings, such Future Opportunity will be tabled to our Board for consideration, along with the due diligence findings, analysis and risk mitigation plan (if any) in respect of the Future Opportunity; and

(d) our Board, having regard to all the relevant factors as mentioned above, will decide whether to proceed with the Future Opportunity. Such decisions made by our Board will be in accordance with our Constitution which provides that questions arising at any meeting of the Board will be determined by a majority of votes.

For the purposes of the above, "**Investment Thresholds**" refer to a Future Opportunity that is:

(i) of a value equivalent to 10% or more of the latest audited consolidated net tangible assets of our Company;

(ii) in a geographic market outside Singapore and Malaysia (where our Group has an existing operational track record); or

(iii) in a new area of business outside of the Relevant Business (as defined in "*Interested Person Transactions and Potential Conflicts of Interest – Potential Conflicts of Interest*"). In the event that the consolidated net tangible assets of our Company is negative in value, all Future Opportunities would be deemed to cross the Investment Thresholds and hence require an enhanced level of due diligence.

EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our Executive Directors who are assisted by a team of Executive Officers. The following table sets forth information regarding our Executive Officers:

Name	Age	Address	Position
Mr Ong Chu Poh	67	160 Changi Road #05-01-13 Hexacube Singapore 419728	Executive Chairman and Group Chief Executive Officer
Ms Ong Hui Ming	38	160 Changi Road #05-01-13 Hexacube Singapore 419728	Executive Director and Deputy Chief Executive Officer, Singapore
Ms Kang Shwu Huey	41	160 Changi Road #05-01-13 Hexacube Singapore 419728	Group Chief Financial Officer
Dr Ong Xin De	36	160 Changi Road #05-01-13 Hexacube Singapore 419728	Head, Development

Certain information on the business and working experience of our Executive Officers is set out below:

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

See "*Management and Corporate Governance – Directors*".

Ms Ong Hui Ming is our Executive Director and Deputy Chief Executive Officer, Singapore.

See "*Management and Corporate Governance – Directors*".

Ms Kang Shwu Huey is our Group Chief Financial Officer.

Ms Kang Shwu Huey is in charge of our Group's finance and accounting matters and has more than 15 years of experience in financial management and audit. She joined our Group in November 2020. Prior to joining our Group, Ms Kang Shwu Huey was the group financial controller in Breadtalk Group Pte.

Ltd. Ms Kang began her career in 2004 as an audit cum tax assistant at audit firm K. H. Lim & Co in Malaysia. She was then employed by BDO Raffles (now known as BDO LLP) in Singapore as an associate consultant and then an audit senior from 2007 to 2010. From 2010 to 2012, Ms Kang served as the group assistant finance manager of Excelpoint System (Pte) Ltd, a wholly-owned subsidiary of Excelpoint Technology Ltd. which is listed on the Mainboard of the SGX-ST. In 2012, Ms Kang became the finance manager of Breadtalk Group Pte. Ltd., which was then listed on the Mainboard of the SGX-ST, and was later promoted to group senior finance manager in 2014 and group financial controller in 2016.

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

In considering the suitability of Ms Kang for her role as our Group Chief Financial Officer, our Audit Committee has considered several factors, including her qualifications and experience, the accounting reporting structure, the team that supports and reports to her, the interactions our Audit Committee had with Ms Kang and the absence of negative feedback from the external auditors and the internal auditors (who were appointed to perform a pre-IPO internal control review) on Ms Kang. Our Audit Committee noted that Ms Kang has approximately 16 years of working experience in finance and accounting, and has observed her abilities, familiarity and diligence in relation to the financial matters and information of our Group. After making all reasonable enquiries, and to the best of its knowledge and belief, nothing has come to our Audit Committee's attention to cause it to believe that Ms Kang does not have the competence, character and integrity expected of a chief financial officer of a listed issuer.

Dr Ong Xin De is our Head, Development.

Dr Ong Xin De is our Head, Development, overseeing strategic development, overseas growth, technology and innovation. When Dr Ong was our Head of Strategy in 2017, he assisted in the development of our Group's strategies and future plans and the execution of internal and external strategic projects. Dr Ong had joined our Group in 2014 as a manager of the strategic business unit and was responsible for identifying and developing sustainable competitive advantages of our Group. Dr Ong was a research and teaching associate in Monash University from 2016 to 2017. Dr Ong was a mentor of NUS Enterprise's Lean LaunchPad Singapore programme and Modern Aging Singapore business accelerator program.

Dr Ong holds a First Class Honours Degree of Bachelor of Business and a Doctor of Philosophy in International Business from Monash University. He is a graduate of the SPRING Singapore: Executive Leadership Development Programme at The Wharton School of the University of Pennsylvania.

FAMILY RELATIONSHIP/ARRANGEMENT OR UNDERSTANDING

Our Executive Director and Deputy Chief Executive Officer, Singapore, Ms Ong Hui Ming, and our Executive Officer, Dr Ong Xin De, are the children of our Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh. Mr Ong Chu Poh is also a Controlling Shareholder of our Company.

Save for the foregoing, there are no family relationships among any of our Directors, Executive Officers or Substantial Shareholders.

Save for the foregoing, there are no arrangements or understandings with any person pursuant to which any of our Directors or Executive Officers were selected.

PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF OUR DIRECTORS AND EXECUTIVE OFFICERS

The present and past directorships held by our Directors and Executive Officers in the last five years preceding the Latest Practicable Date (excluding those held in our Company) are set out in "*Appendix E – List of Present and Past Principal Directorships of our Directors and Executive Officers*".

SERVICE AGREEMENTS

The service agreement of each of our Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh, and our Executive Director and Deputy Chief Executive Officer, 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 our Remuneration Committee 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. See "- *Remuneration of Directors and Executive Officers*" below for further details on the Profit Sharing Scheme. To demonstrate their confidence in and alignment of interests with our Company and our Shareholders and with a view to investing in the future growth of our Company, Mr Ong Chu Poh and Ms Ong Hui Ming have chosen to waive part of their entitlement under the Profit Sharing Scheme for FY2019 and FY2020 and to waive in full their entitlement for FY2021 and FY2022. In addition, Mr Ong Chu Poh is entitled to the use of a chauffeur-driven company car and Ms Ong Hui Ming is entitled to the use of a company car. Each of them is entitled to a replacement company car on the four year anniversary of the car being made available to him/her, at a purchase price of up to S$500,000 (in the case of Mr Ong Chu Poh) or S$200,000 (in the case of Ms Ong Hui Ming).

The service agreement of each of Mr Ong Chu Poh and Ms Ong Hui Ming has an initial term of three years with effect from the Listing Date and may thereafter by mutual agreement be renewed for further periods of three years each (or such other periods as may be mutually agreed). Our Company or the relevant individual may terminate the relevant individual's employment at any time by giving not less than six months' prior written notice. Our Company is also entitled to terminate the relevant individual's employment immediately or by giving such notice as we consider fit, provided we pay him/her a sum equal to his/her basic monthly salary in respect of the period or balance of the period of notice he/she would have otherwise been given.

We may also terminate his/her employment immediately, without notice, under certain specified conditions, which include, among others, he/she committing any act of dishonesty, gross misconduct, wilful neglect or fraud, he/she being convicted of any criminal offence other than an offence which in our opinion does not affect his/her position within our Group, he/she persistently refusing to carry out any reasonable lawful order given to him/her in the course of his/her employment or persistently failing diligently to attend to his/her duties under his/her service agreement, and he/she committing any breach of any of the terms and conditions of his/her service agreement, or any regulation or rule generally applying to our employees as may be introduced by us from time to time.

Each of their service agreements also contains non-compete provisions that apply for the duration of his/her employment and for a period of 12 months after the cessation of his/her employment which prohibit, among other things, their engagement or involvement in any business concern which competes with our Group's business except with the prior written consent of our Company. The service agreement also contains restrictions on the disclosure of our confidential information concerning the business or affairs of our Company. Save for Mr Ong Chu Poh and Ms Ong Hui Ming, we have not entered into a service agreement with any of our Directors.

None of our Directors or the Executive Chairman and Group Chief Executive Officer has entered, or proposes to enter, into service agreements with our Company or any subsidiary or subsidiary entity of our Group which provides for benefits upon termination of employment.

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

The remuneration of our Directors and Executive Officers for services rendered by them in all capacities to our Group for FY2019, FY2020 and FY2021 (estimated) are set out below in remuneration bands(2):

	FY2019	FY2020	FY2021
	Actual(1)(2)		Estimated(1)(2)
Directors			
Mr Ong Chu Poh(3)(4)(5)	C	C	C
Ms Ong Hui Ming(3)(4)(5)	B	B	B
Mr Siau Kai Bing	-	-	A
Mr Lim Yian Poh	-	-	A
Dr Ong Seh Hong	-	-	A
Executive Officers			
Mr Ong Chu Poh		See above	
Ms Ong Hui Ming		See above	
Ms Kang Shwu Huey	-	-	A
Dr Ong Xin De(3)	A	A	A

Notes:

(1) Remuneration includes any bonus (discretionary or under any profit-linked arrangements), contributions to The Central Provident Fund, benefits in kind (save as disclosed in footnote (5)) and any deferred compensation accrued for the relevant financial year and payable at a later date. The estimated remuneration payable for FY2021 excludes any bonus and amounts under the Profit Sharing Scheme (where applicable) which has not yet been paid.

(2) 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.

(3) Prior to completion of the Restructuring Exercise in December 2018, Mr Ong Chu Poh, Ms Ong Hui Ming and Dr Ong Xin De were employed by EHPL (which was at the time the holding company of our Group). The compensation paid to them in FY2019 includes compensation paid by EHPL.

(4) Each of Mr Ong Chu Poh and Ms Ong Hui Ming has waived part of his/her entitlement under the Profit Sharing Scheme for FY2019 and FY2020 and has waived in full his/her entitlement for FY2021 and FY2022.

(5) In addition to their remuneration as disclosed above, as described in "- *Service Agreements*", each of Mr Ong Chu Poh and Ms Ong Hui Ming is entitled to the use of a company car and to be provided with a replacement company car on the four year anniversary of the car being made available to him/her, at a purchase price of up to S$500,000 (in the case of Mr Ong Chu Poh) or S$200,000 (in the case of Ms Ong Hui Ming).

Dr Koh Hin Ling, the wife of our Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh and the mother of our Executive Director and Deputy Chief Executive Officer, Singapore, Ms Ong Hui Ming and our Executive Officer, Dr Ong Xin De, is employed by our Group as a director of TCM and TCM practitioner and is also a director of some of our subsidiaries. The total remuneration paid by our Group to Dr Koh Hin Ling for services rendered by her for each of FY2019 and FY2020 is more than S$150,000 and less than S$200,000.

Our Company has a Profit Sharing Scheme which selected employees, including our Executive Directors, are entitled to participate in. Such employees are selected based on, among other things, seniority and length of service.

Such employees are entitled to receive a sum equivalent 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 or such employee's declared bonus for the relevant period (as the case may be).

If such employee receives the sum referred to in (a), such employee will not additionally receive the bonus referred to in (b). Our Company shall be entitled to reclaim sums referred to in (a) paid to the employee in circumstances where there had been misstatement of financial results or misconduct by the employee resulting in financial loss to our Company.

Save as disclosed above, our Company does not have in place any formal bonus or profit-sharing plan or any other profit-linked agreement or arrangement with any of our employees, and bonuses are expected to be paid on a discretionary basis.

Our Company has a retirement plan pursuant to which it may provide a monthly monetary appreciation (ranging from S$100 to S$500 depending on seniority and designation) to employees who retire due to health reasons, provided our Company is making profits. To qualify, an employee must: (i) retire at age 65 and after, (ii) have at least ten years of service with us, (iii) had a stipulated performance rating for five years prior to retirement, and (iv) not be working or running his own business after retirement. Employees with more than 20 years of service and who meet the foregoing criteria may also receive a token amount of S$5,000 on retirement. The retirement plan is administered by our human resources department and is subject to revision at our discretion.

Other than amounts set aside or accrued in respect of mandatory employee funds for compliance with applicable Singapore, Malaysia and China laws and regulations, we have not set aside or accrued any amounts for our employees and Directors to provide for pension, retirement or similar benefits. As the amounts paid under our retirement plan are not significant, we have not set aside or accrued amounts to provide such retirement benefits.

In general, a transaction between:

(1) an entity at risk (in this case, our Company or any of its subsidiaries or subsidiary entities or (if certain conditions set out in the definition of "entity at risk" in the SFR are satisfied) any of the associated companies or associated entities of our Company); and

(2) any of the interested persons of our Company (in this case (i) a Director, (ii) our Group Chief Executive Officer, (iii) a Controlling Shareholder of our Company, or (iv) an associate of any such Director, Group Chief Executive Officer or Controlling Shareholder),

would constitute an interested person transaction.

Certain terms such as "associate", "associated company", "control", "Controlling Shareholder", "interested person" and "interested person transaction" used in this section have the meanings as provided in the Catalist Rules and in the SFR, unless the context specifically requires the application of the definitions in one or the other as the case may be.

See "*Defined Terms and Abbreviations*" for the meanings of "associate", "associated entity", "subsidiary" and "subsidiary entity".

Details of transactions between our Group and its interested persons for FY2018, FY2019 and FY2020 and for the period from 1 April 2020 until the Latest Practicable Date and which we consider to be material in the context of the Offering are described below. Save as otherwise provided in this section, investors, upon subscription of the Offering Shares, are deemed to have specifically approved these transactions with interested persons and as such these transactions are not subject to Rules 905 and 906 of the Catalist Rules to the extent that there are no subsequent changes to the terms of the agreements in relation to each of these transactions.

In line with the rules set out in Chapter 9 of the Catalist Rules, a transaction which value is less than S$100,000 is not considered material in the context of the Offering and is not taken into account for the purposes of aggregation in this section.

The transactions described below are with Mr Ong Chu Poh (our Controlling Shareholder, Executive Chairman and Group Chief Executive Officer), certain of his family members (who provided personal guarantees in our favour), EHPL and EIH (our Controlling Shareholders) and certain entities within the Non-Listed Group (as defined below) (WPHPL, Econ Medicare Centre Holdings and Ekang International Holdings Pte. Ltd.), as further described below.

PAST INTERESTED PERSON TRANSACTIONS

Details of the past transactions between our Group and interested persons which are material in the context of the Offering, for FY2018, FY2019 and FY2020 and for the period from 1 April 2020 until the Latest Practicable Date are as follows:

The Restructuring Exercise

Pursuant to a restructuring agreement and related deeds of novation and deeds of assignment each dated 12 December 2018, our Company acquired from our Controlling Shareholder, EHPL, the entire issued and paid-up share capital of each of the entities set out below. Following the completion of the Restructuring Exercise, our Company became the holding company of our Group. The consideration for the purchase of each entity was based on the higher of the share capital or the net asset value of such entity as at 31 March 2018, and was satisfied through the allotment and issuance of 8,390,225 Shares (prior to adjusting for the Share Split) by our Company to EHPL on 12 December 2018.

Entity	Consideration
Econ Medicare Singapore	S$4,423,788
Sunnyville Nursing Home (1996) Pte Ltd	S$ 891,875
Econ Nursing Home Services (1987) Pte Ltd	S$2,199,523
Econ TCM Services Pte. Ltd.	S$ 150,000
Econ Ambulance Services Pte Ltd	S$ 152,204
Econ Careskill Training Centre (ECTC) Pte. Ltd.	S$ 328,933
Econ Health & Wellness(1)	S$ 1.00
Econ Healthcare (M) Pte. Ltd.(2)	S$ 100,000
Econ Healthcare (China) Pte. Ltd.	S$ 143,901

Notes:

(1) At the time of the Restructuring Exercise, Econ Health & Wellness held 50% of the issued and paid-up share capital of Econ Advance Renal Care (which has since been divested, as described in "– *Divestment of Econ Advance Renal Care*" below).

(2) At the time of the Restructuring Exercise, Econ Healthcare (M) Pte. Ltd. held the entire issued and paid-up share capital of Econ Medicare Malaysia and Econ Healthcare (M) Sdn Bhd. Econ Healthcare (M) Pte. Ltd. has since divested 30% of the issued and paid-up share capital of Econ Healthcare (M) Sdn Bhd as described in "*Our History and Development – Restructuring Exercise and Our Corporate Structure – Events subsequent to the Restructuring Exercise – Divestment of 30.0% interest in Econ Healthcare (M) Sdn Bhd*".

In connection with the Restructuring Exercise:

(a) EHPL transferred to our Company assets and equipment, namely motor vehicles, office equipment (including computers), furniture and furnishings, amounting to an aggregate of S$171,972 (based on the carrying amount as at 31 March 2018);

(b) EHPL assigned to our Company its deposits with the lessor and other utilities deposits for the premises leased by the relevant subsidiaries amounting in aggregate to S$361,578 ((a), (b) and the Intra-Group Receivables (as defined below) together, the "**Assets Consideration**");

(c) EHPL transferred to our Company its renovation costs of nursing homes, amounting to S$343,612 (based on the carrying amount as at 31 March 2018) (the "**Renovation Consideration**"); and

(d) EHPL transferred to our Company its provision for unutilised employee leave, amounting to an aggregate of S$65,836 (the "**Leave Assumption Consideration**").

Prior to the Restructuring Exercise, EHPL had provided advances to our Group and our Group had provided advances to EHPL. Immediately prior to the completion of the Restructuring Exercise, (a) our Company owed EHPL an amount of S$981,395 (the "**Outstanding Loan Amount**"), (b) the entities which became our subsidiaries upon completion of the Restructuring Exercise owed EHPL an amount of S$23,697,828 (the "**Intra-Group Receivables**") and (c) EHPL owed the entities which became our subsidiaries upon completion of the Restructuring Exercise an amount of S$8,411,404 (the "**Intra-Group Payables**").

Pursuant to the restructuring agreement, our Company agreed to assume the obligations of EHPL in respect of the Intra-Group Payables, and in consideration of such agreement, EHPL agreed to pay our Company the amount of S$8,411,404 (being the amount of the Intra-Group Payables) (the "**Payables Assumption Consideration**").

After setting off the Assets Consideration (the Intra-Group Receivables of S$23,697,828 having been transferred to our Company for a consideration of S$16,156,901), the Renovation Consideration and the Outstanding Loan Amount against the Payables Assumption Consideration and the Leave Assumption Consideration, the aggregate amount owing from our Company to EHPL was S$9,538,218, of which S$6,609,773 was settled by the allotment and issuance by our Company of 6,609,773 Shares (prior to adjusting for the Share Split) on 12 December 2018. As at the Latest Practicable Date, the remaining S$2,928,445 owing by our Company to EHPL has been settled.

The restructuring agreement, the related deeds of novation and deeds of assignment, and the foregoing transactions were entered into on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of our Company and our minority Shareholders.

Transfer of tax reliefs

Under the Group Relief for Singapore Companies as provided for under Section 37C of the Income Tax Act, Chapter 134 of Singapore ("**Group Relief System**"), a company belonging to a group may, in any year of assessment, transfer its current year unabsorbed capital allowances, current year unabsorbed trade losses and current year unabsorbed donations (collectively referred to herein as "**current year loss items**") to another company belonging to the same group. For this purpose, a group must consist of Singapore-incorporated companies and any holdings by or through companies that are not incorporated in Singapore would be disregarded. Two Singapore-incorporated companies are members of the same group for the purposes of the Group Relief System if (a) at least 75% of the total number of issued ordinary shares in one company are beneficially held, directly or indirectly, by the other; or (b) at least 75% of the total number of issued ordinary shares in each of the two companies are beneficially held, directly or indirectly, by a third Singapore-incorporated company. There are other conditions and requirements to be met in order to come within the Group Relief System.

WPHPL, a subsidiary of the Non-Listed Group, which owned and operated West Point Hospital until it ceased operations in August 2020, transferred its tax losses of approximately S$3,289,976, S$279,391 and S$1,180,412 to Econ Medicare Singapore in FY2018, FY2019 and FY2020, respectively pursuant to the Group Relief System, subject to the fulfilment of conditions under the Group Relief System. The tax savings by Econ Medicare Singapore arising from the above transfer of tax loss items from WPHPL are estimated to be approximately S$559,296, S$47,496 and S$200,670, respectively.

EHPL, our immediate holding company, transferred its tax losses of approximately S$658,984 to Econ Nursing Home Services (1987) Pte Ltd in FY2018 pursuant to the Group Relief System, subject to the fulfilment of conditions under the Group Relief System. The tax savings by Econ Nursing Home Services (1987) Pte Ltd arising from the above transfer of tax loss items from EHPL are estimated to be approximately S$112,027.

The requisite application forms relating to the above transfers of current year loss items under the Group Relief System were filed with the Comptroller of Income Tax in Singapore. The amount of current year loss items for FY2018, FY2019 and FY2020 may be adjusted pending finalisation of tax assessments of WPHPL, EHPL, Econ Medicare Singapore and Econ Nursing Home Services (1987) Pte Ltd (as the case may be) by the Comptroller of Income Tax, and any such adjustments will be taken into account in the financial statements for the financial year in which the adjustment was made.

WPHPL and EHPL did not receive any compensation for the transfers of their current year loss items. The transfers were not on an arm's length basis or on normal commercial terms, but are not prejudicial to the interests of our Company and our minority Shareholders and will not recur post-Listing.

Provision of security to and by interested persons

Prior to the Restructuring Exercise and the Listing, our Company was a private company and our Group was part of a private group of companies owned by Mr Ong Chu Poh through intermediate holding companies, including EIH and EHPL.

During such time, our Group provided security in connection with credit facilities extended to EIH and EHPL. Our interested persons also provided security in connection with credit facilities extended to our Group.

Subsequent to the Restructuring Exercise and at Listing, Mr Ong Chu Poh and his associates (including EIH, EHPL and Econ Medicare Centre Holdings) are considered to be interested persons of our Company.

Provision of security by interested persons to our Group

We have from time to time obtained credit facilities for, among other things, our Group's expansion in Malaysia and for working capital purposes. Our interested persons provided security in connection with credit facilities extended to our Group.

Credit facilities provided by DBS Bank Ltd.

DBS Bank Ltd. granted a fixed advance facility of S$2,000,000 to Econ Medicare Singapore, with an interest rate at the prevailing one-, three- or six-month SIBOR plus 2.0% per annum, and a term loan facility of S$8,500,000 to Econ Medicare Singapore, with an interest rate at the prevailing one-month SIBOR plus 2.0% per annum.

The facilities were secured by (a) a joint and several personal guarantee provided by Mr Ong Chu Poh and his wife, Dr Koh Hin Ling (in replacement of the personal guarantee previously provided by Mr Ong Chu Poh, Dr Koh Hin Ling, Ms Ong Hui Ming and Mr Ong Chu Poh's son), (b) a corporate guarantee provided by our Controlling Shareholder, EHPL and (c) mortgages over properties at (i) 25 and 27 Recreation Road owned by Econ Medicare Centre Holdings (an associate of Mr Ong Chu Poh) and (ii) 452 Upper East Coast Road and 58 Braddell Road owned by EHPL.

The largest outstanding amount under the facilities (and hence the largest amount guaranteed) for FY2018, FY2019 and FY2020 and up to the Latest Practicable Date was S$7,245,006. The amount outstanding under the facilities as at the Latest Practicable Date is S$5,082,898. DBS Bank Ltd. has agreed to full discharge of the mortgages as security for the facilities granted to Econ Medicare Singapore on the date of registration of this Offer Document. Pursuant to a deed of release dated 24 March 2021 provided by DBS Bank Ltd., the personal guarantee and the corporate guarantee will be discharged on the date of registration of this Offer Document.

In addition, DBS Bank Ltd. provided a hire purchase loan to our Company for a car, which was secured by the car and a personal guarantee from Mr Ong Chu Poh. The hire purchase loan was for the amount of S$200,000 at an interest rate of 2.68% per annum. The largest outstanding amount under the hire purchase loan (and hence the largest amount guaranteed) for FY2018, FY2019, FY2020 and up to the Latest Practicable Date was S$200,000. The amount outstanding under the hire purchase loan as at the Latest Practicable Date is S$100,000. The personal guarantee has been released and cancelled.

As no consideration was paid by our Group to procure the security provided by our interested persons, the provision of such security by our interested persons was not on an arm's length basis and was not on normal commercial terms. However, as the security was provided by our interested persons to secure the obligations of our Group, they are not prejudicial to the interests of our Company and our minority Shareholders.

Credit facilities provided by Alliance Bank Malaysia Berhad

Alliance Bank Malaysia Berhad granted to Econ Medicare Malaysia (a) a facility of MYR16,800,000 with an interest rate being the base lending rate less 1.25% per annum, subject to a minimum of 4.0% per annum and (b) an overdraft amounting to MYR500,000, with an interest rate being the base lending rate plus 1.25% per annum, subject to a minimum of 4.0% per annum. The facility and overdraft were secured by (a) a corporate guarantee provided by our Controlling Shareholder, EHPL, up to a sum of MYR17,300,000, (b) a charge over land in Johor (as described in "*Business – Properties*") provided by Econ Medicare Malaysia and (c) a corporate guarantee provided by our Company.

The largest outstanding amount under the facility and overdraft (and hence the largest amount guaranteed) for FY2018, FY2019 and FY2020 and up to the Latest Practicable Date was S$4,519,697[9]. The amount outstanding under the facility and overdraft as at the Latest Practicable

[9] Based on an exchange rate of MYR1 : S$0.339.

Date is S$3,106,619[10]. Pursuant to a deed of release dated 15 March 2021 between EHPL and Alliance Bank Malaysia Berhad, the corporate guarantee provided by EHPL has been discharged.

As no consideration was paid by our Group to procure the corporate guarantee from EHPL, the provision of such corporate guarantee was not on an arm's length basis and was not on normal commercial terms. However, as the corporate guarantee was provided by EHPL to secure the obligations of our Group, it is not prejudicial to the interests of our Company and our minority Shareholders.

Credit facility provided by United Overseas Bank (Malaysia) Bhd

United Overseas Bank (Malaysia) Bhd granted to Econ Medicare Malaysia a facility of MYR7,000,000, with an interest rate of 1.50% per annum over the bank's prevailing one-, two- or three months' cost of funds. The facility is secured by a corporate guarantee from each of our Controlling Shareholder, EHPL and our Company.

The largest outstanding amount under the facility (and hence the largest amount guaranteed) for FY2018, FY2019 and FY2020 and up to the Latest Practicable Date was S$2,186,022[11]. The amount outstanding under the facility as at the Latest Practicable Date is S$2,186,022[12]. Pursuant to a deed of release dated 4 March 2021 between EHPL and United Overseas Bank (Malaysia) Bhd, the corporate guarantee provided by EHPL will be discharged on the Listing Date.

As no consideration was paid by our Group to procure the corporate guarantee from EHPL, the provision of such corporate guarantee was not on an arm's length basis and was not on normal commercial terms. However, as the corporate guarantee was provided by EHPL to secure the obligations of our Group, it is not prejudicial to the interests of our Company and our minority Shareholders.

Provision of security by our Group to interested persons

Our Company and certain of our subsidiaries provided security in connection with credit facilities extended to our Controlling Shareholders, EIH and EHPL. The security was provided at the time when our Company was a private company and prior to the Restructuring Exercise when our Company was a wholly-owned subsidiary of EIH and EHPL.

Credit facilities provided by DBS Bank Ltd.

DBS Bank Ltd. granted to EIH a non-revolving fixed advance facility of S$26,305,000 and term loan facility of S$20,160,000, each with interest rate at the prevailing one-month SIBOR plus 2.0% per annum. These facilities were secured by (a) corporate guarantees provided by our Controlling Shareholder, EHPL and our subsidiaries Econ Medicare Singapore, Sunnyville Nursing Home (1996) Pte Ltd, Econ Nursing Home Services (1987) Pte Ltd and Econ Healthcare (M) Pte. Ltd. and (b) charges over the assets and undertakings of our Company and our subsidiaries Econ Medicare Singapore, Sunnyville Nursing Home (1996) Pte Ltd and Econ Nursing Home Services (1987) Pte Ltd. These facilities were also secured by security provided by Mr Ong Chu Poh and his associates.

The largest amount outstanding under the facilities (and hence the largest amount guaranteed pursuant to the security in place at the relevant time) for FY2018, FY2019 and FY2020 and up to the Latest Practicable Date was S$46,095,000. The amount outstanding under the facilities as at the Latest Practicable Date is S$22,695,000. Pursuant to deeds of release dated 24 March 2021 provided by DBS Bank Ltd., the security provided by our Group will be discharged on the date of registration of this Offer Document.

As the security was provided by our Group at a time when our Group was part of a private group of companies owned by Mr Ong Chu Poh, no consideration was paid by our interested persons to procure the security provided by our Group and hence the provision of the security was not on an arm's length basis and were not on normal commercial terms. However, they are not prejudicial to the interests of our Company and our minority Shareholders as they will be discharged prior to the Listing and will not recur post-Listing.

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[10] Based on an exchange rate of MYR1 : S$0.326.

[11] Based on an exchange rate of MYR1 : S$0.326.

[12] Based on an exchange rate of MYR1 : S$0.326.

Credit facility provided by Hong Leong Finance Limited

Hong Leong Finance Limited granted to EHPL a facility of S$8,000,000 (the "**Hong Leong Facility**"), with interest rate for the first year, second year and third year from the drawdown of the facility being 1.2%, 1.5% and 1.8% respectively per annum over and above the three-month SIBOR. Thereafter, interest rate is charged at Hong Leong Finance Limited's prevailing enterprise base rate less 1.52% per annum. A portion of the Hong Leong Facility was utilised by our Company and certain of our subsidiaries (which were at such time, prior to the Restructuring Exercise, part of a group of companies held under EHPL) for working capital.

This facility was secured by, among others, (a) a corporate guarantee provided by our subsidiary, Econ Medicare Singapore and (b) a mortgage over the property at 53 Choa Chu Kang Road owned by EHPL.

The corporate guarantee provided by Econ Medicare Singapore was discharged in 2018. The largest amount outstanding under the facility (and hence the largest amount guaranteed pursuant to the security in place at the relevant time) for FY2018 and FY2019 was S$6,219,524. As at the Latest Practicable Date, the Hong Leong Facility has been settled in full and there are no amounts outstanding under the facility and the corporate guarantee provided by Econ Medicare Singapore has been fully discharged.

As the corporate guarantee was provided by Econ Medicare Singapore at a time when it was part of a private group of companies owned by Mr Ong Chu Poh, no consideration was paid by our interested persons to procure the corporate guarantee provided by Econ Medicare Singapore and hence the provision of the corporate guarantee was not on an arm's length basis and was not on normal commercial terms. However, it is not prejudicial to the interests of our Company and our minority Shareholders as the corporate guarantee was discharged prior to the Listing and such transactions will not recur post-Listing.

Provision of loans to and by interested persons

Provision of loans by interested persons to our Group

Our Controlling Shareholder, EHPL, had provided loans and advances to our Group (the "**EHPL Loans**") for our Group's expansion in Malaysia and working capital.

The amounts owing by our Group under the EHPL Loans as at 31 March 2018, 31 March 2019, 31 March 2020 and as at the Latest Practicable Date were S$25,038,684, S$1,700,212, S$698,086 and nil, respectively. The largest amount outstanding under the EHPL Loans owing by our Group to EHPL for FY2018, FY2019 and FY2020 and up to the Latest Practicable Date was S$25,885,383.

As described in "- *The Restructuring Exercise*", after the off-setting as described in such section, the aggregate amount owing from our Company to EHPL was S$9,538,218, of which S$6,609,773 was settled by the allotment and issuance by our Company of 6,609,773 Shares (prior to adjusting for the Share Split) on 12 December 2018. As at the Latest Practicable Date, the remaining S$2,928,445 owing by our Company to EHPL has been settled.

The EHPL Loans provided by EHPL to our Group were unsecured, repayable on demand and interest-free and were therefore not provided on an arm's length basis and were not on normal commercial terms. However, the provision of the EHPL Loans is not prejudicial to the interests of our Company and our minority Shareholders as they were completed prior to the Listing and such transactions will not recur post-Listing.

Provision of loans by our Group to interested persons

Our Group had provided loans and advances to our Controlling Shareholder, EHPL (the "**Loans to EHPL**") for the working capital of EHPL.

In connection with the Restructuring Exercise, the Loans to EHPL which were outstanding immediately prior to completion of the Restructuring Exercise were off-set as described in "- *The Restructuring Exercise*". Immediately upon completion of the Restructuring Exercise, there were no amounts owing from EHPL to our Group under the Loans to EHPL. Subsequent to the Restructuring Exercise, our Group provided further Loans to EHPL for its working capital.

The amounts owing to our Group under the Loans to EHPL as at 31 March 2018, 31 March 2019, 31 March 2020 and as at the Latest Practicable Date were S$4,819,811, S$746,570, nil and nil, respectively. The largest amount outstanding under the Loans to EHPL owing by EHPL to our Group for FY2018, FY2019 and FY2020 and up to the Latest Practicable Date was S$13,298,313. As at the Latest Practicable Date, the Loans to EHPL have been settled in full and there are no amounts owing from EHPL to our Group under the Loans to EHPL.

The Loans to EHPL were unsecured, repayable on demand and interest-free and were therefore not provided on an arm's length basis and were not on normal commercial terms. However, the provision of the Loans to EHPL is not prejudicial to the interests of our Company and our minority Shareholders as the Loans to EHPL were settled prior to the Listing, and taking into consideration that EHPL had also provided the EHPL Loans to our Group on an unsecured and interest-free basis. Such transactions will not recur post-Listing.

Reimbursement of staff costs to EHPL

Prior to the Restructuring Exercise and the Listing, our Company was a wholly-owned subsidiary of EHPL which was the holding company of our Group at such time. The personnel for our Group's business operations, such as the management team, finance team and nursing staff, were employed under EHPL. As such, our subsidiaries Econ Nursing Home Services (1987) Pte Ltd, Econ Medicare Singapore, Econ TCM Services Pte. Ltd., Econ Careskill Training Centre (ECTC) Pte. Ltd., Sunnyville Nursing Home (1996) Pte Ltd, Econ Ambulance Services Pte Ltd and Econ Health & Wellness reimbursed EHPL for staff costs.

The amounts paid by our Group to EHPL were S$5,680,000, S$3,680,000, nil and nil for FY2018, FY2019, FY2020 and the period from 1 April 2020 to the Latest Practicable Date, respectively. The reimbursement was on a cost-recovery basis (i.e. our subsidiaries bore the salary of the relevant employees based on the time spent by the employee in performing services for our Group). This was an intragroup arrangement at the relevant time and hence was not on an arm's length basis or on normal commercial terms as there was no mark-up charged by EHPL, but is not prejudicial to the interests of our Company and our minority Shareholders. Following completion of the Restructuring Exercise, the relevant employees required by our Group for our business operations are employed by our Group, and accordingly, such reimbursement of staff costs to EHPL ceased upon completion of the Restructuring Exercise and will not recur post-Listing.

Transactions with WPHPL

Our Company had in the past transacted with WPHPL, a subsidiary of the Non-Listed Group which owned and operated West Point Hospital. Transactions between our Group and WPHPL ceased upon the cessation of operations of West Point Hospital in August 2020.

Purchase of medicine and other medical supplies and receipt of medical and other services from WPHPL

We purchased medicine and other medical supplies from WPHPL. WPHPL also provided medical and other services to our Group, namely (a) providing medical check-ups for our employees, (b) providing pharmacy, medical consultation, radiology and laboratory services to our medicare centres and nursing homes and (c) leasing ambulances to our Group for us to operate.

The amounts paid by our Group to WPHPL for the purchases and the provision of services in FY2018, FY2019, FY2020 and for the period from 1 April 2020 to the Latest Practicable Date were S$931,111, S$946,748, S$819,344 and S$36,145 respectively.

The sale and purchase of medicine and other medical supplies were in the ordinary course of our and WPHPL's respective businesses. WPHPL also supplied medicine and other medical supplies to patients of West Point Hospital. Our purchase of medicine and other medical supplies from WPHPL was at a discount to the retail prices charged by WPHPL to unrelated third parties and accordingly, such arrangement was not on an arm's length basis and normal commercial terms, but is not prejudicial to the interests of our Company and our minority Shareholders.

The provision of medical check-ups was in the ordinary course of WPHPL's business. The provision and receipt of pharmacy, medical consultation, radiology and laboratory services, and the lease of ambulances were in the ordinary course of our and WPHPL's respective businesses (at the relevant time, our Group's business included the provision of ambulance services).

The provision of medical check-ups and pharmacy, medical consultation, radiology and laboratory services were at the prevailing rates for such services offered by WPHPL to unrelated third parties at the relevant time. The lease of ambulances were at prevailing market rates, with reference to the rates charged by third parties to WPHPL for the lease of ambulances by WPHPL from such third parties.

Accordingly, the provision of medical and other services by WPHPL to our Group were on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of our Company and our minority Shareholders.

Lease of premises for use as TCM clinic

We leased the premises at West Point Hospital which was located at 235 Corporation Drive, Singapore 619771 for use as a TCM clinic. The rent paid by us to WPHPL was S$6,135 per month and the aggregate amounts paid by us in connection with the lease were approximately S$73,617, S$73,617, S$59,078 and nil for FY2018, FY2019, FY2020 and the period from 1 April 2020 to the Latest Practicable Date, respectively.

The rent rate on a per square foot basis was within the range of rent rates charged in respect of rental of similar premises to unrelated third party tenants at West Point Hospital. Accordingly, the lease was entered into on an arm's length basis and on normal commercial terms, and is not prejudicial to the interests of our Company and our minority Shareholders. The lease ceased on 1 January 2019.

Provision of management services to WPHPL

From January 2019 to July 2020, our Group provided management and consultancy services to WPHPL for a fee of S$78,700 per month. The services provided comprised management services, nursing, clinical and operations services, IT and HR services.

The amounts paid by WPHPL to our Group for such services in FY2018, FY2019, FY2020 and the period from 1 April 2020 to the Latest Practicable Date were nil, S$236,000, S$944,400 and S$314,800, respectively.

The services were provided at a time when our Group and WPHPL were part of a private group of companies owned by Mr Ong Chu Poh. The monthly fee was determined based on our Company's operating cost with a 5% mark-up and the allocation of such cost among the business units within the group of companies based on the estimated time spent by senior management and the shared services with such business units.

The transactions were entered into at a time when our Group was part of a private group of companies owned by Mr Ong Chu Poh and hence were not on an arm's length basis and were not on normal commercial terms. Such transactions with WPHPL have ceased and will not recur post-Listing, and hence are not prejudicial to the interests of our Company and our minority Shareholders.

Provision of other services to WPHPL

In addition, our Group also provided (a) ambulance services to WPHPL, (b) beds and/or facilities at our medicare centres and nursing homes to patients of West Point Hospital and (c) healthcare-related training to nurses and other healthcare staff of West Point Hospital.

The amounts paid by WPHPL to our Group for such services in FY2018, FY2019, FY2020 and the period from 1 April 2020 to the Latest Practicable Date were S$54,413, S$81,804, S$15,657 and S$1,513, respectively.

These services were provided in the ordinary course of our business (at the relevant time, our Group's business included the provision of ambulance services). The provision of such services to WPHPL were at the prevailing rates for such services offered to unrelated third parties at the relevant time and hence were on an arm's length basis and normal commercial terms, and are not prejudicial to the interests of our Company and our minority Shareholders.

Sub-lease arrangement for office premises at 20 Jalan Afifi Certis CISCO Centre II #06-02 to 06 & #05-04

Pursuant to a sub-lease arrangement between our Controlling Shareholder, EHPL and our Company, our Company sub-leased the premises at 20 Jalan Afifi Certis CISCO Centre II #06-02 to 06 & #05-04 from EHPL for a monthly rental of S$38,449. Our office headquarters were located at such premises until the cessation of such sub-lease arrangement on 15 February 2019 due to the termination of the lease agreements between EHPL and the landlords. The amounts paid by us for such rental in FY2018, FY2019, FY2020 and the period from 1 April 2020 to the Latest Practicable Date were nil, S$76,898, nil and nil, respectively

The monthly rental paid by our Company to EHPL was the same as the monthly rental which EHPL had contracted to pay the landlords pursuant to EHPL's lease agreements with the landlords. As no mark-up was charged by EHPL to our Company for the sub-lease, such arrangement was not on an arm's length basis and normal commercial terms, but is not prejudicial to the interests of our Company and our minority Shareholders. As described above, such sub-lease arrangement has ceased.

Divestment of Econ Advance Renal Care

As described in "*Our History and Development – Restructuring Exercise and Our Corporate Structure – Events subsequent to the Restructuring Exercise – Divestment of Econ Advance Renal Care"*, on 30 September 2020, our Controlling Shareholder, EHPL, acquired from us the 50% shareholding interest in Econ Advance Renal Care held by Econ Health & Wellness. The consideration for the divestment was at a nominal value of S$1, as Econ Advance Renal Care was loss-making at the time of the divestment.

We had provided shareholder loans (the "**EARC Shareholder Loans**") of an aggregate amount of S$375,000 to Econ Advance Renal Care at the time when Econ Advance Renal Care was our associated company. In connection with the divestment, Econ Health & Wellness entered into a shareholder loan transfer agreement dated 31 December 2020 with EHPL pursuant to which the EARC Shareholder Loans owing from Econ Advance Renal Care to Econ Health & Wellness were transferred to EHPL. The largest amount owing from EHPL to our Group under the EARC Shareholder Loans from the time of the transfer and up to the Latest Practicable Date was S$375,000. As at the Latest Practicable Date, the EARC Shareholder Loans have been settled in full.

Econ Health & Wellness, Advance Renal Care (Asia) Pte. Ltd. (the previous joint venture partner), Econ Advance Renal Care and EHPL entered into a deed dated 21 January 2021 to release and discharge Econ Health & Wellness from the shareholders agreement relating to Econ Advance Renal Care.

EHPL has since divested all of its shareholding interest in Econ Advance Renal Care to a party that is not an interested person of our Company.

The divestment to EHPL and entry into of the deed of discharge were on an arm's length basis and normal commercial terms, and are not prejudicial to the interests of our Company and our minority Shareholders. The EARC Shareholder Loans were unsecured and interest-free as they were originally provided to Econ Advance Renal Care at the time when Econ Advance Renal Care was our associated company, and were therefore not provided on an arm's length basis and were not on normal commercial terms. However, the EARC Shareholder Loans are not prejudicial to the interests of our Company and our minority Shareholders as the loans have been settled in full and such transactions will not recur post-Listing.

PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

Details of the present and on-going transactions between our Group and interested persons which are material in the context of the Offering, for FY2018, FY2019 and FY2020 and for the period from 1 April 2020 until the Latest Practicable Date are as follows.

Lease agreements and sub-lease agreements for medicare centres and nursing homes

Lease agreements

The following lease agreements (the "**Lease Agreements**") were entered into between our subsidiary, Econ Medicare Singapore and interested persons of our Company, to replace the existing lease arrangements between Econ Medicare Singapore and the relevant interested persons for the following premises:

(a) lease agreement dated 1 April 2019 with our Controlling Shareholder, EHPL, pursuant to which EHPL agreed to lease ECON Medicare Centre and Nursing Home – Braddell premises at 58 Braddell Road to Econ Medicare Singapore for a monthly rental of S$31,250, for an initial term from 1 April 2019 to 31 March 2022;

(b) lease agreement dated 1 April 2019 with EHPL, pursuant to which EHPL agreed to lease ECON Medicare Centre and Nursing Home – Choa Chu Kang premises at 53 Choa Chu Kang

Road to Econ Medicare Singapore for a monthly rental of S$38,800, for an initial term from 1 April 2019 to 31 March 2022;

(c) lease agreement dated 1 April 2019 with EHPL, pursuant to which EHPL agreed to lease ECON Medicare Centre and Nursing Home – Upper East Coast premises at 452 Upper East Coast Road to Econ Medicare Singapore for a monthly rental of S$84,000, for an initial term from 1 April 2019 to 31 March 2022;

(d) lease agreement dated 9 October 2020 with Econ Medicare Centre Holdings, an associate of Mr Ong Chu Poh, pursuant to which Econ Medicare Centre Holdings agreed to lease ECON Medicare Centre and Nursing Home – Recreation Road premises at 25 Recreation Road to Econ Medicare Singapore for a monthly rental of S$26,000, for an initial term from 9 October 2020 to 31 March 2022; and

(e) lease agreement dated 9 October 2020 with Econ Medicare Centre Holdings, pursuant to which Econ Medicare Centre Holdings agreed to lease the premises at 27 Recreation Road (used by us as staff quarters) to Econ Medicare Singapore for a monthly rental of S$4,600, for an initial term from 9 October 2020 to 31 March 2022.

Each Lease Agreement provides that if we give notice to the landlord, not less than six months and not more than nine months before the expiry date of the term, that we require a further lease and on the expiry date of the term and at the time of our notice of renewal, we are not in breach of any of the provisions of the respective Lease Agreement, the landlord must grant us a further lease of the premises for a renewal term of three years, commencing on the day after the expiry date of the initial term. The further lease for the renewal term must be in respect of the whole of the premises (and not part of it) and will be at a revised rent rate and on other terms agreed between the landlord and us.

The revised rent rate for each renewal term will be determined based on an independent valuation by an independent valuer to be appointed by mutual agreement between the landlord and us. There is no termination fee payable by our Company should any of the Lease Agreements be terminated. The Lease Agreements are not inter-conditional and do not make reference to the shareholdings and/or directorships of Mr Ong Chu Poh, the Non-Listed Group or their associates in our Company.

The aggregate gross rental amounts paid by Econ Medicare Singapore to the relevant interested persons in relation to the lease arrangements for the premises described above were S$1,768,850, S$2,206,200, S$2,206,200 and S$2,089,930 for each of FY2018, FY2019, FY2020 and the period from 1 April 2020 to the Latest Practicable Date, respectively.

The rent rates were determined based on an independent valuation.

It is envisaged that we will continue to enter into such lease arrangements with our interested persons after the Listing. To ensure that the Lease Agreements and all future leasing of premises from our interested persons are on an arm's length basis and are not prejudicial to the interests of our Company and our minority Shareholders, as described above, the rent rates payable pursuant to the Lease Agreements were determined based on an independent valuation and the revised rent rate for each renewal term will be determined based on an independent valuation by an independent valuer to be appointed by mutual agreement between the landlord and us. Accordingly, such rental arrangements and the Lease Agreements were entered into on an arm's length basis on normal commercial terms and such transactions are not prejudicial to the interests of our Company and our minority Shareholders.

Sub-lease arrangement for 351 Chai Chee Street

Our Controlling Shareholder, EHPL leases the medicare centre and nursing home premises at 351 Chai Chee Street #03-00 and #04-00 from SATA CommHealth. The term of the lease is for a period of ten years commencing from 7 October 2014.

Pursuant to a lease agreement dated 1 April 2017 between EHPL and Econ Medicare Singapore (the "**Chai Chee Lease Agreement**"), EHPL sub-leases such premises to Econ Medicare Singapore for an initial term of 90 months from 7 April 2017 to 7 October 2024.

The Chai Chee Lease Agreement provides us with an option to renew, pursuant to which if we give notice to EHPL, not less than six months and not more than nine months before the expiry date of the term, that we require a further lease and on the expiry date of the term and at the time of our notice of renewal, we are not in breach of any of the provisions of the agreement, EHPL must grant us a further lease of the premises for a renewal term of ten years, commencing on the day after the expiry date of the initial term. The further lease for the renewal term must be in respect of the whole of the premises (and not part of it) and will be at a revised rent rate and on other terms agreed between EHPL and us.

Under the Chai Chee Lease Agreement, the monthly rent rate payable by us to EHPL is (a) for the first year (7 April 2017 to 7 October 2018) and second year of the lease term, S$1.60 per square foot per month, (b) for the third to seventh year of the lease term, S$1.70 per square foot per month and (c) for the eight to 17th year of the lease term, S$1.80 per square foot per month. There is an additional monthly service charge of S$0.60 per square foot per month.

The aggregate gross rental amounts paid by us to EHPL (including service charge) were S$673,766, S$673,766, S$688,585 and S$668,415 for each of FY2018, FY2019, FY2020 and the period from 1 April 2020 to the Latest Practicable Date, respectively.

The Chai Chee Lease Agreement was entered into at a time when Econ Medicare Singapore was a wholly-owned subsidiary of EHPL, which was at the time the holding company of our Group. The monthly rental payable by Econ Medicare Singapore to EHPL under the Chai Chee Lease Agreement is the same as the monthly rent rate which EHPL has contracted to pay to SATA CommHealth pursuant to its lease agreement entered into with SATA CommHealth. As no consideration is paid by Econ Medicare Singapore to EHPL for the sub-lease, such arrangement was not on an arm's length basis and normal commercial terms, but is not prejudicial to the interests of our Company and our minority Shareholders. The Chai Chee Lease Agreement does not make reference to the shareholdings and/or directorships of Mr Ong Chu Poh, the Non-Listed Group or their associates in our Company.

Lease of Hexacube Office

Our Company and Ekang International Holdings Pte. Ltd., an associate of Mr Ong Chu Poh, entered into a lease agreement dated 26 December 2018 pursuant to which Ekang International Holdings Pte. Ltd. agreed to lease to our Company the premises at 160 Changi Road #05-01-13 Hexacube Singapore 419728 (the "**Hexacube Office**"). We use the premises as our office headquarters. The lease was for an initial term of 15 months, from 1 January 2019 to 31 March 2020.

Upon expiry of the initial term, our Company and Ekang International Holdings Pte. Ltd. entered into a lease agreement dated 1 April 2020 (the "**Hexacube Lease Agreement**") pursuant to which our Company leased the Hexacube Office for a period of 36 months from 1 April 2020 to 31 March 2023.

The Hexacube Lease Agreement provides us with an option to renew, pursuant to which if we give notice to the landlord, not less than six months and not more than nine months before the expiry date of the term, that we require a further lease and on the expiry date of the term and at the time of our notice of renewal, we are not in breach of any of the provisions of the agreement, the landlord must grant us a further lease of the premises for a renewal term of three years, commencing on the day after the expiry date of the initial term. The further lease for the renewal term must be in respect of the whole of the premises (and not part of it) and will be at a revised rent rate and on other terms agreed between the landlord and us.

Ekang International Holdings Pte. Ltd. did not charge any rent for the period from 1 January 2019 to 31 March 2019, for our Company to undertake renovation works at the premises during such period. Thereafter, rental was charged at a monthly rental rate of S$40,672 for the initial term and the renewed term expiring on 31 March 2023. The aggregate gross rental amounts paid to Ekang International Holdings Pte. Ltd. were nil, nil, S$488,064 and S$463,136 for each of FY2018, FY2019, FY2020 and the period from 1 April 2020 to the Latest Practicable Date, respectively.

The rent rate for the initial term and the renewed term was determined based on an independent valuation. The revised rent rate for each renewal term will be determined based on an independent valuation by an independent valuer to be appointed by mutual agreement between the landlord and us.

The lease of the Hexacube Office, including the Hexacube Lease Agreement, was on an arm's length basis and on normal commercial terms and is not prejudicial to the interests of our Company and our minority Shareholders as the rental rates payable pursuant to the Hexacube Lease Agreement were determined based on an independent valuation and as described above, the revised rent rate for each renewal term will be determined based on an independent valuation by an independent valuer to be appointed by mutual agreement between the landlord and us. The Hexacube Lease Agreement does not make reference to the shareholdings and/or directorships of Mr Ong Chu Poh, the Non-Listed Group or their associates in our Company.

Licence Agreement

Our Company entered into a trade mark licence agreement dated 24 March 2021 (the "**Licence Agreement**") with our Controlling Shareholder, EHPL, pursuant to which EHPL granted us a perpetual, royalty-free licence to use certain exclusive intellectual property rights in respect of certain trademarks and domain names required or used for the business of our Group for a nominal one-off consideration of S$1.00.

EHPL has the right (but not the obligation) to terminate the Licence Agreement in the event that it ceases to have an interest in at least 50% of the issued and paid-up share capital of our Company. This is because it would not be commercially reasonable for EHPL to continue to grant our Company a perpetual, royalty-free licence for a consideration of S$1.00 should EHPL cease to have an interest in at least 50% of the issued share capital of our Company, taking into consideration that there are costs involved in maintaining and renewing such intellectual property rights.

If EHPL exercises its right to terminate the Licence Agreement and at such time, should our Group still require such intellectual property rights for our business, we may seek to enter into a new licence agreement with EHPL on normal commercial terms and any such entry into of a new licence agreement will be subject to Chapter 9 of the Catalist Rules and the review procedures for ongoing and future transactions with interested persons described in "*– Review Procedures for Future Interested Person Transactions*".

As only nominal consideration was paid by our Company in connection with the Licence Agreement, the Licence Agreement was not entered into on an arm's length basis nor on normal commercial terms, but was entered into by each party having considered the benefits of the agreement to itself. The Licence Arrangement is not prejudicial to the interests of our Company and our minority Shareholders, taking into account, among other things, that EHPL has granted such licence to our Company for nominal consideration as well as the benefit that the grant of the licence would have to our Company and our business operations, and that it would be in the interests of our Company and our Shareholders.

REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

All future interested person transactions will be reviewed and approved in accordance with the threshold limits set out under Chapter 9 of the Catalist Rules, to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority shareholders. The following procedures will be implemented by our Group:

(a) when purchasing any products or procuring any services from an interested person, two other quotations from non-interested persons will be obtained for comparison to ensure that the interests of our Group and minority Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;

(b) in the case of renting properties from or to an interested person, the Board shall take appropriate steps to ensure that the rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and/or obtaining necessary reports or reviews published by properties agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rate of similar properties in terms of size, suitability for purpose and location, based on the results of the relevant inquiries;

(c) when selling any products or providing any services to an interested person, the price or fee charged to the interested person for the products or the services shall be in line with the price or fee charged or discount rates given to at least two non-interested persons, to ensure that the interest of our Group and minority Shareholders are not disadvantaged;

(d) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products or services may be purchased only from an interested person, the interested person transaction will be referred to our Audit Committee, and our Audit Committee will determine whether the relevant price and terms are fair and reasonable and consistent with our Group's usual business practice. In determining the transaction price payable to the interested person for such products and/or services, factors such as, but not limited to, quantity, requirements and specifications will be taken into account; and

(e) in addition, we will monitor all interested person transactions entered into by us and categorise these transactions as follows:

(i) a Category 1 interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof, as the case may be, is equal to or exceeding 3.0% of the latest audited net tangible assets of our Group; and

(ii) a Category 2 interested person transaction (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) is one where the value or aggregate value thereof, as the case may be, is below 3.0% of the latest audited net tangible assets of our Group.

All Category 1 interested person transactions must be approved by our Audit Committee prior to entry whereas Category 2 interested person transactions need not be approved by our Audit Committee prior to entry but shall be reviewed on a quarterly basis by our Audit Committee.

A register will be maintained to record all interested person transactions (incorporating the basis, amount and nature, on which they are entered into). Our Audit Committee will review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules) are complied with. Our Company will also endeavour to comply with the recommendations set out in the Code.

The annual internal audit plan will incorporate a review of all interested person transactions entered into. Our Audit Committee will review internal audit reports to ascertain that the guidelines and procedures established to monitor interested person transactions have been complied with. In addition, our Audit Committee will also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between our Group and its interested persons are conducted on arm’s length commercial terms.

Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by our Audit Committee. Our Audit Committee will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with.

In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from reviewing that particular transaction. Our Company will also disclose the aggregate value of interested person transactions conducted during the current financial year in its annual report, as required pursuant to the Catalist Rules.

POTENTIAL CONFLICTS OF INTEREST

Deeds of Undertaking

Our Controlling Shareholder, Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh, directly or indirectly owns and/or controls entities which do not form part of our Group (the “**Non-Listed Group**”). Mr Ong Chu Poh is also a non-executive director of the Non-Listed Group. The Non-Listed Group includes EIH and EHPL (our Controlling Shareholders), Econ Medicare Centre Holdings and WPHPL.

The Non-Listed Group is engaged in, *inter alia*, the acquisition and/or ownership of land used or to be used for the construction of medicare centres and/or nursing homes and the acquisition, construction and/or ownership of medicare centres and/or nursing homes.

As at the date of this Offer Document, the Non-Listed Group owns the medicare centres and nursing homes at 58 Braddell Road, 53 Choa Chu Kang Road, 452 Upper East Coast Road and 25 Recreation Road and the land on which such medicare centres and nursing homes are situated. All the medicare centres and nursing homes owned by the Non-Listed Group as at the date of this Offer Document are leased to and operated by our Group, as described in “*Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Lease agreements and sub-lease agreements for medicare centres and nursing homes – Lease agreements*”. For the avoidance of doubt, the Non-Listed Group does not engage in the operation of medicare centres and/or nursing homes.

As at the date of this Offer Document, the Non-Listed Group leases the medicare centre and nursing home at 351 Chai Chee Street and sub-leases it to our Group at the same monthly rent rate charged by the landlord, as described in "*Interested Person Transactions and Potential Conflicts of Interest – Present and Ongoing Interested Person Transactions – Lease agreements and sub-lease agreements for medicare centres and nursing homes – Sub-lease arrangement for 351 Chai Chee Street*" (collectively, the "**Chai Chee Lease and Sub-Lease**"). Save for the foregoing, as at the date of this Offer Document, the Non-Listed Group does not lease (as lessee) any medicare centres and nursing homes.

As at the date of this Offer Document, Mr Ong Chu Poh, his immediate family (as defined in the Catalist Rules and which presently comprises his wife, sister and three adult children, including Ms Ong Hui Ming and Dr Ong Xin De) and the Non-Listed Group are not engaged in any business which is in competition with the business carried on by our Group save that there are some overlaps in the business activities of our Group and the Non-Listed Group as described in this section. Notwithstanding this, to mitigate any perceived or potential conflict of interests, each of Mr Ong Chu Poh and EHPL has provided a deed of undertaking dated 24 March 2021 in our favour, whereby they have each provided us with a non-compete undertaking (the "**Non-Compete Undertaking**") and granted us a right to lease Owned ROFR Asset (as defined below) (the "**Right of Lease**"), a right to purchase Leased Asset (as defined below) (the "**Right of Purchase**"), a right of first refusal (the "**ROFR**") and a right of first offer (the "**ROFO**"), each as further described below.

The deed of undertaking provided by Mr Ong Chu Poh is referred to as the "**OCP Deed of Undertaking**", the deed of undertaking provided by EHPL is referred to as the "**EHPL Deed of Undertaking**" and both deeds together, the "**Deeds of Undertaking**". The key terms of the Deeds of Undertaking are set out below. References to "**Obligor**" below means Mr Ong Chu Poh (in respect of the OCP Deed of Undertaking) and EHPL (in respect of the EHPL Deed of Undertaking).

EIH is an intermediate holding company which wholly-owns EHPL and which is in turn wholly-owned by Mr Ong Chu Poh. As Mr Ong Chu Poh and EHPL have provided Deeds of Undertaking and EIH is covered by the scope of the OCP Deed of Undertaking, EIH has not provided a separate deed of undertaking.

Duration and Definitions

The OCP Deed of Undertaking commences on the Listing Date and is effective for so long as (i) our Company remains listed on the SGX-ST; and (ii) Mr Ong Chu Poh and/or his associates (as defined in the Catalist Rules) is a director, the Group Chief Executive Officer and/or a Controlling Shareholder of our Company.

The EHPL Deed of Undertaking commences on the Listing Date and is effective for so long as (i) our Company remains listed on the SGX-ST; and (ii) EHPL and/or its Associates is a Controlling Shareholder of our Company.

For purposes of the Deeds of Undertaking:

"**Associates**" means, in relation to the OCP Deed of Undertaking (other than in relation to the Duration clause), (a) Mr Ong Chu Poh's wife, (b) the trustee of any trust of which Mr Ong Chu Poh or his wife is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and (c) any company in which Mr Ong Chu Poh and his wife together (directly or indirectly) have an interest of 30% or more.

In relation to the EHPL Deed of Undertaking, "**Associates**" has the meaning ascribed to it in the Catalist Rules.

"**Leased Asset**" means any of the following: (a) land owned by the Obligor and/or his/its Associates and leased to any member of our Group for the construction and/or operation of medicare centre(s) and/or nursing home(s); and/or (b) premises owned by the Obligor and/or his/its Associates and leased to any member of our Group for the operation of medicare centre(s) and/or nursing home(s).

"**Relevant Business**" means the business of (a) operating medicare centres and/or nursing homes and the provision of related services, (b) acquiring, owning and/or leasing medicare centres and/or nursing homes and land on which medicare centres and/or nursing homes are or are to be situated,

(c) the provision of home care services, (d) the ownership and/or operation of TCM clinics and the provision of TCM treatments, (e) the operation of a careskill training centre, and (f) the provision of wellness, medicare, nursing and/or caregiving services to senior citizens.

"**ROFO Asset**" means any of the following: (a) land owned by the Obligor and/or his/its Associates and leased or which may be leased to any member of our Group for the construction and/or operation of medicare centre(s) and/or nursing home(s), and/or (b) premises owned by the Obligor and/or his/its Associates and leased or which may be leased to any member of our Group for the operation of medicare centre(s) and/or nursing home(s).

"**ROFR Asset**" means any of the following: (a) land to be used for the construction of medicare centre(s) and/or nursing home(s) and/or on which medicare centre(s) and/or nursing home(s) are or are to be situated and/or (b) premises used or to be used for the operation of medicare centre(s) and/or nursing home(s).

Non-Compete Undertakings

Subject to the below, the Obligor has undertaken to our Company that, from the Listing Date and for the duration of his/its Deed of Undertaking, he/it will not (except as a representative or nominee of any member of our Group), and shall procure that none of his/its Associates will, be directly or indirectly engaged (whether alone or in partnership or joint venture with anyone else), concerned (whether by the provision of expertise, information or financial assistance to such business or otherwise) or interested (whether as trustee, principal, agent, shareholder, unitholder or in any other capacity) in any business which is wholly or partly in competition with any Relevant Business (whether carried on by any member of our Group by itself or themselves or in partnership, common ownership or as a joint venture with any third party) ("**Competing Business**").

The Non-Compete Undertaking shall not apply to:

(a) any interest(s) in any member of our Group;

(b) any interest(s) in quoted or listed securities which do not exceed 5% of the total amount of issued securities in that class, provided that (i) neither the Obligor nor any of his/its Associates and (in the case of EHPL) any of its nominees or employees, is involved in the management or operations of such company nor hold any executive position or directorship in such company and (ii) such interest(s) is disclosed to our Audit Committee;

(c) the acquisition and/or ownership of ROFR Asset, provided that the Obligor and/or its Associates in acquiring and/or owning the ROFR Asset had complied with the terms of the ROFR;

(d) the lease (as lessor) of Owned ROFR Asset to a third party (including for such third party to operate medicare centre(s) and/or nursing home(s)), provided that the Obligor had complied with the terms of the Right to Lease;

(e) the acquisition, construction and/or ownership of medicare centres and/or nursing homes which are (or are to be) operated by any member of our Group;

(f) the Chai Chee Lease and Sub-Lease (including any renewal of the Chai Chee Lease and Sub-Lease); and

(g) (in the case of Mr Ong Chu Poh) Mr Ong Chu Poh and/or his wife being directors of or involved with voluntary welfare organisations ("**VWO**") (including in an advisory capacity), including Mr Ong Chu Poh providing advisory services to the Jamiyah Home for the Aged, provided that (i) Mr Ong Chu Poh and/or his wife do not have any shareholding interest in the VWO, (ii) such directorship or role in the VWO is non-executive in nature, (iii) no fees are payable to Mr Ong Chu Poh and/or his wife in respect of such role in the VWO and (iv) any appointment of Mr Ong Chu Poh and/or his wife (as the case may be) as a director in any VWO engaged in the Relevant Business shall be subject to the review and approval of our Nominating Committee.

For the avoidance of doubt, the Non-Compete Undertaking will apply to, among other things:

(a) the operation of medicare centres and/or nursing homes; and

(b) the lease (as lessee) of medicare centres and/or nursing homes and land on which such medicare centres and/or nursing homes are situated, other than the Chai Chee Lease and Sub-Lease (including any renewal of the Chai Chee Lease and Sub-Lease).

Accordingly, the operation of medicare centres and/or nursing homes may only be undertaken by our Group and not by the Non-Listed Group. Both our Group and the Non-Listed Group may acquire and/or own ROFR Asset, provided that in acquiring and/or owning the ROFR Asset, the Non-Listed Group had complied with the terms of the ROFR. Only our Group may lease (as lessee) medicare centres and nursing homes and land on which such medicare centres and nursing homes are situated, save that the Non-Listed Group is permitted to undertake the Chai Chee Lease and Sub-Lease (including any renewal).

ROFR

Pursuant to the ROFR, the Obligor shall give our Company written notice (the "**ROFR Notice**") of:

(a) any proposed offer of sale by a third party to the Obligor and/or his/its Associates of any ROFR Asset; and

(b) his/its intention (whether by himself or through his/its Associates) to acquire any ROFR Asset from a third party,

(the third party referred to in paragraph (a) or (b) being the "**Relevant Seller**" and any of paragraph (a) and (b) being the "**Relevant Opportunity**").

Such ROFR Notice shall include sufficient details of the Relevant Opportunity for our Company to evaluate the Relevant Opportunity and shall be provided to our Lead Independent Director. In the case of a proposed offer of sale of ROFR Asset to the Obligor and/or his/its Associates as described in paragraph (a) above, the Obligor shall provide the ROFR Notice to our Company within five days of receiving the offer.

Upon receipt of a ROFR Notice, our Company shall be responsible for exploring the Relevant Opportunity with the Relevant Seller. Our Company shall submit a non-binding offer or indication of interest (in the form of an offer letter with a clear price and conditions for acceptance) for the Relevant Opportunity to the Relevant Seller (the "**ROFR Offer**"), with a copy to the Obligor, within 60 days of receipt of the ROFR Notice or by such date which may be prescribed by the Relevant Seller. If our Company fails to do so, the ROFR shall be deemed to have expired and the Obligor and/or his/its Associates (as the case may be) shall be free to pursue the Relevant Opportunity with the Relevant Seller, subject to the ROFR Reset (as defined and described below).

If the ROFR Offer is not accepted by the Relevant Seller or if our Company has not entered into a binding agreement (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) for the Relevant Opportunity with the Relevant Seller within 120 days from the date of acceptance by the Relevant Seller of the ROFR Offer, and our Company confirms this in writing to the Obligor, the ROFR shall be deemed to have expired and the Obligor and/or his/its Associates (as the case may be) shall be free to pursue the Relevant Opportunity with the Relevant Seller, subject to the ROFR Reset.

If the ROFR in respect of a Relevant Opportunity is waived by our Company or deemed to have expired and the Obligor and/or his/its Associates (as the case may be) does not enter into a binding agreement (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) with the Relevant Seller in respect of the Relevant Opportunity within 120 days from the date of waiver or expiration (the "**ROFR Option Period**"), our Company's ROFR in respect of that Relevant Opportunity shall be fully reinstated and the Obligor shall provide the ROFR Notice to our Company within five days of the expiration of the ROFR Option Period (the "**ROFR Reset**").

For the avoidance of doubt, if the Obligor and/or his/its Associates (as the case may be) is free to pursue the Relevant Opportunity with the Relevant Seller in the circumstances described above, the pursuit by the Obligor and/or his/its Associates (as the case may be) of the Relevant Opportunity with the Relevant Seller, and his/its and/or their acquisition and/or ownership of such ROFR Asset, are not prohibited by the Non-Compete Undertaking. In the event that the Obligor and/or his/its Associates acquires such ROFR Asset ("**Owned ROFR Asset**") and subsequently intends to sell such Owned ROFR Asset and at the time of the intended sale, such Owned ROFR Asset comprises ROFO Asset, the Obligor shall comply with the ROFO.

Right of Lease

The Obligor shall give our Company written notice (the "**Notice of Lease**") if he/it and/or his/its Associates intend to lease (as lessor) any Owned ROFR Asset (the "**Proposed Lease**").

Such Notice of Lease shall include sufficient details of the Proposed Lease (including the rent rate and lease duration) for our Company to evaluate the Proposed Lease and shall be provided to our Lead Independent Director.

Our Company shall inform the Obligor in writing within 60 days of receipt of the Notice of Lease whether it wishes to take up the Proposed Lease.

The Right of Lease shall expire if (a) our Company informs the Obligor in writing that it does not intend to take up the Proposed Lease or (b) our Company fails to inform the Obligor that it wishes to take up the Proposed Lease in accordance with the foregoing. If the Right of Lease expires in accordance with the foregoing, the Obligor and/or his/its Associates (as the case may be) may offer the Proposed Lease to third parties on terms which are not more favourable than those offered to our Company under the Notice of Lease.

Right of Purchase

At least 90 days (but no earlier than 120 days) before the expiry of each lease term of each Leased Asset, the Obligor shall make our Company a written offer (the "**Offer Notice**") to sell such Leased Asset (the "**Offer of Leased Asset**") to our Company.

Such Offer Notice shall include sufficient details of the Offer of Leased Asset for our Company to evaluate the Offer of Leased Asset (save that the price shall be determined as set out below) and shall be provided to our Lead Independent Director.

If our Company informs the Obligor in writing within 14 days of receipt of the Offer Notice that it is interested in the Offer of Leased Asset (the "**Notice of Interest**"), our Company and the Obligor shall within 7 days of receipt of the Notice of Interest jointly appoint an independent professional valuer to issue, within two weeks of its appointment, a valuation report in respect of the Leased Asset, using such valuation method as may be determined by and agreed between the valuer, our Company and the Obligor.

If our Company and the Obligor fail to agree on the appointment of the valuer and/or the valuation method, each of our Company and the Obligor shall, within 7 days of receipt of the Notice of Interest, at our/his/its own expense, appoint a valuer to issue a valuation report in respect of the Leased Asset. Within two weeks of his/its appointment of a valuer, the Obligor shall provide to our Company a copy of the valuation report issued by the valuer appointed by it/him.

Within 60 days of receipt of the Offer Notice, our Company shall submit to the Obligor our acceptance of the Offer of Leased Asset (in the form of an acceptance letter with a clear price determined based on the valuation report referred to above or, in the event that two valuers are appointed, based on an average of the two valuations set out in the two valuation reports).

The Offer of Leased Asset shall expire if (a) our Company informs the Obligor in writing that we are not interested in the Offer of Leased Asset, (b) our Company fails to provide the Notice of Interest to the Obligor within 14 days of receipt of the Offer Notice or (c) our Company fails to submit our acceptance of the Offer of Leased Asset as set out above. If the Offer of Leased Asset expires in accordance with the foregoing, the lease of the relevant Leased Asset may be renewed for an additional lease term (the "**Renewed Lease Term**") in accordance with the terms of the relevant lease agreement. The Leased Asset in respect of which the Offer of Leased Asset has expired and the lease in respect of which has been renewed shall be referred to as the "**Relevant Leased Asset**".

ROFO

The Obligor shall give our Company written notice (the "**ROFO Notice**") of any proposed offer of sale (the "**Proposed Disposal**") by him/it and/or his/its Associates of their respective interests in any ROFO Asset.

Such ROFO Notice shall include sufficient details of the Proposed Disposal for our Company to evaluate the Proposed Disposal and shall be provided to our Lead Independent Director. Where the Proposed Disposal arises from a proposed offer from a third party (the "**Third Party Buyer**"), the Obligor shall provide the ROFO Notice to our Company within five days of receiving the offer from the Third Party Buyer.

Our Company shall submit a non-binding offer or indication of interest (in the form of an offer letter with a clear price and conditions for acceptance) for the Proposed Disposal to the Obligor (the "**ROFO**

Offer") within 60 days of receipt of the ROFO Notice, subject to the below in respect of Relevant Leased Asset. In respect of Relevant Leased Asset, where the Proposed Disposal arises from a proposed offer from a Third Party Buyer to purchase the Relevant Leased Asset and the Third Party Buyer has prescribed a timing for the Obligor to respond to the Third Party Buyer's proposed offer (the "**Third Party Deadline**"), our Company is to submit the ROFO Offer to the Obligor within 60 days of receipt of the ROFO Notice or five days before the Third Party Deadline, whichever is the earlier.

If our Company fails to submit a ROFO Offer in accordance with the above or the ROFO Offer is rejected by the Obligor, the ROFO shall be deemed to have expired and the Obligor shall be free to pursue the Proposed Disposal with third parties, subject to the ROFO Reset (as defined and further described below) and provided that where the ROFO Offer is rejected by the Obligor, he/it may not divest the ROFO Asset on price, terms or conditions which are less favourable to him than those offered by our Company under the ROFO Offer.

If the ROFO in respect of a Proposed Disposal is waived by our Company or deemed to have expired and the Obligor does not enter into a binding agreement (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) with a third party buyer in respect of the Proposed Disposal within 120 days from the date of waiver or expiration (the "**ROFO Option Period**"), our Company's ROFO in respect of that Proposed Disposal shall be fully reinstated and the Obligor shall provide the ROFO Notice to our Company within five days of the expiration of the ROFO Option Period (the "**ROFO Reset**").

The ROFO is without prejudice to the Right of Purchase. In respect of ROFO Asset which comprises Leased Asset, the terms of the Right of Purchase shall prevail over the terms of the ROFO in the event of any inconsistency.

Scope of the OCP Deed of Undertaking

The OCP Deed of Undertaking is in respect of Mr Ong Chu Poh and his Associates (as defined above), which does not include his sister and his three adult children (including Ms Ong Hui Ming and Dr Ong Xin De) (collectively, the "**Relevant Persons**").

As disclosed above, pursuant to his Non-Compete Undertaking, Mr Ong Chu Poh has undertaken that he will not, among other things, be directly or indirectly engaged, concerned or interested in any Competing Business. His undertaking not to be indirectly engaged, concerned or interested in any Competing Business will mean that he cannot be engaged, concerned or interested in any Competing Business through any entity or person (including the Relevant Persons). Accordingly, he will not be able to have arrangements with any Relevant Person to undertake any Competing Business.

The Relevant Persons have not been included in the scope of the Non-Compete Undertaking provided by Mr Ong Chu Poh as such non-compete undertaking is not meant to prevent family members of a controlling shareholder from pursuing employment opportunities and undertaking their business activities independently of him. Further, as set out below, as at the date of this Offer Document, none of the Relevant Persons is engaged in any Competing Business nor hold any shareholding interest in our Company or our Group. Mr Ong Chu Poh is financially independent of each of the Relevant Persons, and each of the Relevant Persons is financially independent of Mr Ong Chu Poh or in the case of Ms Ong Hui Ming and Dr Ong Xin De, will be financially independent of Mr Ong Chu Poh in the event they are no longer employed by our Company. Further, each of Ms Ong Hui Ming and Dr Ong Xin De are subject to non-compete provisions in their respective service agreement or employment contract (as the case may be) for the duration of their employment and for a period of 12 months after the cessation of their employment.

Each of Mr Ong Chu Poh and EHPL has provided the ROFR, the Right of Lease, the Right of Purchase and the ROFO. The Relevant Persons have not been included in the scope of the ROFR, the Right of Lease, the Right of Purchase and the ROFO provided by Mr Ong Chu Poh taking into account that as at the date of this Offer Document, the Relevant Persons do not own any land on which medicare centre(s) and nursing home(s) are situated or any land or premises which are leased to our Group, and further taking into account our asset-light business strategy.

MITIGATION

We believe that any potential conflicts of interests, whether with Mr Ong Chu Poh, the Non-Listed Group (including EHPL) or otherwise, are mitigated as follows:

(a) as set out above, as at the date of this Offer Document, Mr Ong Chu Poh, his immediate family (as defined in the Catalist Rules and including the Relevant Persons) and the Non-Listed Group are not engaged in any Competing Business save that there are some overlaps in the business activities of our Group and the Non-Listed Group as described in this section. Notwithstanding this, to mitigate any perceived or potential conflict of interests, Mr Ong Chu Poh and EHPL have provided the Deeds of Undertaking in our favour, comprising the Non-Compete Undertaking, the ROFR, the Right of Lease, the Right of Purchase and the ROFO;

(b) while there are some overlaps in our business activities and those of the Non-Listed Group in that both our Group and the Non-Listed Group may acquire and own medicare centres and nursing homes and the land on which such premises are situated, as disclosed in this Offer Document, we generally operate on an asset-light business model. While we do not preclude acquiring land and premises (whether for nursing home purposes or otherwise), the acquisition and ownership of land and premises is not part of our core business. As described in "*Business – Business Strategies and Future Plans - Asset-light strategy to scale up future expansion*", our strategy is to utilise an asset-light business model to generate high investment returns and we seek to achieve this through leasing premises at locations that are appropriate to be used as medicare centres and nursing homes. Our core business is the operation of medicare centres and nursing homes and, as described above, the Non-Listed Group does not engage in and further, is prohibited by the Non-Compete Undertakings from engaging in the operation of medicare centres and nursing homes;

(c) notwithstanding the above, we have the benefit of the ROFR, the Right of Lease, the Right of Purchase and the ROFO provided by the Obligors. Prior to acquiring ROFR Asset, the Obligor has to give us the first right to purchase pursuant to the ROFR. Even if we choose not to exercise the ROFR, after the Obligor acquires the ROFR Asset, if he/it intends to lease such Owned ROFR Asset, the Obligor is required to give us the first right to lease pursuant to the Right of Lease. If the Obligor intends to sell Owned ROFR Asset and if at such time the Owned ROFR Asset comprises ROFO Asset, the Obligor has to give us the first right to purchase pursuant to the ROFO;

(d) each of Mr Ong Chu Poh, Ms Ong Hui Ming (our Executive Director and Deputy Chief Executive Officer, Singapore) and Dr Ong Xin De (our Executive Officer) are subject to non-compete provisions in their respective service agreements or employment contracts (as the case may be) for the duration of their employment and for a period of 12 months after the cessation of their employment;

(e) our Directors have a duty to disclose their interests in respect of any contract, proposal, transaction or any other matter whatsoever in which they have any personal material interest, directly or indirectly, or any actual or potential conflicts of interest (including conflicts of interest that arise from their directorship(s) or executive position(s) or personal investments in any other corporation(s)) that may involve them. Upon such disclosure, such Directors shall not participate in any proceedings of our Board of Directors, and shall in any event abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until our Audit Committee has determined that no such conflict of interest exists. Hence, Mr Ong Chu Poh will abstain from participating in any proceedings involving, as well as abstain from voting on, any transactions with the Non-Listed Group;

(f) our Audit Committee is required to examine the internal procedures put in place by our Company to determine if such procedures put in place have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of our Group, our joint ventures or the interested persons are conducted, or if they are sufficient to ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders;

(g) our Audit Committee will review any actual or potential conflicts of interest that may involve our Directors as disclosed by them to our Board. Upon disclosure of an actual or potential conflict of interests by a Director, our Audit Committee will consider whether a conflict of interests 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 interests 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;

(h) our Audit Committee will also monitor the investments in our customers, suppliers and competitors made by our Directors, Controlling Shareholders and their respective associates who are involved in the management of or have shareholding interests in similar or related business of our Company (to the extent as disclosed by them to our Audit Committee) and make assessments on whether there are any potential conflicts of interest;

(i) upon the Listing, we will be subject to Chapter 9 of the Catalist Rules in relation to interested person transactions. The objective of these rules is to ensure that our interested person transactions do not prejudice the interests of our Shareholders as a whole. These rules require us to make prompt announcements, disclosures in our annual report and/or seek Shareholders' approval for certain material interested person transactions. Our Audit Committee may also have to appoint independent financial advisers to review such interested person transactions and opine on whether such transactions are conducted on normal commercial terms and will not be prejudicial to the interests of our Company and the interests of our minority Shareholders;

(j) our Directors owe fiduciary duties to us, including the duty to act in good faith and in our best interests. Our Directors are also subject to a duty of confidentiality that precludes a Director from disclosing to any third party (including any of our Shareholders or their associates) information that is confidential; and

(k) our Audit Committee will, following the Listing, undertake the following additional responsibilities:

    (i) review on a periodic basis the framework and processes established above for the implementation of the terms of the Deeds of Undertaking in order to ensure that such framework and processes remain appropriate; and

    (ii) review and assess from time to time the prevailing processes put in place to manage any material conflicts of interest with Mr Ong Chu Poh and the Non-Listed Group (including EHPL) and consider, where appropriate, the additional measures for the management of such conflicts.

SHARE CAPITAL AND SHAREHOLDERS

Our Company was incorporated in Singapore on 28 January 2004 under the Companies Act as a private company limited by shares under the name EHL (S) Pte. Ltd. On 16 February 2006, our Company changed its name to Econ Healthcare (S) Pte. Ltd. On 26 February 2021, our Company changed its name to Econ Healthcare (Asia) Pte. Ltd. On 29 March 2021, our Company was converted into a public company limited by shares and changed its name to Econ Healthcare (Asia) Limited.

As at the date of incorporation, the issued and paid-up share capital of our Company was S$2.00 comprising two Shares. As at the Latest Practicable Date, the issued and paid-up share capital of our Company was S$15,000,000 comprising 15,000,000 Shares (prior to adjusting for the Share Split).

As at the date of this Offer Document, there is only one class of shares in the capital of our Company. The rights and privileges attached to the Shares are stated in our Constitution.

On 22 March 2021, our Shareholder passed resolutions to approve, among others, the following:

(a) the conversion of our Company into a public company;

(b) contingent upon the conversion of our Company into a public company, the change of our Company's name from "Econ Healthcare (Asia) Pte. Ltd." to "Econ Healthcare (Asia) Limited";

(c) contingent upon the conversion of our Company into a public company, the adoption of a new Constitution;

(d) the sub-division of the 15,000,000 issued Shares into 207,000,000 issued Shares (with fractional entitlements arising from the sub-division of each Share being aggregated to form whole Shares, without rounding), which was effected on 23 March 2021 (the "**Share Split**");

(e) that pursuant to Section 161 of the Companies Act and our Constitution, authority be given to our Directors to:

    (i) issue 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 but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other similar instruments convertible into Shares,

    at any time and upon such terms and conditions and for such purposes and to such person(s) as our Directors may in their absolute discretion deem fit; and

    (iii) (notwithstanding the authority conferred by the resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by our Directors while the resolution was in force,

    provided that:

    (1) the aggregate number of Shares to be issued pursuant to the resolution (including new Shares to be issued in pursuance of Instruments made or granted pursuant to the resolution) shall not exceed 100.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to our Shareholders (including new Shares to be issued in pursuance of Instruments made or granted pursuant to the resolution) shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below):

    (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares excluding treasury shares and subsidiary holdings immediately following the close of the Offering, after adjusting for:

        (A) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time the resolution is passed; and

        (B) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by the resolution, our 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) and our Constitution for the time being of our Company; and

(4) (unless revoked or varied by our Company in general meeting) the authority conferred by the resolution shall continue in force until the conclusion of the next annual general meeting of our Company following the passing of the resolution or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier; and

(f) that authority be given to our Directors to issue Shares and offer the same to such persons, on such terms and conditions and with such rights or restrictions as they may think fit to impose, in connection with the Offering and the admission of our Company to the Official List of Catalist and that our Directors be authorised to take all necessary steps to give effect to the resolution.

CURRENT SHAREHOLDERS

The table below sets out the names of each Substantial Shareholder of our Company, which means a Shareholder who is known by our Company to beneficially own 5.0% or more of our issued Shares, and each Director (including our Executive Chairman and Group Chief Executive Officer) who has an interest in the Shares, and the number and percentage of Shares in which each of them has an interest (whether direct or deemed) as at the Latest Practicable Date and immediately after the completion of the Offering. Our Directors may, subject to applicable laws, subscribe for the Offering Shares. In such cases, we will make announcements via SGXNET as soon as practicable.

All Shares owned by our Substantial Shareholders and Directors (including our Executive Chairman and Group Chief Executive Officer) carry the same voting rights as the Offering Shares.

Percentage ownership is based on, as the case may be,

(1) 207,000,000 Shares outstanding as at the Latest Practicable Date (as adjusted for the Share Split); and

(2) 257,000,000 Shares outstanding immediately after completion of the Offering.

Name	As at the Latest Practicable Date (as adjusted for the Share Split)				Immediately after completion of the Offering			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Mr Ong Chu Poh[(1)]	-	-	207,000,000	100.0	-	-	207,000,000	80.5
Ms Ong Hui Ming	-	-	-	-	-	-	-	-
Mr Siau Kai Bing	-	-	-	-	-	-	-	-
Mr Lim Yian Poh	-	-	-	-	-	-	-	-
Dr Ong Seh Hong	-	-	-	-	-	-	-	-
Substantial Shareholders								
Mr Ong Chu Poh[(1)]	-	-	207,000,000	100.0	-	-	207,000,000	80.5
Econ Investment Holdings Pte. Ltd.[(1)]	-	-	207,000,000	100.0	-	-	207,000,000	80.5
Econ Healthcare Pte. Ltd.[(1)]	207,000,000	100.0	-	-	207,000,000	80.5	-	-
New investors in the Offering	-	-	-	-	50,000,000	19.5	-	-
Total	**207,000,000**	**100.0**	-	-	**257,000,000**	**100.0**	-	-

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.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

There were no significant changes in the percentage of ownership of our Company in the last three years prior to the Latest Practicable Date.

CHANGES IN ISSUED SHARE CAPITAL

Details of the changes in the issued and paid-up capital of our Company and our subsidiaries and associated company for the last three years prior to the Latest Practicable Date are set out in the table below:

Our Company

Date	No. of Shares Issued	Price Per Share	Purpose of Issue/Reduction	Resultant Issued Share Capital
12 December 2018	14,999,998(1)	S$1.00(2)	See Note 2	S$15,000,000

Notes:

(1) Prior to adjusting for the Share Split.

(2) Issue of Shares by our Company to EHPL as consideration for the acquisition by our Company of our subsidiaries from EHPL in connection with the Restructuring Exercise and to off-set an amount of S$6,609,773 owing by our Company to EHPL in connection with the Restructuring Exercise, as described in "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – The Restructuring Exercise*". The price per Share has been calculated by dividing the consideration for the acquisition and the off-set amount by the number of Shares issued to EHPL.

Caleb Care (Singapore) Pte. Ltd.

Date	No. of Shares Issued	Price Per Share	Purpose of Issue/Reduction	Resultant Issued Share Capital
2 January 2019	1	S$1.00	Allotment on incorporation	S$1.00

Econ Healthcare (M) Sdn Bhd

Date	No. of Shares Issued	Price Per Share	Purpose of Issue/Reduction	Resultant Issued Share Capital
1 April 2019	8	MYR1.00	Capital Increase	MYR10.00

Chongqing Yikang Bailingbang

Date	Purpose of Issue/Reduction	Resultant Registered Capital
12 December 2019	Allotment on incorporation	RMB20,000,000

Sichuan Guangda Bailingbang Yikang

Date	Purpose of Issue/Reduction	Resultant Registered Capital
3 March 2021	Allotment on incorporation	RMB5,000,000

CHANGE IN CONTROL OF OUR COMPANY

To our knowledge, save as disclosed in "*– Current Shareholders*", our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any government or any other person and will not be owned or controlled by any government or any other person immediately after the completion of the Offering.

As at the date hereof, save as disclosed in "*Risk Factors – Risks Relating to Ownership of the Shares – Issuances, sales or disposals of a substantial number of Shares or interests in Shares by us or our significant Shareholders following the Offering could adversely affect the market price of the Shares*", we are not currently aware of any arrangement the operation of which may, at a subsequent date, result in a change of control of our Company.

DESCRIPTION OF THE SHARES

The following statements are brief summaries of the more important rights and privileges of Shareholders conferred by the laws of Singapore and our Constitution. These statements summarise the material provisions of our Constitution but are qualified in their entirety by reference to our Constitution and the laws of Singapore. See "Appendix D – Summary of our Constitution".

SHARES

The Shares, which have identical rights in all respects, rank equally with one another. Our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Board may think fit, and may issue preference shares which are, or at our option are, redeemable, subject to certain limitations.

All of the Shares are in registered form. We may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in the circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of the Shares.

NEW SHARES

We may only issue new Shares with the prior approval of our Shareholders in a general meeting.

SHAREHOLDERS

We only recognise the persons who are registered in our register of members and, in cases in which the person so registered is CDP or its nominee, as the case may be, we recognise the persons named as the Depositors in the Depository Register (as defined in the SFA) maintained by CDP for the Shares as holders of the Shares.

We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any of the Shares, or any interest in any fractional part of a Share, or other rights in respect of any Share, other than the absolute right thereto of the person whose name is entered in our register of members as the registered holder thereof, or of the person whose name is entered in the Depository Register maintained by CDP for that Share.

We may close our register of members at any time or times if we provide the SGX-ST with at least five clear Market Days' notice, or such other periods as may be prescribed by the SGX-ST. However, our register of members may not be closed for more than 30 days in aggregate in any calendar year. We typically close our register of members to determine Shareholders' entitlement to receive dividends and other distributions.

TRANSFER OF SHARES

There is no restriction on the transfer of fully paid-up Shares except where required by law or the listing rules of, or bye-laws and rules, governing any securities exchange upon which the Shares are listed or as provided in our Constitution. Our Board may in their discretion decline to register any transfer of Shares on which we have a lien and in the case of Shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve. A Shareholder may transfer any Shares registered in its own name by means of a duly signed instrument of transfer in a form approved by any securities exchange upon which the Shares are listed or in any other form acceptable to our Directors. Our Board may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. A Shareholder may transfer any Shares held through the SGX-ST book-entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

We will replace lost or destroyed certificates for Shares provided that the applicant pays a fee which will not exceed S$2.00, and furnishes such evidence and a letter of indemnity as our Board may require.

GENERAL MEETINGS OF OUR SHAREHOLDERS

We are required to hold a general meeting of Shareholders every year and within four months from the end of our financial year. Our Board may convene an extraordinary general meeting whenever they think fit and it must do so upon the written request of Shareholders holding not less than 10.0% of the total number of paid-up Shares as carries the right to vote at general meetings (disregarding paid-up Shares held as treasury shares). In addition, two or more Shareholders holding not less than 10.0% of our total number of issued Shares may call a meeting of our Shareholders.

Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including:

- voluntary winding-up;
- amendments to our Constitution;
- a change of our corporate name; and
- a reduction in the share capital.

We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. For so long as the Shares are listed on the SGX-ST, at least 14 days' notice of any general meeting shall be given in writing to the SGX-ST and by advertisement in the daily press.

The notice must be given to every Shareholder who has supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

VOTING RIGHTS

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 72 hours before the general meeting.

Except as otherwise provided in our Constitution, two or more Shareholders must be present in person or by proxy or attorney to constitute a quorum at any general meeting. Under our Constitution:

- on a show of hands, every Shareholder present in person or by proxy shall have one vote, provided that:
  - in the case of a Shareholder who is not a relevant intermediary (as defined below) and who is represented by two proxies, only one of the two proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting (or by a person authorised by the chairman of the meeting) in his sole discretion shall be entitled to vote on a show of hands); and
  - in the case of a Shareholder who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands; and
- on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he /she holds or represents.

The following types of members ("**relevant intermediaries**" and each a "**relevant intermediary**") are allowed to appoint more than two proxies: (i) a licensed bank or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity; (ii) a capital markets services licence holder which provides custodial services for securities and holds shares in that capacity; and (iii) the CPF Board, in respect of shares purchased on behalf of CPF members.

The Catalist Rules require all resolutions at general meeting to be voted by poll. A poll may be demanded in certain circumstances, including:

- by the chairman of the meeting;
- by not less than two Shareholders present in person or by proxy and entitled to vote at the meeting;
- by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to vote at the meeting; and

- by any Shareholder present in person or by proxy and holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid-up equal to not less than 5.0% of the total sum paid up on all the shares conferring that right.

In the case of a tie vote, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.

LIMITATIONS ON RIGHTS TO HOLD SHARES

Singapore law and our Constitution do not impose any limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights attached to the Shares.

DIVIDENDS

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. Our Board may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profit(s) available for distribution.

All dividends we pay are *pro rata* in amount to our Shareholders in proportion to the amount paid up or credited as paid on each Shareholder's Shares, unless the rights attaching to an issue of any share or class of shares provide otherwise.

Unless otherwise directed, dividends may be paid by a cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of members or (as the case may be) the Depository Register. However, our payment to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

BONUS AND RIGHTS ISSUE

Our Board may, with the approval from our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit or loss account and distribute the same as bonus Shares credited as paid-up to the Shareholders in proportion to their shareholdings.

Our Board may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms as our Board shall think fit.

Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any securities exchange upon which the Shares are listed.

TAKE-OVERS

Under the Singapore Take-Over Code, issued by the MAS pursuant to Section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting shares must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Singapore Take-Over Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting rights acquires additional voting shares representing more than 1.0% of the voting rights in any six-month period. Under the Singapore Take-Over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

(a) the following companies:

   (i) a company;

   (ii) the parent company of (i);

   (iii) the subsidiaries of (i);

   (iv) the fellow subsidiaries of (i);

   (v) the associated companies of (i), (ii), (iii) or (iv);

- (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
- (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(c) company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;

(f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) the following persons and entities:

- (i) an individual;
- (ii) the close relatives of (i);
- (iii) the related trusts of (i);
- (iv) any person who is accustomed to act in accordance with the instructions of (i);
- (v) companies controlled by any of (i), (ii), (iii) or (iv); and
- (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Singapore Take-Over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert for voting rights within the preceding six months.

LIQUIDATION OR OTHER RETURN OF CAPITAL

If we are liquidated or in the event of any other return of capital, holders of the Shares will be entitled to participate in the distribution of any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other classes of shares in our Company.

INDEMNITY

As permitted by Singapore law, our Constitution provides that our Company may, subject to the provisions of and so far as may be permitted by the Companies Act, indemnify our Board and officers against any liability incurred or to be incurred by them in the execution of their duties.

Subject to certain exceptions, our Company may not indemnify our Board and our officers against any liability attaching to them in connection with any negligence, default, breach of duty or breach of trust in relation to our Company. Such exceptions are: (i) the purchase and maintenance for our Directors and officers of insurance against any such liability; and (ii) circumstances where the provision for indemnity is against liability incurred by our Directors and officers to a person other than our Company, except when the indemnity is against (a) any liability of our Director or officer to pay a fine in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or (b) any liability incurred by our Director or officer (1) in defending criminal proceedings in which he is convicted; (2) in defending civil proceedings brought by our Company or a related company in which judgment is given against him; or (3) in connection with an application for relief under Section 76A(13) or Section 391 of the Companies Act in which the court refuses to grant him relief.

SUBSTANTIAL SHAREHOLDINGS

Under the SFA, a person has a substantial shareholding in our Company if he has an interest (or interests) in one or more voting shares (excluding treasury shares) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in our Company.

The SFA requires our Substantial Shareholders, or if they cease to be our Substantial Shareholders, to give notice to us using the forms prescribed by the MAS (which are available at www.mas.gov.sg) of particulars of the voting shares in our Company in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

In addition, the deadline for a Substantial Shareholder to make disclosure to our Company under the SFA is two Singapore business days after he becomes aware:

- that he/she is or (if he/she had ceased to be one) had been a Substantial Shareholder;
- of any change in the percentage level in his/her interest; or
- that he/she had ceased to be a Substantial Shareholder,

there being a conclusive presumption of a person being "aware" of a fact or occurrence at the time at which he/she would, if he/she had acted with reasonable diligence in the conduct of his/her affairs, have been aware.

Following the above, we will in turn announce or otherwise disseminate the information stated in the notice to the SGX-ST as soon as practicable and in any case, no later than the end of the Singapore business day following the day on which we receive the notice.

"Percentage level", in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in our Company in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

MINORITY RIGHTS

Section 216 of the Companies Act protects the rights of minority shareholders of Singapore incorporated companies by giving the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations:

- if our affairs are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders; or
- if we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- direct or prohibit any act or cancel or vary any transaction or resolution;
- regulate the conduct of our affairs in the future;
- authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- direct us or some of our Shareholders to purchase a minority Shareholder's Shares and, in the case of our purchase of Shares, a corresponding reduction of our share capital;
- direct that our Constitution be amended; or
- direct that we be wound up.

In addition, Section 216A of the Companies Act allows a complainant (including a minority shareholder) to apply to court for leave to bring an action in a court proceeding or to commence an arbitration proceeding in the name and on behalf of a company.

LEGAL FRAMEWORK

The following statements are brief summaries of the laws of Singapore relating to the legal framework in Singapore and our Board, which are qualified in their entirety by reference to the laws of Singapore.

Singapore has a common law system based on a combination of case law and statutes. The Companies Act is the principal legislation governing companies incorporated under the laws of Singapore and provides for three main forms of corporate vehicles, being the company limited by shares, the company limited by guarantee and the unlimited company.

Companies are incorporated by filing with the Accounting and Corporate Regulatory Authority in Singapore certain electronic forms, including the constitutional documents which comprise its constitution.

The constitution of a Singapore incorporated company may set out the specific objects and powers of the company, or may give the company full power to carry on or undertake any business activity. The constitution generally contains provisions relating to share capital and variation of rights, transfers and transmissions of shares, meetings of shareholders, directors and directors' meetings, powers and duties of directors, accounts, dividends and reserves, capitalisation of profits, secretary, common seal, winding-up and indemnity of the officers of a company.

TAXATION

The statements made herein regarding taxation are general in nature and based on certain aspects of current tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as at the date of this Offer Document and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any holder of the Shares or of any person acquiring, selling or otherwise dealing with the Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of the Shares. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective Shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Shares. The statements below are based on the assumption that our Company is tax resident in Singapore for Singapore income tax purposes. It is emphasised that neither our Company nor any other persons involved in this Offer Document accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Shares.

SINGAPORE TAXATION

Individual Income Tax

An individual is a tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore ("**Comptroller**") is satisfied that the tax exemption would be beneficial to the individual.

A Singapore tax resident individual is taxed at progressive rates ranging from 0.0% to 22.0%. Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax on income accruing in or derived from Singapore at the rate of 22.0%.

Corporate Income Tax

A corporate taxpayer is regarded as resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 are exempt from tax if certain prescribed conditions are met, including the following:

(i) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and

(ii) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15.0%.

Certain concessions and clarifications have also been announced by the IRAS with respect to such conditions.

A non-resident corporate taxpayer is subject to income tax on income that is accrued in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore, subject to certain exceptions.

The corporate tax rate in Singapore is currently 17.0%. In addition, three-quarters of up to the first S$10,000 of a company's annual normal chargeable income, and one-half of up to the next S$190,000, is exempt from corporate tax from the year of assessment ("**YA**") 2020 onwards. The remaining chargeable income (after the tax exemption) will be fully taxable at the prevailing corporate tax rate.

New companies will also, subject to certain conditions and exceptions, be eligible for tax exemption on three-quarters of up to the first S$100,000 of a company's normal chargeable income, and one-half of up to the next S$100,000, a year for each of the company's first three YAs from YA 2020 onwards. The remaining chargeable income (after the tax exemption) will be taxed at the applicable corporate tax rate.

Dividend Distributions

All Singapore-resident companies are currently under the one-tier corporate tax system ("**one-tier system**").

Dividends received in respect of the Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax, on the basis that our Company is a tax resident of Singapore and under the one-tier system.

Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore-resident company are tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Gains on Disposal of Shares

Singapore does not impose tax on capital gains. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains arising from the disposal of the Shares may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore.

Shareholders who apply, or who are required to apply, FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) may for the purposes of Singapore income tax be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Shares is made

Shareholders who may be subject to this tax treatment should consult their accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Shares.

Stamp Duty

There is no stamp duty payable on the subscription for the Shares.

Where the Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of transfer of the Shares at the rate of 0.2% of the consideration for, or market value of, the Shares, whichever is higher.

Stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of the Shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore.

Stamp duty is not applicable to electronic transfers of the Shares through the scripless trading system operated by CDP.

Estate Duty

Singapore estate duty was abolished with respect to all deaths occurring on or after 15 February 2008.

Goods and Services Tax ("GST")

The sale of the Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where the Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0.0%. Any input GST incurred by the GST-registered investor in making such a supply in the course of or furtherance of a business may be fully recoverable from the Singapore Comptroller of GST.

Services consisting of arranging, brokering, underwriting or advising on the issue, allotment or transfer of ownership of the Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of the Shares will be subject to GST at the standard rate of 7.0%. Similar services rendered by a GST-registered person contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to the satisfaction of certain conditions, be subject to GST at 0.0%.

PLAN OF DISTRIBUTION

The Offering comprises 50,000,000 Offering Shares (representing in aggregate approximately 19.5% of our Company's share capital immediately after completion of the Offering) for subscription under the Placement and the Public Offering.

The Offering Price was determined after a book-building process and agreed between our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent, after taking into account, among other things, the prevailing market conditions and estimated market demand for the Offering Shares. 48,200,000 Shares are being offered under the Placement and 1,800,000 Shares are being offered under the Public Offering. The Offering Shares may be re-allocated between the Placement and the Public Offering at the discretion of the Sponsor, Issue Manager, Underwriter and Placement Agent, in consultation with our Company, subject to any applicable laws and regulations.

The closing of the Offering is conditional upon, among other things, the closing of the transactions contemplated in the management and underwriting agreement dated 9 April 2021 (the "**Management and Underwriting Agreement**") entered into among our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent.

PUBLIC OFFERING

1,800,000 Public Offer Shares are being offered by our Company at the Offering Price by way of a public offer in Singapore. The terms, conditions and procedures for application and acceptance are described in "Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore", as set out in Appendix F to this Offer Document.

In the event that not all the Public Offer Shares are validly applied for as at the close of the Application List, such number of Public Offer Shares not applied for shall be made available to satisfy excess applications under the Placement to the extent there are excess applications for the Placement Shares as at the close of the Application List. In the event of excess applications for the Public Offer Shares as at the close of the Application List and full or excess applications for the Placement Shares as at the close of the Application List, the successful applications under the Public Offering will be determined by ballot to be arranged by the Sponsor, Issue Manager, Underwriter and Placement Agent for and on behalf of our Company, in such manner as may reasonably be required by our Company and on such basis of allotment as may be determined by our Directors, after consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent.

No fee is payable by applicants for the Public Offer Shares, save for an administration fee of S$2.00 for each application made through ATMs, the internet banking websites of the Participating Banks or the mobile banking interfaces of DBS Bank Ltd. and United Overseas Bank Limited.

PLACEMENT

48,200,000 Placement Shares are being offered by our Company at the Offering Price by way of placement. The manner and method of applications and acceptances under the Placement will be determined by our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent. The terms, conditions and procedures for application and acceptance are described in "Terms, Conditions and Procedures for Application for and Acceptance of the Offering Shares in Singapore", as set out in Appendix F to this Offer Document.

Any Placement Shares not validly applied for may be allocated to satisfy excess applications under the Public Offering, subject to any applicable laws. Any Public Offer Shares not validly applied for as at the close of the Application List, may be allocated to satisfy excess applications by under the Placement, subject to any applicable laws and regulations.

Subscribers of the Placement Shares may be required to pay to the Sponsor, Issue Manager, Underwriter and Placement Agent or any sub-underwriter or sub-placement agent that may be appointed by the Sponsor, Issue Manager, Underwriter and Placement Agent a brokerage fee of up to 1.0% of the Offering Price, as well as stamp duty and other similar charges to the relevant authorities in accordance with the laws and practices of the country of subscription, at the time of settlement.

MANAGEMENT AND UNDERWRITING AGREEMENT

Subject to the terms and conditions set forth in the Management and Underwriting Agreement, we will effect the issue of, and the Sponsor, Issue Manager, Underwriter and Placement Agent is expected to procure subscribers for, or failing which to subscribe for, an aggregate of 50,000,000 Shares (being the Offering Shares).

Our Company have agreed in the Management and Underwriting Agreement to indemnify the Sponsor, Issue Manager, Underwriter and Placement Agent against certain liabilities. The Management and Underwriting Agreement may be terminated by the Sponsor, Issue Manager, Underwriter and Placement Agent at any time prior to the issue and delivery of the Shares, pursuant to the terms and subject to the conditions of the Management and Underwriting Agreement upon the occurrence of certain events including, among other things, certain force majeure events.

We will pay the Sponsor, Issue Manager, Underwriter and Placement Agent, as compensation for its services in connection with the Offering, a management fee as well as an underwriting and placement commission equal to 3.0% of the amount equal to the aggregate value of the Offering Shares (exclusive of GST) at the Offering Price.

We may, at our sole discretion, pay the Sponsor, Issue Manager, Underwriter and Placement Agent an incentive fee.

CONTINUING SPONSORSHIP AGREEMENT

Pursuant to the continuing sponsorship agreement dated 9 April 2021 entered into between our Company and DBS Bank Ltd. (the "**Continuing Sponsorship Agreement**"), our Company has appointed DBS Bank Ltd., and DBS Bank Ltd. has agreed, subject to the terms and conditions set forth in that agreement, to act as continuing sponsor. In the event that the Continuing Sponsorship Agreement is terminated, we reserve the right, at our absolute discretion, to cancel the Offering.

NO SALE OF SIMILAR SECURITIES AND LOCK-UP

Our Company

We have agreed with the Sponsor, Issue Manager, Underwriter and Placement Agent that, subject to certain exemptions, from the date of the Management and Underwriting Agreement until the date falling six months from the Listing Date (both dates inclusive), our Company will not, and no person acting on our behalf will, without the consent of the Sponsor, Issue Manager, Underwriter and Placement Agent, directly or indirectly, (i) allot, offer, issue, sell, contract to issue, grant any option, warrant or other right to subscribe or purchase, grant security over, encumber (whether by way of mortgage, assignment of rights, charge, pledge, pre-emption rights, rights of first refusal or otherwise), or otherwise dispose of or transfer, any Shares or any other securities of our Company or any subsidiary of our Company (including any equity-linked securities, perpetual securities and any securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of our Company or any subsidiary of our Company), or enter into a transaction that would have the same effect, whether such transaction is to be settled by delivery of Shares or other securities of our Company or any subsidiary of our Company, or in cash or otherwise, (ii) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any securities of our Company or any subsidiary of our Company, or any interest in any of the foregoing (including any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of our Company or any subsidiary of our Company), whether such transaction is be settled by delivery of Shares or other securities of our Company or any subsidiary of our Company (including any securities convertible into, or exercisable or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of our Company or any subsidiary of our Company), or in cash or otherwise, (iii) deposit any Shares or any other securities of our Company or any subsidiary of our Company (including any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any Shares or any other securities of our Company or any subsidiary of our Company) in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with the obligations under the moratorium undertaking), (iv) enter into any transaction which is designed or which may reasonably be expected to result in any of the above, or (v) announce or publicly disclose any intention to do any of the above, provided, however, that the foregoing restrictions shall not apply in respect of the Offering Shares.

Our Controlling Shareholders

As at the Listing Date, EHPL will directly hold 207,000,000 Shares (the "**EHPL Lock-up Shares**"), comprising approximately 80.5% of our issued Shares as at such date.

The entire issued and paid-up capital of EHPL (the "**EIH Lock-up Shares**") is held by EIH. The entire issued and paid-up capital of EIH (the "**OCP Lock-up Shares**" and together with the EHPL Lock-up

Shares and the EIH Lock-up Shares, the "**Relevant Shares**") is held by Mr Ong Chu Poh. Each of Mr Ong Chu Poh and EIH has a deemed interest in the Shares held by EHPL.

Each of Mr Ong Chu Poh, EIH and EHPL has given an undertaking (each a "**Lock-up Undertaking**") to the Sponsor, Issue Manager, Underwriter and Placement Agent that he or it (as the case may be) will not, subject to certain exemptions, without the prior written consent of the Sponsor, Issue Manager, Underwriter and Placement Agent, directly or indirectly:

(a) (in the case of Mr Ong Chu Poh and EIH) for the First Lock-up Period (as defined below), reduce (which includes, *inter alia*, by way of disposal or transfer of, or causing any enforcement of security interest relating to or in any way affecting, his or its effective interest in the Shares) his or its effective shareholding interest in our Company below the level of such effective interest as at the Listing Date (adjusted for any bonus issue, subdivision or consolidation);

(b) (in the case of Mr Ong Chu Poh and EIH) for the Second Lock-up Period (as defined below), reduce (which includes, *inter alia*, by way of disposal or transfer of, or causing any enforcement of security interest relating to or in any way affecting, his or its effective interest in the Shares) his or its effective shareholding interest in our Company below 50.0% of the level of such effective interest as at the Listing Date (adjusted for any bonus issue, subdivision or consolidation);

(c) (i) (except for the Charges (as defined below) in the case of Mr Ong Chu Poh and EIH) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over or encumber (such as by way of mortgage, assignment of rights, charge, pledge, pre-emption rights, rights of first refusal or otherwise) or (ii) otherwise transfer or dispose of, any of his or its Relevant Shares or any securities convertible into, or exercisable or exchangeable for or which carry rights to subscribe for or purchase any such Relevant Shares, in each case, whether any such transaction described above is to be settled by delivery of such Relevant Shares or such other securities, in cash or otherwise;

(d) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of his or its Relevant Shares (or any securities convertible into, or exercisable or exchangeable for, or which carry rights to subscribe for or purchase any of such Relevant Shares), whether any such transaction described above is to be settled by delivery of such Relevant Shares or such other securities, in cash or otherwise;

(e) deposit any of his or its Relevant Shares or any securities convertible into, or exchangeable for, or which carry rights to subscribe for or purchase any such Relevant Shares in any depository receipt facilities (other than in a CDP designated moratorium account for the purposes of complying with his or its obligations under his or its undertaking), whether any such transaction described above is to be settled by delivery of such Relevant Shares or such other securities, in cash or otherwise;

(f) enter into any transaction or other arrangement which is designed or which may reasonably be expected to result in any of the above; or

(g) announce or publicly disclose any intention to do any of the above.

The EIH Lock-up Shares and the OCP Lock-up Shares are subject to charges given in favour of DBS Bank Ltd. (the "**Charges**") in connection with credit facilities granted by DBS Bank Ltd. to EIH.

The foregoing restrictions shall apply to:

(i) all of the EHPL Lock-up Shares from the date of the Lock-up Undertakings until the date falling six months from the Listing Date (both dates inclusive) (the "**First Lock-up Period**") and to 50.0% of the EHPL Lock-up Shares for the period commencing on the day immediately following the expiry of the First Lock-up Period until the date falling 12 months commencing from the Listing Date (both dates inclusive) (the "**Second Lock-up Period**"); and

(ii) all of the EIH Lock-up Shares and the OCP Lock-up Shares from the date of the Lock-up Undertakings until the date falling 12 months commencing from the Listing Date (both dates inclusive).

In addition, Mr Ong Chu Poh has undertaken to procure that each of EIH and EHPL shall comply with its Lock-up Undertaking. EIH has undertaken to procure that EHPL shall comply with its Lock-up Undertaking.

PERSONS INTENDING TO SUBSCRIBE FOR THE OFFERING SHARES

To the best of our knowledge, as at the Latest Practicable Date, we are not aware of any person who intends to subscribe for more than 5.0% of the Offering Shares. However, through a book-building process to assess market demand for the Shares, there may be person(s) who may indicate his or her interest to subscribe for more than 5.0% of the Offering Shares. The final allocation and allotment of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules. No Shares shall be allotted on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the MAS.

NO EXISTING PUBLIC MARKET

Prior to the Offering, there had been no trading market for the Shares. The Offering Price was determined after a book-building process and agreed between our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent. Among the factors considered in determining the Offering Price of the Offering Shares were the prevailing market conditions, estimated market demand for the Offering Shares, current market valuations of publicly traded companies that our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent believe to be reasonably comparable to our Group, an assessment of our Group's recent historical performance, estimates of our Group's business potential and earnings prospects, the current state of our Group's development and the current state of the industry and the economy as a whole.

SELLING AND TRANSFER RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Offering Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

No action has been or will be taken under the requirements of the legal or regulatory requirements of the United States or any other jurisdiction, except for the lodgement and registration of this Offer Document in Singapore in order to permit a public offering of the Offering Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Offering Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us and the Sponsor, Issue Manager, Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us and the Sponsor, Issue Manager, Underwriter and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other persons, reproduce or otherwise distribute this Offer Document or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

The People's Republic of China

The Shares may not be offered or sold, and will not be offered or sold to any person in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the "**PRC**") as part of the initial offering of the Shares, except pursuant to applicable laws and regulations of the PRC. This Offer Document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

Each of us and the Sponsor, Issue Manager, Underwriter and Placement Agent makes no representation that this Offer Document may be lawfully distributed, or that any Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us or the Sponsor, Issue Manager, Underwriter and Placement Agent which would permit a public offering of any Shares or distribution of this Offer Document in the PRC. Accordingly, the Shares are not being offered or sold within the PRC by means of this Offer Document or any other document except under circumstances that will result in compliance with any applicable laws and regulations. Neither this Offer Document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

By accepting this Offer Document, you agree to be bound by the foregoing limitations. No part of this Offer Document may be (i) copied, photocopied or duplicated in any form by any means, or (ii) distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

Hong Kong

This Offer Document is not a prospectus under the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "**C(WUMP)O**"), and nor is it required to be authorised under section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**"). The contents of this Offer Document have not been reviewed by any regulatory authority in Hong Kong and no action has been taken in Hong Kong to authorise or register this Offer Document or to permit the distribution of this Offer Document or any document issued in connection with it. The Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than (a) to "professional investors" as defined in the SFO and any rules made under that Ordinance, or (b) in other circumstances which do not result in this document being a "prospectus" as defined in the C(WUMP)O or which do not constitute an offer to the public with the meaning of that Ordinance. No advertisement, invitation or document relating to the Shares has been or will be issued in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

INTERESTS OF THE SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT

In the reasonable opinion of our Directors, our Company does not have any material relationship with the Sponsor, Issue Manager, Underwriter and Placement Agent, except as disclosed in this Offer Document, including "*Capitalisation and Indebtedness – Our Bank Borrowings*", "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Provision of security to and by interested persons – Provision of security by interested persons to our Group – Credit facilities provided by DBS Bank Ltd*." and "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – Provision of security to and by interested persons – Provision of security by our Group to interested persons – Credit facilities provided by DBS Bank Ltd.*" of this Offer Document and as described below:

(a) DBS Bank Ltd. is the Sponsor, Issue Manager, Underwriter and Placement Agent for the Offering and has been appointed as our continuing sponsor pursuant to the Continuing Sponsorship Agreement;

(b) DBS Bank Ltd. is the principal banker of our Group;

(c) DBS Bank Ltd. is the Receiving Bank for the Offering; and

(d) DBS Bank Ltd. engages in transactions with and/or performs services for our Group and/or our affiliates in the ordinary course of business, and has engaged, and may in the future engage, in commercial banking and/or investment banking transactions with our Group and/or our affiliates for which it has received, and may in the future receive, customary fees.

In addition, DBS Bank Ltd. has engaged in transactions with, and/or performed services for, EHPL and/or its affiliates (other than our Group) in the ordinary course of business, and has engaged, and it may in the future engage, in commercial banking and/or investment banking transactions with EHPL and/or its affiliates (other than our Group) for which DBS Bank Ltd. has received, and may in the future receive, customary fees.

CLEARANCE AND SETTLEMENT

For the purposes of trading on the SGX-ST, a board lot of the Shares will comprise 100 Shares. Upon listing and quotation on Catalist, the Shares will be traded under the book-entry (scripless) settlement system of CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of securities accounts maintained by a Depositor with CDP ("**Securities Accounts**"), as amended, modified or supplemented from time to time.

CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, was incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

The Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by CDP (rather than CDP itself), will be treated, under our Constitution and the SFA, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding the Shares in Securities Accounts may withdraw the number of Shares they own from the book-entry settlement system in the form of physical Share certificates. Such Share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be prima facie evidence of title and may be transferred in accordance with our Constitution. A fee of S$10.00 for each withdrawal of 1,000 Shares or less and a fee of S$25.00 for each withdrawal of more than 1,000 Shares, each subject to GST at the prevailing rate (currently 7.0%), is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical Share certificates. In addition, a fee of S$2.00 or such other amount as our Directors may decide, is payable to the Share Registrar for each Share certificate issued, and stamp duty of 0.2% of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical Share certificates who wish to trade on Catalist must deposit with CDP their Share certificates together with the duly executed and (where necessary) stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S$10.00, subject to GST at the prevailing rate (currently 7.0%), is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Transfers and settlements pursuant to on-exchange trades will be charged a fee of S$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S$75.00.

Transactions in the Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for transfer of the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in the Shares on Catalist is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee that CDP may charge may be subject to GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealings of the Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any Depository Agent. The Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for our Company by Allen & Gledhill LLP with respect to matters of Singapore law and Rahmat Lim & Partners with respect to matters of Malaysia law.

Certain legal matters in connection with the Offering will be passed upon for the Sponsor, Issue Manager, Underwriter and Placement Agent by Rajah & Tann Singapore LLP with respect to matters of Singapore law and by Jingtian & Gongcheng with respect to matters of China law.

Save for the statements attributed to Rahmat Lim & Partners in "*Risk Factors – Risks Relating to our Business and Operations – We are affected by policies in Malaysia concerning ownership of equity interest*" as described in "*Experts*", each of Allen & Gledhill LLP, Rahmat Lim & Partners, Rajah & Tann Singapore LLP and Jingtian & Gongcheng does not make, or purports to make, any statement in this Offer Document and is not aware of any statement in this Offer Document which purports to be based on a statement made by it and each of them makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Offer Document.

INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS

KPMG LLP, Public Accountants and Chartered Accountants, Singapore, the Independent Auditors and Reporting Accountants for the purpose of complying with the SFA only, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of:

(i) its name and all references thereto;

(ii) its report titled "Independent Auditors' Report and the Audited Consolidated Financial Statements for the Financial Years ended 31 March 2018, 2019 and 2020" as set out in Appendix A of this Offer Document; and

(iii) its report titled "Independent Auditors' Review Report and Unaudited Condensed Consolidated Interim Financial Statements for the Six-month Period ended 30 September 2020" as set out in Appendix B of this Offer Document,

in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document. The above-mentioned reports were prepared for the purpose of incorporation in this Offer Document.

EXPERTS

Euromonitor International Limited was responsible for preparing the Industry Report and has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and its write-ups, statements and reports in the form and context in which they appear in this Offer Document, and to act in such capacity in relation to this Offer Document. The above-mentioned write-ups, statements and reports were prepared for the purpose of incorporation in this Offer Document.

Rahmat Lim & Partners, named as our legal advisers as to Malaysia law, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, and the statements attributed to it in "*Risk Factors – Risks Relating to our Business and Operations – We are affected by policies in Malaysia concerning ownership of equity interest*", in the form and context in which they appear in this Offer Document, and to act in such capacity in relation to this Offer Document. The statements attributed to it in "*Risk Factors – Risks Relating to our Business and Operations – We are affected by policies in Malaysia concerning ownership of equity interest*" was prepared for the purpose of incorporation in this Offer Document.

None of the experts named in this Offer Document:

- is employed on a contingent basis by our Company or any member of our Group;
- has a material interest, whether direct or indirect, in the Shares or the shares or equity interests of any member of our Group; or
- has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Offering.

GENERAL INFORMATION

RESPONSIBILITY STATEMENT

1. Our Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Offering, our Company and our Group and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

MATERIAL BACKGROUND INFORMATION

2. As at the date of this Offer Document, save as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders has:

   (a) at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time he or she was a partner or at any time within two years after the date he or she ceased to be a partner;

   (b) at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity or at any time within two years after the date he or she 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 the entity is the trustee of a business trust, that business trust, on the ground of insolvency;

   (c) any unsatisfied judgment against him or her;

   (d) 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 or she is aware) for such purpose;

   (e) 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 or she is aware) for such breach;

   (f) at any time during the last 10 years, had judgment entered against him or her 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 or her part, or been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;

   (g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

   (h) 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;

   (i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;

(j) ever, to his or her 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;

  (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;

  (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

  (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

  in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; and

(k) been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the MAS or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Mr Lim Yian Poh

Mr Lim Yian Poh was in the early 1980s interviewed by the Corrupt Practices Investigation Bureau ("**CPIB**") in relation to (i) a payment which he made to a third party who was a personal friend and who was also a customer of the bank in which he was employed (the "**Bank**") and (ii) a payment by such third party made to Mr Lim on a separate occasion. Mr Lim requested his friend to assist him in framing a painting and as such made the said payment to the said third party. Mr Lim and the third party had also jointly invested in a property and the payment by the said third party was to reimburse Mr Lim who had initially paid one of the instalments relating to the purchase for the said property. As Mr Lim Yian Poh was not informed that he was the subject of the investigation and no action was taken by CPIB after the interview, Mr Lim has no reason to believe that he was a subject of any investigation in respect of such interview.

Mr Lim was also interviewed by CPIB in the late 1990s in relation to the award of the contract for the development of a swimming pool in a condominium when Mr Lim was the deputy chairman of the management committee. As Mr Lim Yian Poh was not informed that he was the subject of the investigation and no action was taken by CPIB after the interview, Mr Lim has no reason to believe that he was a subject of any investigation in respect of such interview.

During Mr Lim's employment in the banking and finance industry, he had been interviewed by the Commercial Affairs Department of the Singapore Police Force (the "**CAD**") on two separate occasions in relation to inquiries regarding various stockbroking companies which had dealings with the banks in which he was employed, once in the 1970s and once in the 1980s.

The first interview, which occurred in the 1970s, was in relation to a stockbroking firm (the "**Broker**") and an individual ("**Mr A**") who had a personal account with the Bank with which Mr Lim Yian Poh was employed. Mr A was also a director of the Broker. The deposit of stock certificates was handled by the operations team of the Bank and not by Mr Lim Yian Poh. After Mr A's sudden demise, the Broker found out that the stock certificates which belonged to the Broker had been deposited by Mr A with the Bank into his personal account. The Broker lodged a police report regarding the theft of the stock certificates by Mr A. Mr Lim Yian Poh provided assistance with the investigation.

The second interview occurred in the 1980s and was pertaining to the involvement of another stockbroking firm in the Pan-Electric Industries Limited incident. Mr Lim Yian Poh assisted the CAD in the investigations relating to the stockbroking firm.

In both abovementioned instances, as he was not informed that he was the subject of the investigation and no action has been taken by the CAD, Mr Lim Yian Poh has no reason to believe that he or the Bank was a subject of the investigation.

Dr Ong Seh Hong

In November 2007, MOH Singapore launched an inquiry into Ren Ci Hospital & Medicare Centre ("**RCHMC**") under the Charities Act, Chapter 37 of Singapore. In February 2008, MOH Singapore referred the preliminary findings to the Commercial Affairs Department of the Singapore Police Force for further investigation. Dr Ong Seh Hong was the Clinical Director and Chief Operating Officer of RCHMC at such time. He was not the subject of any investigations, nor was he interviewed, in connection with the foregoing.

MATERIAL CONTRACTS

3. The material contracts (not being contracts entered into in the ordinary course of the business of our Group) entered into by our Group within the two years preceding the date of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the MAS, are as follows:

   (a) the CYBE Shareholders Agreement described in "*Our History and Development – Shareholders Agreement in relation to Chongqing Yikang Bailingbang*";

   (b) the EHMSB Shareholders Agreement described in "*Our History and Development – Shareholders Agreement in relation to Econ Healthcare (M) Sdn Bhd*";

   (c) the EHMSB SPA described in "*Our History and Development – Restructuring Exercise and Our Corporate Structure – Events subsequent to the Restructuring Exercise – Divestment of 30.0% interest in Econ Healthcare (M) Sdn Bhd*";

   (d) the service agreements entered into with each of Mr Ong Chu Poh and Ms Ong Hui Ming described in "*Management and Corporate Governance – Service Agreements*";

   (e) the Deeds of Undertaking; and

   (f) the Licence Agreement.

MISCELLANEOUS

4. There have been no public take-over offers by third parties in respect of the Shares or by our Company in respect of another corporation's shares or units of a business trust which have occurred between the beginning of FY2020 and the Latest Practicable Date.

5. Our Directors are not aware of any event which has occurred since 30 September 2020 and up to the Latest Practicable Date, which may have a material effect on the financial position and results of our Group, save (a) for the ongoing COVID-19 pandemic (see "*Risk Factors – Risks Relating to Our Business and Operations – We may be materially and adversely affected by spread of diseases or an outbreak of any contagious or virulent diseases and pandemics/ epidemics*"), (b) for the commencement of operations of our ECON Medicare Centre and Nursing Home – Puchong, (c) for the entry into and intended entry into of joint ventures to establish and/or invest in new nursing homes in China as described in "*Business – Overview*" and "*Our History and Development*" and (d) as disclosed in the sub-sections "*Prospects*" and "*Trend Information*" in the section "*Management's Discussion and Analysis of Results of Operations and Financial Position*".

6. As at the Latest Practicable Date, no person has been, or has the right to be, given an option to subscribe for or purchase any of the Shares or any of the shares of our subsidiaries.

CONSENTS

7. DBS Bank Ltd., named as the Sponsor, Issue Manager, Underwriter and Placement Agent, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which they are included in this Offer Document and to act in such capacity in relation to this Offer Document.

DOCUMENTS AVAILABLE FOR INSPECTION

8. The following documents or copies thereof may be inspected at the registered office of our Company at 160 Changi Road, #05-01-13 Hexacube, Singapore 419728 during normal business hours for a period of six months from the date of registration by the SGX-ST, acting as agent on behalf of the MAS, of this Offer Document:

   (a) our Constitution;

(b) the material contracts referred to in "– *Material Contracts*";

(c) the report titled "Independent Auditors' Report and the Audited Consolidated Financial Statements for the Financial Years ended 31 March 2018, 2019 and 2020" as set out in Appendix A;

(d) the report titled "Independent Auditors' Review Report and Unaudited Condensed Consolidated Interim Financial Statements for the Six-month Period ended 30 September 2020" as set out in Appendix B;

(e) the Industry Report appearing in Appendix C;

(f) the audited financial statements (including all notes, reports or information relating thereto which are required to be prepared under the Companies Act, where applicable) of our Company and each of our subsidiaries for FY2018, FY2019, FY2020; and

(g) the written consents of the Sponsor, Issue Manager, Underwriter and Placement Agent, the Independent Auditors and Reporting Accountants, Euromonitor and Rahmat Lim & Partners.

DEFINED TERMS AND ABBREVIATIONS

COMPANIES, CORPORATIONS, AGENCIES AND MEDICARE CENTRES AND NURSING HOMES

AIC	Agency for Integrated Care
CDP	The Central Depository (Pte) Limited
Changshou Nursing Home	Our proposed second nursing home in Chongqing, China (pending establishment and commencement of operations)
Changshou Yikang Bailingbangyanjia	Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. (重庆市长寿区宜康百龄帮晏家养老服务有限公司) which, as at the date of this Offer Document, has not been incorporated. We intend to incorporate such entity which, upon incorporation, is expected to be a 70% owned subsidiary of our Group
Chengdu Nursing Home	The proposed nursing home in the vicinity of Chengdu, China intended to be leased and operated by Sichuan Bailingkang Yikang (pending establishment and commencement of operations)
Chongqing Nursing Home	Our nursing home in Chongqing, China (pending commencement of operations)
Chongqing Yikang Bailingbang	Chongqing Yikang Bailingbang Eldercare Co., Ltd. (重庆宜康百龄帮养老服务有限公司), our joint venture entity
Company	Econ Healthcare (Asia) Limited
CPF	The Central Provident Fund
Econ Advance Renal Care	Econ Advance Renal Care Pte. Ltd., which prior to divestment was our associated company
Econ Health & Wellness	Econ Health & Wellness Centre Pte. Ltd., our subsidiary
ECON Medicare Centre and Nursing Home – Braddell	Our medicare centre and nursing home at Braddell Road, Singapore
ECON Medicare Centre and Nursing Home – Buangkok View Block 5	Our medicare centre and nursing home at Buangkok View, Block 5, Singapore
ECON Medicare Centre and Nursing Home – Buangkok View Block 9	Our medicare centre and nursing home at Buangkok View, Block 9, Singapore
ECON Medicare Centre and Nursing Home – Chai Chee	Our medicare centre and nursing home at Chai Chee Street, Singapore
ECON Medicare Centre and Nursing Home – Choa Chu Kang	Our medicare centre and nursing home at Choa Chu Kang Road, Singapore
ECON Medicare Centre and Nursing Home – Henderson	Our upcoming medicare centre and nursing home at Henderson Road, Singapore, which is expected to be operational in the second half of 2022
ECON Medicare Centre and Nursing Home – Jurong East	Our upcoming medicare centre and nursing home at Jurong East Avenue 1, Singapore, which is expected to be operational in 2025
ECON Medicare Centre and Nursing Home – Puchong	Our medicare centre and nursing home at Jalan Puchong, Kuala Lumpur, Malaysia
ECON Medicare Centre and Nursing Home – Pudu	Our medicare centre and nursing home in Kuala Lumpur, Malaysia
ECON Medicare Centre and Nursing Home – Recreation Road	Our medicare centre and nursing home at Recreation Road, Singapore

ECON Medicare Centre and Nursing Home – Taman Perling	Our medicare centre and nursing home at Taman Perling, Malaysia
ECON Medicare Centre and Nursing Home – Upper East Coast	Our medicare centre and nursing home at Upper East Coast Road, Singapore
ECON Medicare Centre and Nursing Home – Yio Chu Kang	Our medicare centre and nursing home at Yio Chu Kang Road, Singapore
Econ Medicare Centre Holdings	Econ Medicare Centre Holdings Pte Ltd, an entity in the Non-Listed Group
Econ Medicare Malaysia	Econ Medicare Centre and Nursing Home Sdn Bhd, our subsidiary
Econ Medicare Singapore	Econ Medicare Centre Pte Ltd, our subsidiary
EHPL	Econ Healthcare Pte. Ltd., our Controlling Shareholder
EIH	Econ Investment Holdings Pte. Ltd., our Controlling Shareholder
Euromonitor	Euromonitor International Limited
Guangda Bailingbang Eldercare Industry	Chongqing Guangda Bailingbang Eldercare Industry Group Co. Ltd. (重庆光大百龄帮康养产业集团有限公司), our joint venture partner
IRAS	Inland Revenue Authority of Singapore
MAS	The Monetary Authority of Singapore
MOH Singapore	Ministry of Health of Singapore
Non-Listed Group	The entities owned and/or controlled by Mr Ong Chu Poh but which do not form part of our Group, including EIH and EHPL (our Controlling Shareholders), Econ Medicare Holdings and WPHPL
Rongyao Changsheng	Rongyao Changsheng (Chengdu) Health Eldercare Co., Ltd. (荣耀长生（成都）健康养老服务有限公司), our proposed joint venture partner
SGX-ST	Singapore Exchange Securities Trading Limited
Sichuan Guangda Bailingbang Yikang	Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. (四川光大百龄帮宜康养老服务有限公司), our joint venture entity
Sichuan Mingruiyi	Sichuan Mingruiyi Health Eldercare Co., Ltd. (四川铭瑞意健康养老服务有限公司), our proposed joint venture partner
WPHPL	West Point Hospital Pte. Ltd., an entity in the Non-Listed Group

GENERAL

6M2020	Financial period ended 30 September 2019
6M2021	Financial period ended 30 September 2020
Application Forms	The printed application forms to be used for the purpose of the Offering and which form part of this Offer Document
ATM	Automated teller machines of a Participating Bank
Audit Committee	The audit committee of our Company
BOL Scheme	Build-Own-Lease scheme introduced by the Singapore Government
Board	Our Company's board of directors as at the date of this Offer Document, unless otherwise stated

Catalist	The Catalist Board of the SGX-ST
Catalist Rules	Section B of the listing manual of the SGX-ST dealing with the rules of Catalist, as amended, modified or supplemented from time to time
Changshou Shareholders Agreement	The shareholders agreement described in "*Our History and Development – Changshou Shareholders Agreement*" which we intend to enter into
Closing Date	The closing date of the Offering
Code	Singapore Code of Corporate Governance 2018, as amended or modified from time to time
Companies Act	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
Constitution	The constitution of our Company
Deeds of Undertaking	The deeds of undertaking dated 24 March 2021 given by Mr Ong Chu Poh and EHPL in favour of our Company
Directors	The directors of our Company as at the date of this Offer Document, unless otherwise stated
Electronic Applications	Applications for the Shares under the Public Offering made through an ATM, the internet banking websites of the relevant Participating Bank or the mobile banking interfaces of DBS Bank Ltd. and United Overseas Bank Limited in accordance with the terms and conditions of this Offer Document
EPS	Earnings per Share
Executive Directors	The executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
Executive Officers	The executive officers of our Company as at the date of this Offer Document, unless otherwise stated
FY	Financial year ended or, as the case may be, ending 31 March
Group	Our Company together with its subsidiaries
GST	Goods and services tax
Independent Directors	The independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
Industry Report	The report dated 28 February 2021 by Euromonitor entitled "*Nursing Home Industry in Singapore, Malaysia and China (in particular, Chongqing)*" as set out in Appendix C of this Offer Document
Latest Practicable Date	12 March 2021 being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the MAS
Licence Agreement	The trade mark licence agreement dated 24 March 2021 entered into between our Company and EHPL
Listing	The listing of the Shares on Catalist
Listing Date	The date of commencement of dealing in the Shares on the SGX-ST
Market Day	A day on which the SGX-ST is open for trading in securities

Management and Underwriting Agreement	The management and underwriting agreement dated 9 April 2021 entered into between our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent in relation to the Offering
MYR	Malaysian Ringgit
NAV	Net asset value
Nominating Committee	The nominating committee of our Company
Non-Compete Undertaking	The non-compete undertaking given by each of Mr Ong Chu Poh and EHPL in favour of our Company as set out in their respective Deed of Undertaking
Offer Document	This Offer Document dated 9 April 2021
Offering	The Placement and the Public Offering
Offering Price	S$0.28 for each Offering Share
Offering Shares	50,000,000 Shares offered by our Company in the Offering
Participating Banks	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
per cent. or %	Per centum or percentage
PAHFS Act	The Private Aged Healthcare Facilities and Services Act 2018 of Malaysia, as amended or modified from time to time
Placement	The placement of Offering Shares to investors, including institutional and other investors in Singapore
Placement Shares	The 48,200,000 Offering Shares which are the subject of the Placement
Private Healthcare Facilities Act	The Private Healthcare Facilities and Services Act 1998 of Malaysia, as amended or modified from time to time
Public Offer Shares	The 1,800,000 Offering Shares which are the subject of the Public Offering
Public Offering	The offering of Offering Shares by way of a public offer in Singapore
QPO	Quasi-public organisations
Remuneration Committee	The remuneration committee of our Company
Restructuring Exercise	The corporate restructuring exercise as described in "*Interested Person Transactions and Potential Conflicts of Interest – Past Interested Person Transactions – The Restructuring Exercise*"
RFID	Radio-frequency identification
Right of Lease	The right of lease given by each of Mr Ong Chu Poh and EHPL in favour of our Company as set out in their respective Deed of Undertaking
Right of Purchase	The right of purchase given by each of Mr Ong Chu Poh and EHPL in favour of our Company as set out in their respective Deed of Undertaking
RMB or Renminbi	China Renminbi
ROFO	The right of first offer given by each of Mr Ong Chu Poh and EHPL in favour of our Company as set out in their respective Deed of Undertaking

ROFR	The right of first refusal given by each of Mr Ong Chu Poh and EHPL in favour of our Company as set out in their respective Deed of Undertaking
S$	Singapore dollar
Securities Account	Securities account maintained by a Depositor with CDP
SFA	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
SFR	Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended or modified from time to time
SFRS(I)	Singapore Financial Reporting Standards (International)
Share Split	The sub-division of the 15,000,000 issued Shares into 207,000,000 issued Shares, which was effected on 23 March 2021
Shareholders	Registered holders of the Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
Shares	Ordinary shares in the capital of our Company
Singapore Take-Over Code	Singapore Code on Take-Overs and Mergers, as amended or modified from time to time
TCM	Traditional Chinese medicine
United States.	The United States of America
VWO	Voluntary welfare organisations

The expressions "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The expressions "associate", "associated company", "associated entity", "Controlling Shareholder", "related corporation", "subsidiary" and "subsidiary entity" shall have the meanings ascribed to them in the Fourth Schedule of the SFR, save that in "*Interested Person Transactions and Potential Conflicts of Interests*" and "*Management and Corporate Governance – Committees of Our Board*", such terms, if used, shall have the meanings ascribed to them in the Catalist Rules and/or the SFR as the context so requires. The expression "Substantial Shareholder" shall have the meanings ascribed to it in the SFA. The expression "subsidiary holdings" shall have the meaning ascribed to it in the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

Any reference in this Offer Document to any legislation or enactment refers to the legislation or enactment as amended or re-enacted unless the context otherwise requires.

APPENDIX A – INDEPENDENT AUDITORS' REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 MARCH 2018, 2019 AND 2020

Econ Healthcare (Asia) Limited
and its subsidiaries
Registration Number: 200400965N

Consolidated Financial Statements
For the years ended 31 March 2018, 31 March 2019 and 31 March 2020

KPMG LLP
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Independent auditors' report

The Board of Directors
Econ Healthcare (Asia) Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Econ Healthcare (Asia) Limited ('the Company') and its subsidiaries (collectively, 'the Group'), which comprise the consolidated statements of financial position of the Group as at 1 April 2017, 31 March 2018, 31 March 2019 and 31 March 2020, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the financial years ended 31 March 2018, 31 March 2019 and 31 March 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS85.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group as at 1 April 2017, 31 March 2018, 31 March 2019 and 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for each of the financial years ended on 31 March 2018, 31 March 2019 and 31 March 2020.

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 "*Auditors' 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 *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the consolidated 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.

Responsibilities of management and directors for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with 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 consolidated financial statements and to maintain accountability of assets.

In preparing the consolidated 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.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 controls.

- Obtain an understanding of internal controls 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 controls.

- 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Restriction on Distribution and Use

This report is made solely for the inclusion in the Offer Document to be issued in relation to the proposed offering of shares of the Company in connection with the Company's listing on the Catalist Board of the Singapore Exchange Securities Trading Limited.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

Tan Yek Lee Doreen
Partner-in-charge

25 March 2021, except for Note 37 Subsequent events, as to which the date is 9 April 2021.

Consolidated statements of financial position
As at 1 April 2017, 31 March 2018, 31 March 2019 and 31 March 2020

	Note	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Assets					
Property, plant and equipment	4	20,228,165	21,020,970	22,452,669	15,114,106
Right-of-use assets	5	15,331,953	22,422,712	21,959,413	29,001,111
Investment property	6	–	–	–	8,281,218
Joint venture	7	115,932	122,837	3,566	–
Trade and other receivables	8	343,713	792,591	1,123,528	1,161,970
Deferred tax assets	14	20,392	31,607	31,570	78,344
Finance lease receivables	26	153,567	122,986	89,150	53,900
Non-current assets		36,193,722	44,513,703	45,659,896	53,690,649
Inventories	10	–	–	–	7,205
Trade and other receivables	8	18,098,244	8,456,651	4,337,910	5,335,563
Finance lease receivables	26	24,924	30,581	33,836	34,649
Cash and cash equivalents	9	5,418,509	10,550,650	7,916,729	7,333,704
Current tax assets		48,834	54,882	48,318	23,463
Current assets		23,590,511	19,092,764	12,336,793	12,734,584
Total assets		59,784,233	63,606,467	57,996,689	66,425,233
Equity					
Share capital	11	2	2	15,000,000	15,000,000
Currency translation reserve	12	(3,320,541)	(2,154,800)	(2,486,184)	(2,587,783)
Merger reserve	12	750,005	750,005	(99,293)	(99,293)
Accumulated profits		4,473,485	1,452,747	5,748,663	6,955,680
Equity attributable to owner of the Company		1,902,951	47,954	18,163,186	19,268,604
Non-controlling interests	33	–	–	–	(131,098)
Total equity		1,902,951	47,954	18,163,186	19,137,506
Liabilities					
Loans and borrowings	13	10,386,045	9,363,067	7,708,219	6,165,114
Deferred tax liabilities	14	156,602	228,153	344,928	374,424
Deferred capital grants	15	–	–	–	245,906
Amount due to immediate holding company	16	23,662,106	24,227,106	–	–
Provision for restoration costs	17	305,757	272,067	283,948	507,911
Lease liabilities	18	13,952,682	19,002,048	18,022,280	25,691,027
Non-current liabilities		48,463,192	53,092,441	26,359,375	32,984,382
Loans and borrowings	13	1,348,149	1,403,463	2,261,903	3,472,807
Amount due to immediate holding company	16	2,223,277	811,578	1,700,212	698,086
Trade and other payables	19	3,434,213	3,655,084	3,982,236	4,928,417
Lease liabilities	18	1,777,206	4,037,283	4,810,628	4,707,751
Current tax liabilities		635,245	558,664	719,149	496,284
Current liabilities		9,418,090	10,466,072	13,474,128	14,303,345
Total liabilities		57,881,282	63,558,513	39,833,503	47,287,727
Total equity and liabilities		59,784,233	63,606,467	57,996,689	66,425,233

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated income statements
For the years ended 31 March 2018, 31 March 2019 and 31 March 2020

	Note	2018 $	2019 $	2020 $
Revenue	20	24,331,704	22,434,972	21,925,210
Operating subvention grants	21	14,317,724	14,531,678	15,394,321
Other income	22	495,766	402,331	588,301
Supplies and consumables		(3,972,791)	(4,214,269)	(4,934,486)
Staff costs		(13,650,942)	(14,056,759)	(16,947,026)
Depreciation of property, plant and equipment	4	(929,864)	(909,718)	(1,009,497)
Depreciation of right-of-use assets	5	(3,425,343)	(4,851,843)	(5,113,735)
Lease expense		(1,179,396)	(116,513)	(28,210)
Utilities expenses		(928,787)	(930,362)	(1,034,946)
Purchased and contracted services		(5,680,000)	(3,680,000)	–
Reversal of (impairment losses) on trade receivables		37,197	70,188	(8,710)
Other operating expenses		(2,595,424)	(2,463,698)	(3,016,289)
Results from operating activities		6,819,844	6,216,007	5,814,933
Finance income		20,435	32,487	28,394
Finance costs – leases		(542,554)	(804,446)	(1,015,482)
Finance costs – others		(563,376)	(462,444)	(468,590)
Finance costs		(1,105,930)	(1,266,890)	(1,484,072)
Net finance costs	24	(1,085,495)	(1,234,403)	(1,455,678)
Share of loss of joint venture (net of tax)	7	(193,095)	(119,271)	(3,566)
Profit before tax		5,541,254	4,862,333	4,355,689
Tax expense	25	(61,992)	(566,417)	(475,661)
Profit for the year	23	5,479,262	4,295,916	3,880,028
Profit attributable to:				
Owner of the Company		5,479,262	4,295,916	4,037,196
Non-controlling interests		–	–	(157,168)
Profit for the year		5,479,262	4,295,916	3,880,028
Earnings per share				
Basic and diluted earnings per share (cents)	31	2.65	2.08	1.95

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statements of comprehensive income
For the years ended 31 March 2018, 31 March 2019 and 31 March 2020

	2018 $	2019 $	2020 $
Profit for the year	5,479,262	4,295,916	3,880,028
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations	1,165,741	(331,384)	(105,268)
Total comprehensive income for the year	6,645,003	3,964,532	3,774,760
Total comprehensive income attributable to:			
Owner of the Company	6,645,003	3,964,532	3,931,919
Non-controlling interests	–	–	(157,159)
Total comprehensive income for the year	6,645,003	3,964,532	3,774,760

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statements of changes in equity
For the years ended 31 March 2018, 31 March 2019 and 31 March 2020

	Note	Share capital $	Currency translation reserve $	Merger reserve $	Accumulated profits $	Total equity attributable to owner of the Company $
At 1 April 2017, as previously stated		2	(3,320,541)	750,005	4,878,947	2,308,413
Adjustment on initial application of SFRS(I)9 (net of tax)	34	–	–	–	(186,018)	(186,018)
Adjustment on initial application of SFRS(I)16 (net of tax)	34	–	–	–	(219,444)	(219,444)
Adjusted balance at 1 April 2017		2	(3,320,541)	750,005	4,473,485	1,902,951
Total comprehensive income for the year						
Profit for the year		–	–	–	5,479,262	5,479,262
Other comprehensive income						
Foreign currency translation differences – foreign operations		–	1,165,741	–	–	1,165,741
Total comprehensive income for the year		–	1,165,741	–	5,479,262	6,645,003
Transactions with owner, recognised directly in equity						
Distributions to owner						
Dividends declared	12	–	–	–	(8,500,000)	(8,500,000)
At 31 March 2018		2	(2,154,800)	750,005	1,452,747	47,954

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statements of changes in equity (cont'd)
For the years ended 31 March 2018, 31 March 2019 and 31 March 2020

	Note	Share capital $	Currency translation reserve $	Merger reserve $	Accumulated profits $	Total equity attributable to owner of the Company $
At 1 April 2018		2	(2,154,800)	750,005	1,452,747	47,954
Total comprehensive income for the year						
Profit for the year		–	–	–	4,295,916	4,295,916
Other comprehensive income						
Foreign currency translation differences – foreign operations		–	(331,384)	–	–	(331,384)
Total comprehensive income for the year		–	(331,384)	–	4,295,916	3,964,532
Transactions with owner, recognised directly in equity						
Issuance of shares pursuant to restructuring exercise	1.3	8,390,225	–	–	–	8,390,225
Issuance of shares pursuant to capitalisation of non-trade amount due to immediate holding company	11	6,609,773	–	–	–	6,609,773
Acquisition of subsidiaries under common control	1.3	–	–	(849,298)	–	(849,298)
Total contributions by and distributions to owner		14,999,998	–	(849,298)	–	14,150,700
At 31 March 2019		15,000,000	(2,486,184)	(99,293)	5,748,663	18,163,186

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statements of changes in equity (cont'd)
For the years ended 31 March 2018, 31 March 2019 and 31 March 2020

	Note	Share capital $	Currency translation reserve $	Merger reserve $	Accumulated profits $	Total equity attributable to owner of the Company $	Non-controlling interests $	Total equity $
At 1 April 2019		15,000,000	(2,486,184)	(99,293)	5,748,663	18,163,186	–	18,163,186
Total comprehensive income for the year								
Profit for the year		–	–	–	4,037,196	4,037,196	(157,168)	3,880,028
Other comprehensive income								
Foreign currency translation differences – foreign operations		–	(105,277)	–	–	(105,277)	9	(105,268)
Total comprehensive income for the year		–	(105,277)	–	4,037,196	3,931,919	(157,159)	3,774,760
Transactions with owner, recognised directly in equity								
Sale of equity interests to non-controlling interest without change in control	33	–	3,678	–	69,821	73,499	26,061	99,560
Dividends declared	12	–	–	–	(2,900,000)	(2,900,000)	–	(2,900,000)
Total contributions by and distributions to owner		–	3,678	–	(2,830,179)	(2,826,501)	26,061	(2,800,440)
At 31 March 2020		15,000,000	(2,587,783)	(99,293)	6,955,680	19,268,604	(131,098)	19,137,506

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statements of cash flows
For the years ended 31 March 2018, 31 March 2019 and 31 March 2020

	Note	2018 $	2019 $	2020 $
Cash flows from operating activities				
Profit for the year		5,479,262	4,295,916	3,880,028
Adjustments for:				
Amortisation of deferred capital grant		–	–	(39,758)
Loss/(gain) on disposal of property, plant and equipment		3,086	(91,681)	19,194
Write-off of property, plant and equipment		–	–	4,845
Depreciation of property, plant and equipment		929,864	909,718	1,009,497
Depreciation of right-of-use assets		3,425,343	4,851,843	5,113,735
Re-measurement from lease modification		–	(18,888)	37,903
(Reversal of) impairment losses on trade receivables		(37,197)	(70,188)	8,710
Impairment losses on property, plant and equipment		–	–	9,959
Interest income		(20,435)	(31,708)	(27,888)
Interest expense		1,016,854	1,255,009	1,480,742
Unwinding of discount on provisions		8,044	11,881	3,330
Reversal of provision for restoration cost		–	–	(31,631)
Tax expense		61,992	566,417	475,661
Share of loss of joint-venture, net of tax		193,095	119,271	3,566
		11,059,908	11,797,590	11,947,893
Changes in:				
- Trade and other receivables		783,915	217,738	(1,616,165)
- Trade and other payables		237,938	(60,548)	951,344
- Inventories		–	–	(7,205)
Cash generated from operations		12,081,761	11,954,780	11,275,867
Reinstatement cost paid		(41,734)	–	(4,550)
Tax paid		(86,294)	(280,253)	(686,472)
Net cash from operating activities		11,953,733	11,674,527	10,584,845
Cash flows from investing activities				
Change in non-trade amounts due from immediate holding company		(21,498)	(6,165,386)	(1,455,344)
Change in non-trade amounts due from a related company		(54)	(57,343)	(178,228)
Finance lease received		29,220	34,152	36,720
Loan to joint venture		(200,000)	–	–
Interest received		16,139	28,137	25,605
Proceeds from disposal of property, plant and equipment		2,797	154,780	28,800
Purchase of property, plant and equipment		(378,656)	(2,137,951)	(1,890,379)
Proceeds from sale of equity interests to non-controlling interest	33	–	–	99,560
(Placement)/withdrawal of fixed deposits with licensed banks		(292,300)	140,209	166,103
Capital grants received		–	–	285,664
Net cash used in investing activities		(844,352)	(8,003,402)	(2,881,499)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statements of cash flows (cont'd)
For the years ended 31 March 2018, 31 March 2019 and 31 March 2020

	Note	2018 $	2019 $	2020 $
Cash flows from financing activities				
Proceeds from borrowings		–	702,286	1,153,015
Change in non-trade amount due to immediate holding company		(846,699)	239,528	(1,700,212)
Repayment of borrowings		(1,289,331)	(1,397,237)	(1,453,834)
Payment of lease liabilities		(3,209,399)	(4,427,543)	(4,643,539)
Interest paid		(1,016,957)	(1,254,920)	(1,466,794)
Net cash used in financing activities	13	(6,362,386)	(6,137,886)	(8,111,364)
Net increase/(decrease) in cash and cash equivalents		4,746,995	(2,466,761)	(408,018)
Cash and cash equivalents at 1 April		5,371,542	10,211,383	7,717,671
Effect of exchange rate fluctuations on cash held		92,846	(26,951)	(8,904)
Cash and cash equivalents at 31 March	9	10,211,383	7,717,671	7,300,749

Significant non-cash transactions

Dividends paid

$8,500,000 tax exempt interim dividends declared in 2018 were settled via set-off against the non-trade amounts due from immediate holding company. $2,900,000 tax exempt interim dividend declared in 2020, of which $2,201,914 was settled via set-off against the non-trade amounts due from immediate holding company and $698,086 has yet to be settled.

Acquisition of property, plant and equipment

The Group acquired property, plant and equipment with an aggregate cost of $2,147,193 (2019: $3,183,813), of which $256,814 (2019: $Nil) relates to provision for restoration costs, $Nil (2019: $200,000) was acquired under finance lease arrangement, $Nil (2019: $330,278) has yet to be settled and $Nil (2019: $515,584) was acquired under the restructuring exercise via set-off against amount due from immediate holding company.

Issuance of shares

In 2019, 14,999,998 shares amounting to $14,999,998 were issued, of which $8,390,225 were issued to acquire subsidiaries pursuant to restructuring exercise (see Note 1.3) and $6,609,773 were issued by capitalising the non-trade amounts due to immediate holding company (see Note 11).

Settlement of non-trade amount due to immediate holding company

In 2019, the non-trade amount owing to its immediate holding company, amounting to $23,578,000 was partly settled via set-off of $16,968,227 of non-trade amounts due from immediate holding company and issuance of shares via capitalisation of non-trade amount due to immediate holding company amounting to $6,609,773.

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

These notes form an integral part of the consolidated financial statements.

1 Domicile and activities

1.1 Introduction

The consolidated financial statements of Econ Healthcare (Asia) Limited (the "Company") and its subsidiaries (together referred to as the "Group" and individually as "Group entities") have been prepared in accordance with the principles and the accounting policies set out in Note 3.

The consolidated financial statements have been prepared solely for inclusion in the Offer Document to be issued in connection with the initial public offering and listing of the shares of the Company on the Catalist Board of Singapore Exchange Securities Trading Limited.

These consolidated financial statements of the Group were authorised for issue by the Board of directors of the Company on 9 April 2021.

1.2 The Company

The Company was incorporated on 28 January 2004 under the name of EHL (S) Pte. Ltd and is domiciled in the Republic of Singapore. The name was changed to Econ Healthcare (S) Pte. Ltd. with effect from 16 February 2006. On 26 February 2021, the Company changed its name to Econ Healthcare (Asia) Pte. Ltd.. The Company was a private company limited by shares with an issued and paid-up share capital of $2 and $15,000,000 comprising 2 and 15,000,000 shares of which 100% are held by Econ Healthcare Pte. Ltd. before and after restructuring exercise respectively. The Company's registered address and principal place of business is 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. Both are incorporated in the Republic of Singapore. As at 31 March 2018, 2019 and 2020, the Group was ultimately controlled by Mr Ong Chu Poh and Dr Koh Hin Ling, who have the power to direct the transactions of the Group at their own discretion and for their own benefit. They also have a number of other business interests outside the Group.

The principal activities of the Group 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.

1.3 The restructuring exercise ("Restructuring Exercise")

On 12 December 2018, the Company entered into a restructuring agreement with Econ Healthcare Pte. Ltd. to acquire the equity interest of the following entities for a consideration of $8,390,225.

Name of entities	Equity interest
Econ Medicare Centre Pte Ltd	100%
Econ Nursing Home Services (1987) Pte Ltd	100%
Sunnyville Nursing Home (1996) Pte Ltd	100%

Name of entities	Equity interest
Econ TCM Services Pte. Ltd.	100%
Econ Careskill Training Centre (ECTC) Pte. Ltd.	100%
Econ Ambulance Services Pte. Ltd.	100%
Econ Health & Wellness Centre Pte. Ltd.	100%
Econ Healthcare (M) Pte. Ltd.	100%
Econ Healthcare (China) Pte. Ltd.	100%

The consideration was arrived at the higher of the share capital or the net asset value of the above entities as at 31 March 2018 and the consideration was satisfied by the allotment and issue of 8,390,225 ordinary shares of the Company to Econ Healthcare Pte. Ltd. The total share capital value of these entities amounted to $750,005.

Upon the restructuring, the immediate holding company:

- transferred third parties lease agreements and sub-lease agreement with an affiliated company, together with the corresponding deposits with the lessor and other utilities deposits for those premises amounting to $361,578 to the Company;
- sold property, plant and equipment amounting to $515,584 to the Company at book value;
- terminated employment contracts of employees to be rehired by the Company and transferred provision for unutilised employee leave amounting to $65,836; and
- transferred intra-group receivables of $23,697,828 for a consideration of $16,156,901 to the Company.

The aggregate deemed consideration of the above assets and liabilities of $16,968,227 was fully satisfied via set-off against non-trade amounts due to immediate holding company.

The Restructuring Exercise was accounted for as a combination of businesses under common control by the shareholder of the Company, Econ Healthcare Pte. Ltd. as it controls the Group entities before and after the Restructuring Exercise. The presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period, as a single economic enterprise, notwithstanding that the Restructuring Exercise was completed on 12 December 2018. Although the Restructuring Exercise occurred only on 12 December 2018, the consolidated financial statements present the financial condition, results of operations and cash flows as if the restructuring has occurred as of the beginning of the earliest period presented.

The total purchase consideration of shares and assets and liabilities amounted to $25,358,452 and the carrying amount of nominal shares, assets and liabilities acquired amounted to $25,259,159. The difference of $99,293 has been recognised as a merger reserve. The Group recognised a loss of $849,298 in the merger reserve as a result of the transactions under common control in 2019.

1.4 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

2 Basis of preparation

2.1 Transfer of entities under common control

The restructuring exercise to acquire subsidiaries is considered to be an acquisition of equity interests by entities under common control and therefore the entities acquired by the Group pursuant to the restructuring have been accounted for in a manner similar to the pooling-of-interest method. Accordingly, the assets and liabilities of these entities have been included in the consolidated financial statements at their historical carrying amounts. Although the restructuring agreement was entered on 12 December 2018, the consolidated financial statements present the financial condition, results of operations and cash flows as if the acquisition had occurred as of the beginning of the earliest period presented.

2.2 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-Time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 and SFRS(I) 16 have affected the reported financial position, financial performance and cash flows is provided in Note 34.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

These consolidated financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Impairment assessment, useful lives and residual values of property, plant and equipment
- Note 27 – Measurement of expected credit loss ("ECL") allowance for trade and other receivables

There are no critical judgments in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has an overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1* : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3* : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is 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 (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 27 – Financial risk management.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements and in preparing the opening SFRS(I) consolidated statement of financial position at 1 April 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) ***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Investment in joint venture (equity-accounted investee)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in joint venture is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, on which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits placed with financial institutions.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(1) 1-12.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that assets, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Freehold land and properties under construction are not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Freehold building	50 years
Leasehold improvements and renovations	3 to 10 years
Nursing homes and hospital equipment	10 years
Ambulances and medical equipment	5 years
Furniture, fittings and office equipment	5 to 10 years
Computers and accessories	3 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Reclassification to investment property

When the use of property changes from owner-occupied to investment property, the property is measured at cost and reclassified accordingly.

3.5 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.

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.

3.6 Leases

The Group has applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect, if any, of initial application is recognised in retained earnings at 1 April 2017.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses the lessee’s incremental borrowing rate as the discount rate.

The Group determines the lessee’s incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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 rewards 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 of the asset.

When the Group is an intermediate lessor, it accounts for its 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 classifies 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 3.7). 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".

3.7 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost and lease receivables.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables (including lease receivables). The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- 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.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses 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.

Presentation of allowance for ECLs in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases

3.8 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.

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.

3.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus 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.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

3.11 Revenue

Rendering of services

Revenue from home fees, ambulance fees, course fees, management fees and rendering of other ancillary services 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.

3.12 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 received for Intermediate and Long-Term Care ("ILTC") sector which are not yet utilised are taken to the government grant receivables in trade and other receivable account.

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. Deferred capital grants are recognised in profit or loss over the periods necessary to match the depreciation of the assets purchased or donated, with the related grants.

Government grant under Jobs Support Scheme recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

Cash grants received from the government in relation to the wage credit scheme, special employment credit and temporary employment credit are recognised as income upon receipt.

3.13 Finance income and finance costs

The Group's finance income and finance costs include:
- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities; and
- the unwinding of the discount on provisions.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.14 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.15 Inter-group financial guarantees

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.16 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.

3.17 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 the Directors of the Company (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 Directors of the Company 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.

4 Property, plant and equipment

	Note	Freehold Land $	Freehold buildings $	Properties under construction $	Leasehold improvements and renovations $	Nursing homes and hospital equipment $	Ambulances and medical equipment $	Furniture, fittings and office equipment $	Computers and accessories $	Motor vehicles $	Total $
Cost											
At 1 April 2017		8,980,641	9,357,696	18,484	6,492,700	2,394,359	348,492	2,179,440	291,529	61,979	30,125,320
Additions		–	–	–	6,927	228,469	–	53,772	89,488	–	378,656
Disposals		–	–	–	(410,486)	(52,751)	(91,177)	(50,581)	(11,544)	–	(616,539)
Translation differences on consolidation		668,077	696,127	1,375	59,426	28,318	–	29,488	2,922	4,610	1,490,343
At 31 March 2018		9,648,718	10,053,823	19,859	6,148,567	2,598,395	257,315	2,212,119	372,395	66,589	31,377,780
Additions		234,441	–	–	1,794,866	241,779	35,000	213,152	182,492	482,083	3,183,813
Reclassification to right-of-use assets	5	–	–	–	–	–	–	–	–	(346,325)	(346,325)
Reclassification to right-of-use assets – depreciation offset		–	–	–	–	–	–	–	–	(53,281)	(53,281)
Disposals		–	–	–	(1,680,615)	(211,278)	–	(144,028)	(32,416)	–	(2,068,337)
Translation differences on consolidation		(214,506)	(222,374)	(439)	(23,329)	(9,485)	–	(9,672)	(1,009)	(1,473)	(482,287)
At 31 March 2019		9,668,653	9,831,449	19,420	6,239,489	2,619,411	292,315	2,271,571	521,462	147,593	31,611,363
Additions		–	–	–	1,437,842	430,741	–	132,549	92,920	53,141	2,147,193
Disposals		–	–	–	–	(47,768)	(292,315)	(50,544)	(22,479)	–	(413,106)
Reclassification to investment property	6	(8,280,299)	–	–	–	–	–	–	–	–	(8,280,299)
Write off		–	–	–	(231,981)	(19,016)	–	(3,851)	–	–	(254,848)
Translation differences on consolidation		(65,384)	(65,550)	(130)	(11,594)	(2,909)	–	(2,991)	(369)	(428)	(149,355)
At 31 March 2020		1,322,970	9,765,899	19,290	7,433,756	2,980,459	–	2,346,734	591,534	200,306	24,660,948

	Freehold Land $	Freehold buildings $	Properties under construction $	Leasehold improvements and renovations $	Nursing homes and hospital equipment $	Ambulances and medical equipment $	Furniture, fittings and office equipment $	Computers and accessories $	Motor vehicles $	Total $
Accumulated depreciation and impairment losses										
At 1 April 2017	–	629,032	–	5,784,029	1,819,184	341,168	1,067,865	240,384	15,493	9,897,155
Depreciation charge for the year	–	192,935	–	307,147	120,886	7,324	227,931	60,862	12,779	929,864
Disposals	–	–	–	(410,486)	(48,323)	(91,177)	(49,127)	(11,543)	–	(610,656)
Translation differences on consolidation	–	54,936	–	49,575	16,353	–	15,194	2,696	1,693	140,447
At 31 March 2018	–	876,903	–	5,730,265	1,908,100	257,315	1,261,863	292,399	29,965	10,356,810
Depreciation charge for the year	–	197,549	–	204,476	120,530	6,417	227,239	80,377	73,130	909,718
Reclassification to right-of-use assets – depreciation offset	–	–	–	–	–	–	–	–	(53,281)	(53,281)
Disposals	–	–	–	(1,673,415)	(192,531)	–	(107,836)	(31,456)	–	(2,005,238)
Translation differences on consolidation	–	(20,315)	–	(16,383)	(5,637)	–	(5,359)	(902)	(719)	(49,315)
At 31 March 2019	–	1,054,137	–	4,244,943	1,830,462	263,732	1,375,907	340,418	49,095	9,158,694
Depreciation charge for the year	–	195,296	–	261,641	141,707	2,333	245,377	122,891	40,252	1,009,497
Disposals	–	–	–	–	(39,946)	(266,065)	(36,622)	(22,479)	–	(365,112)
Impairment loss	–	–	–	–	8,982	–	977	–	–	9,959
Write off	–	–	–	(231,981)	(14,954)	–	(3,068)	–	–	(250,003)
Translation differences on consolidation	–	(7,007)	–	(5,022)	(1,828)	–	(1,780)	(284)	(272)	(16,193)
At 31 March 2020	–	1,242,426	–	4,269,581	1,924,423	–	1,580,791	440,546	89,075	9,546,842
Carrying amounts										
At 1 April 2017	8,980,641	8,728,664	18,484	708,671	575,175	7,324	1,111,575	51,145	46,486	20,228,165
At 31 March 2018	9,648,718	9,176,920	19,859	418,302	690,295	–	950,256	79,996	36,624	21,020,970
At 31 March 2019	9,668,653	8,777,312	19,420	1,994,546	788,949	28,583	895,664	181,044	98,498	22,452,669
At 31 March 2020	1,322,970	8,523,473	19,290	3,164,175	1,056,036	–	765,943	150,988	111,231	15,114,106

(i) The carrying amounts of freehold land and buildings of the Group mortgaged as security for banking facilities (Note 13) are as follow:

	1 April 2017 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2020 $**
Freehold land	1,267,673	1,361,976	1,331,851	1,322,970
Freehold buildings	8,728,664	9,176,920	8,777,312	8,523,473
	9,996,337	10,538,896	10,109,163	9,846,443

(ii) Transfer to investment property:

During 2020, a commercial property was transferred to investment property upon signing of a lease to a third party. The freehold land was transferred to investment property at cost with no remeasurement to fair value.

(iii) The following are the significant accounting estimates on the Group's property, plant and equipment:

(a) Impairment assessment

The Group assesses the impairment of property, plant and equipment subject to depreciation 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;
- 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.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to property, plant and equipment 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 consolidated financial statements.

During 2020, due to the Group's economic benefits derived from the CGU which provides skill training programmes continues on a declining trend. The recoverable amount was estimated based on its value-in-use. The Group tested the property, plant and equipment for impairment and recognised an impairment loss of $9,959 with respect to training centre equipment.

(b) Depreciation expense, useful lives and residual value

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded at each financial year. Useful lives are derived based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Due to the long lives of assets, changes to the estimates used can result in significant variations in the carrying value.

Changes in the expected level of use of the assets and the Group's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of these assets; therefore future depreciation charge could be revised. The residual value is reviewed at each reporting date, with any change in estimate accounted for prospectively.

5 Right-of-use assets

	Note	Nursing homes, office premises and health and wellness centers $	Office equipment $	Staff accommodation $	Motor vehicles $	Total $
Cost						
At 1 April 2017		15,497,848	64,238	–	91,848	15,653,934
Additions		10,141,026	4,102	167,929	–	10,313,057
Translation differences on consolidation		212,381	–	–	–	212,381
Lease modification		(383)	–	–	–	(383)
At 31 March 2018		25,850,872	68,340	167,929	91,848	26,178,989
Additions		1,826,438	–	–	–	1,826,438
Reclassification from property, plant and equipment	4	–	–	–	346,325	346,325
Termination of leases		(224,972)	–	–	–	(224,972)
Translation differences on consolidation		(94,050)	–	–	–	(94,050)
Lease modification		2,265,823	–	–	18,646	2,284,469
At 31 March 2019		29,624,111	68,340	167,929	456,819	30,317,199
Additions		1,749,533	–	–	–	1,749,533
Termination of leases		(283,886)	–	–	(110,494)	(394,380)
Translation differences on consolidation		10,878	–	–	–	10,878
Lease modification		10,429,597	–	–	–	10,429,597
At 31 March 2020		41,530,233	68,340	167,929	346,325	42,112,827
Accumulated depreciation and impairment losses						
At 1 April 2017		230,133	–	–	91,848	321,981
Depreciation charge for the year		3,382,335	15,020	27,988	–	3,425,343
Translation differences on consolidation		8,953	–	–	–	8,953
At 31 March 2018		3,621,421	15,020	27,988	91,848	3,756,277
Depreciation charge for the year		4,778,560	17,307	55,976	–	4,851,843
Termination of leases		(224,972)	–	–	–	(224,972)
Re-measurement from lease modification		(37,534)	–	–	18,646	(18,888)
Translation differences on consolidation		(6,474)	–	–	–	(6,474)
At 31 March 2019		8,131,001	32,327	83,964	110,494	8,357,786
Depreciation charge for the year		4,960,533	17,307	55,976	79,919	5,113,735
Termination of leases		(283,888)	–	–	(110,492)	(394,380)
Re-measurement from lease modification		37,903	–	–	–	37,903
Translation differences on consolidation		(3,328)	–	–	–	(3,328)
At 31 March 2020		12,842,221	49,634	139,940	79,921	13,111,716
Carrying amounts						
At 1 April 2017		15,267,715	64,238	–	–	15,331,953
At 1 March 2018		22,229,451	53,320	139,941	–	22,422,712
At 31 March 2019		21,493,110	36,013	83,965	346,325	21,959,413
At 31 March 2020		28,688,012	18,706	27,989	266,404	29,001,111

Upon adoption of SFRS(I) 16, the Group recognised impairment loss amounting to $321,981 as at 1 April 2017 in respect of the full cost of two health and wellness centers and two ambulances due to loss making position of a CGU.

6 Investment property

	Note	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
At 1 April, at cost		–	–	–	–
Reclassification from property, plant and equipment	4	–	–	–	8,280,299
Translation differences on consolidation		–	–	–	919
At 31 March, at cost		–	–	–	8,281,218

Investment property comprises a freehold land that is leased to a third party during the year. The lease contains an initial non-cancellable period of three years with option to renew for additional three years. See Note 26 for further information.

Amounts recognised in profit or loss

	2018 $	2019 $	2020 $
Rental income	–	–	172,007
Direct operating expenses	–	–	3,746

The fair value of the investment property, description of valuation techniques and inputs used in fair value measurement are disclosed in Note 27.

7 Joint venture

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Unquoted equity investment, at cost	25,000	25,000	25,000	25,000
Loan due from joint venture	175,000	375,000	375,000	375,000
	200,000	400,000	400,000	400,000
Share of loss of joint venture	(84,068)	(277,163)	(396,434)	(400,000)
Interest in joint venture	115,932	122,837	3,566	–

Name of joint venture/ Principal activity	Principal place of business/ Country of incorporation	Ownership interest				Voting rights held			
		1 April 2017 %	31 March 2018 %	31 March 2019 %	31 March 2020 %	1 April 2017 %	31 March 2018 %	31 March 2019 %	31 March 2020 %
Econ Advance Renal Care Pte Ltd Provision of renal dialysis and related services	Singapore	50	50	50	50	40	40	40	40

Econ Advance Renal Care Pte. Ltd. (EARC) is an unlisted joint venture in which the Group has joint control via shareholders' agreement and which requires any board resolution to be approved by a simple majority of the votes cast by directors of EARC present and voting, provided that any resolution proposed by any director nominated by the Group's joint venture partner requires the approval of at least one director nominated by the Group. The Group appoints two out of five directors of the Board of EARC. EARC is structured as a separate vehicle and the Group has a residual interest in its net assets.

The quasi-equity loan to a joint venture is interest-free and forms part of the Group's net investment in the joint venture.

The Group has not recognised share of losses totalling $24,603 (2019: $Nil; 2018: $Nil) in relation to its interests in joint venture, because the Group has no obligation in respect of these losses.

The following summarises the financial information of the joint venture based on its financial statements.

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Revenue	45,870	522,826	1,017,366	1,139,599
(Loss) from continuing operations [a]/Total comprehensive income	(168,136)	(386,190)	(238,543)	(56,338)
[a] Includes:				
- Depreciation of $141,535 (2019: $158,579; 2018: $140,349; 2017: $17,645)				
Non-current assets	420,412	596,994	442,310	300,774
Current assets [b]	268,095	296,225	247,213	400,130
Current liabilities	(805,300)	(1,403,122)	(1,430,538)	(1,491,109)
Net liabilities	(116,793)	(509,903)	(741,015)	(790,205)
[b] Includes cash and cash equivalents of $268,138 (2019: $124,748; 2018: $188,189; 2017: $143,317)				
Group's interest in net assets of investee at beginning of the year	–	115,932	122,837	3,566
Share of total comprehensive income	(84,068)	(193,095)	(119,271)	(3,566)
Group's contribution during the year	25,000	–	–	–
Loan to joint venture	175,000	200,000	–	–
Carrying amount of interest in investee at end of the year	115,932	122,837	3,566	–

8 Trade and other receivables

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Trade receivables – third parties	2,614,844	2,068,779	1,734,109	1,545,141
Less: Impairment losses	(702,861)	(356,359)	(234,701)	(233,922)
	1,911,983	1,712,420	1,499,408	1,311,219
Trade amounts due from:				
- related corporation	611,406	578,119	697,023	1,492,004
- joint venture	87,894	151,591	213,953	325,842
Total trade receivables	2,611,283	2,442,130	2,410,384	3,129,065
Government grant receivables for subvention	1,069,719	548,653	466,478	792,741
Government grant receivables for Jobs Support Scheme	–	–	–	417,201
Other receivables	52,177	73,929	3,113	63,264
Staff advances	19,102	16,704	30,370	15,303
Deposits	1,035,206	1,023,374	1,337,101	1,385,612
Non-trade amounts due from:				
- immediate holding company	13,298,313	4,819,811	746,570	–
- related corporation	275,989	252,402	309,745	487,973
	18,361,789	9,177,003	5,303,761	6,291,159
Prepayments	80,168	72,239	157,677	206,374
	18,441,957	9,249,242	5,461,438	6,497,533
Non-current	343,713	792,591	1,123,528	1,161,970
Current	18,098,244	8,456,651	4,337,910	5,335,563
	18,441,957	9,249,242	5,461,438	6,497,533

Non-trade amounts due from immediate holding company and a related corporation are unsecured, interest-free and repayable on demand.

The Group has been awarded the government grant under the Jobs Support Scheme, to provide wage support to employers to help them retain local employees as part of the COVID-19 Government Relief Measure. As at 31 March 2020, the Group recognised grant receivables and corresponding deferred grant income under accruals and other payables. The grant will be recognised in the profit or loss on a systematic basis over 17 months period from 1 April 2020 to 31 August 2021 of economic uncertainty in which the Group recognised the related salary costs in the calendar year 2020.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 27.

9 Cash and cash equivalents

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Cash at bank and in hand	5,371,542	9,926,883	6,874,379	6,462,249
Fixed deposits	46,967	623,767	1,042,350	871,455
Cash and cash equivalents in consolidated statement of financial position	5,418,509	10,550,650	7,916,729	7,333,704
Less: Fixed deposits with maturity more than 90 days at year end	(46,967)	(339,267)	(199,058)	(32,955)
Cash and cash equivalents in consolidated statement of cash flows	5,371,542	10,211,383	7,717,671	7,300,749

The Group's effective interest rate relating to fixed deposits with financial institutions range between 0.59% and 3.35% (2019: 0.35% and 4.15%; 2018: 0.35% and 4.15%; 1 April 2017: 0.35% and 3.2%) per annum.

10 Inventories

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Medical and general supplies	–	–	–	7,205

In 2020, cost of inventories recognised in profit or loss amounted to $2,183.

11 Share capital

	Number of shares			Amount		
	2018	2019	2020	2018 $	2019 $	2020 $
Issued and fully paid ordinary shares:						
In issue at 1 April	2	2	15,000,000	2	2	15,000,000
Share issued and fully paid pursuant to restructuring exercise	–	8,390,225	–	–	8,390,225	–
Shares issued and fully paid pursuant to capitalisation of non-trade amounts due to immediate holding company	–	6,609,773	–	–	6,609,773	–
In issue at 31 March	2	15,000,000	15,000,000	2	15,000,000	15,000,000

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.

Restructuring Exercise

The Company was incorporated in the Republic of Singapore on 28 January 2004 with its issued and paid up share capital of $2 comprising 2 shares held by Econ Healthcare Pte. Ltd..

On 12 December 2018, the Company issued 8,390,225 ordinary shares pursuant to the Restructuring Exercise to acquire the equity interest in Econ Medicare Centre Pte Ltd, Econ Nursing Home Services (1987) Pte Ltd, Sunnyville Nursing Home (1996) Pte Ltd, Econ TCM Services Pte. Ltd., Econ Careskill Training Centre (ECTC) Pte. Ltd., Econ Ambulance Services Pte. Ltd., Econ Health & Wellness Centre Pte. Ltd., Econ Healthcare (M) Pte. Ltd., and Econ Healthcare (China) Pte. Ltd., from Econ Healthcare Pte. Ltd..

On 12 December 2018, the Company increased share capital by $6,609,773 through the capitalisation of non-trade amount due to Econ Healthcare Pte. Ltd. by allotting 6,609,773 new shares of the Company.

After the year end, pursuant to directors' resolutions on 23 March 2021, each ordinary share in the existing issued share capital of the Company was sub-divided into 13.8 shares ("Share Split").

12 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 through common control.

Dividends

The following exempt (one-tier) dividends were declared, paid and payables by the Group:

For the years ended 31 March	**2018 $**	**2019 $**	**2020 $**
Paid/payable to the immediate holding company			
Econ Medicare Centre Pte Ltd			
$Nil (2019: $Nil; 2018: $3,000,000) per ordinary share	6,000,000	–	–
Econ Nursing Home Services (1987) Pte Ltd			
$Nil (2019: $Nil; 2018: $15) per ordinary share	1,500,000	–	–
Sunnyville Nursing Home (1996) Pte Ltd			
$Nil (2019: $Nil; 2018: $20) per ordinary share	1,000,000	–	–
Econ Healthcare (Asia) Limited			
19 cents (2019: $Nil; 2018: $Nil) per ordinary share	–	–	2,900,000
	8,500,000	–	2,900,000

13 Loans and borrowings

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Non-current liabilities				
Secured bank loans	10,386,045	9,363,067	7,708,219	6,165,114
Current liabilities				
Secured bank loans	1,348,149	1,403,463	2,261,903	3,472,807
	11,734,194	10,766,530	9,970,122	9,637,921

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 27.

Terms and debt repayment schedule

The terms and conditions of outstanding loans and borrowings are as follows:

	Note	Currency	Nominal interest rate %	Year of maturity	Face value $	Carrying amount $
1 April 2017						
Secured bank loans	A	SGD	SIBOR + 2%	2023	7,245,006	7,245,006
Secured bank loans	B	MYR	Base lending rate – 1.25%	2027	4,489,188	4,489,188
					11,734,194	11,734,194
31 March 2018						
Secured bank loans	A	SGD	SIBOR + 2%	2023	6,246,833	6,246,833
Secured bank loans	B	MYR	Base lending rate – 1.25%	2027	4,519,697	4,519,697
					10,766,530	10,766,530
31 March 2019						
Secured bank loans	A	SGD	SIBOR + 2%	2023	5,232,098	5,232,098
Secured bank loans	B	MYR	Base lending rate - 1.25%	2027	4,039,010	4,039,010
Secured revolving credit	C	MYR	Cost of funds + 1.5%	2019	699,014	699,014
					9,970,122	9,970,122
31 March 2020						
Secured bank loans	A	SGD	SIBOR + 2%	2023	4,188,411	4,188,411
Secured bank loans	B	MYR	Base lending rate – 1.25%	2027	3,602,013	3,602,013
Secured revolving credit	C	MYR	Cost of funds + 1.5%	2020	1,847,497	1,847,497
					9,637,921	9,637,921

A) The bank loan is secured by corporate guarantee from immediate holding company, joint and several personal guarantees from the directors of the Company and subsidiaries and on the immediate holding company's freehold land and building with a carrying value of $17,630,363 (2019: $17,782,856; 2018: $17,935,348; 1 April 2017: $18,087,841) and an affiliated company's investment properties with a carrying value of $4,220,800 (2019: $4,233,600; 2018: $4,246,400; 1 April 2017: $4,259,210). Affiliated company is the company controlled by the common directors.

B) The bank loan is secured by corporate guarantee from the Company and immediate holding company and on the Group's freehold land and building amounting to $9,846,443 (2019: $10,109,163; 2018: $10,538,896; 1 April 2017: $9,996,337) (Note 4).

C) The bank loan is secured by corporate guarantee from immediate holding company and the Company.

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

	Liabilities				
	Amount due to immediate holding company $	**Secured bank loans $**	**Lease liabilities $**	**Interest payable $**	**Total $**
Balance at 1 April 2017	25,885,383	11,734,194	15,729,888	13,186	53,362,651
Changes from financing cash flows					
Non-trade amount due to immediate holding company	(846,699)	–	–	–	(846,699)
Repayment of borrowings	–	(1,289,331)	–	–	(1,289,331)
Payment of lease liabilities	–	–	(3,209,399)	–	(3,209,399)
Interest paid	–	–	(542,554)	(474,403)	(1,016,957)
Total changes from financing cash flows	(846,699)	(1,289,331)	(3,751,953)	(474,403)	(6,362,386)
The effect of change in foreign exchange rates	–	321,667	206,168	–	527,835
Liability-related other changes					
New leases	–	–	10,313,057	–	10,313,057
Re-measurement resulting from lease modifications	–	–	(383)	–	(383)
Interest expense	–	–	542,554	474,300	1,016,854
Total liability-related other changes	–	–	10,855,228	474,300	11,329,528
Balance at 31 March 2018	25,038,684	10,766,530	23,039,331	13,083	58,857,628

		Liabilities				
	Note	**Amount due to immediate holding company $**	**Secured bank loans and revolving credit $**	**Lease liabilities $**	**Interest payable $**	**Total $**
Balance at 1 April 2018		25,038,684	10,766,530	23,039,331	13,083	58,857,628
Changes from financing cash flows						
Proceed from borrowings		–	702,286	–	–	702,286
Non-trade amount due to immediate holding company		239,528	–	–	–	239,528
Repayment of borrowings		–	(1,397,237)	–	–	(1,397,237)
Payment of lease liabilities		–	–	(4,427,543)	–	(4,427,543)
Interest paid		–	–	(804,446)	(450,474)	(1,254,920)
Total changes from financing cash flows		239,528	(694,951)	(5,231,989)	(450,474)	(6,137,886)
The effect of change in foreign exchange rates		–	(101,457)	(89,787)	–	(191,244)
Liability-related other changes						
New leases		–	–	2,026,438	–	2,026,438
Lease modification		–	–	2,284,469	–	2,284,469
Shares issued and fully paid pursuant to capitalisation of non-trade amount due to immediate holding company	11	(6,609,773)	–	–	–	(6,609,773)
Set-off against non-trade amount due from immediate holding company	1.3	(16,968,227)	–	–	–	(16,968,227)
Interest expense		–	–	804,446	450,563	1,255,009
Total liability-related other changes		(23,578,000)	–	5,115,353	450,563	(18,012,084)
Balance at 31 March 2019		1,700,212	9,970,122	22,832,908	13,172	34,516,414

	Liabilities				
	Amount due to immediate holding company $	**Secured bank loans and revolving credit $**	**Lease liabilities $**	**Interest payable $**	**Total $**
Balance at 1 April 2019	1,700,212	9,970,122	22,832,908	13,172	34,516,414
Changes from financing cash flows					
Proceed from borrowings	–	1,153,015	–	–	1,153,015
Non-trade amount due to immediate holding company	(1,700,212)	–	–	–	(1,700,212)
Repayment of borrowings	–	(1,453,834)	–	–	(1,453,834)
Payment of lease liabilities	–	–	(4,643,539)	–	(4,643,539)
Interest paid	–	–	(998,367)	(468,427)	(1,466,794)
Total changes from financing cash flows	(1,700,212)	(300,819)	(5,641,906)	(468,427)	(8,111,364)
The effect of change in foreign exchange rates	–	(31,382)	13,164	–	(18,218)
Liability-related other changes					
New leases	–	–	1,749,533	–	1,749,533
Lease modification	–	–	10,429,597	–	10,429,597
Dividend	698,086	–	–	–	698,086
Interest expense	–	–	1,015,482	465,260	1,480,742
Total liability-related other changes	698,086	–	13,194,612	465,260	14,357,958
Balance at 31 March 2020	698,086	9,637,921	30,398,778	10,005	40,744,790

14 Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets				Liabilities			
	1 April 2017 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2020 $**	**1 April 2017 $**	**31 March 2018 $**	**31 March 2019 $**	**31 March 2020 $**
Group								
Property, plant and equipment	–	–	–	–	207,141	332,322	558,128	491,606
Right-of-use assets and lease liabilities	–	(61,435)	(166,870)	(116,058)	–	–	–	–
Provisions	(25,098)	(25,098)	(29,747)	(43,061)	–	–	–	–
Tax loss carry-forwards	(45,833)	(49,243)	(48,153)	(36,407)	–	–	–	–
Deferred tax (assets)/liabilities	(70,931)	(135,776)	(244,770)	(195,526)	207,141	332,322	558,128	491,606
Set-off of tax	50,539	104,169	213,200	117,182	(50,539)	(104,169)	(213,200)	(117,182)
Net deferred tax (assets)/ liabilities	(20,392)	(31,607)	(31,570)	(78,344)	156,602	228,153	344,928	374,424

Movements in deferred tax balances

	As at 1 April 2017 $	Recognised in profit or loss (Note 25) $	Exchange difference $	As at 31 March 2018 $	Recognised in profit or loss (Note 25) $	Exchange difference $	As at 31 March 2019 $	Recognised in profit or loss (Note 25) $	Exchange difference $	As at 31 March 2020 $
Property, plant and equipment	207,141	119,103	6,078	332,322	229,373	(3,567)	558,128	(64,173)	(2,349)	491,606
Right-of-use assets and lease liabilities	–	(60,776)	(659)	(61,435)	(105,609)	174	(166,870)	53,262	(2,450)	(116,058)
Provisions	(25,098)	–	–	(25,098)	(4,649)	–	(29,747)	(13,314)	–	(43,061)
Tax loss carry-forwards	(45,833)	–	(3,410)	(49,243)	–	1,090	(48,153)	11,424	322	(36,407)
	136,210	58,327	2,009	196,546	119,115	(2,303)	313,358	(12,801)	(4,477)	296,080

Unrecognised deferred tax assets

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

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Deductible temporary differences	–	–	–	71,455
Tax losses	–	–	–	18,226
	–	–	–	89,681

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The tax losses do not expire under the current tax regulations.

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available for which the Group can utilise the benefits there from.

15 Deferred capital grants

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
At 1 April	–	–	–	–
Capital grants received during the year	–	–	–	285,664
Amortisation for the year	–	–	–	(39,758)
At 31 March	–	–	–	245,906

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

16 Amount due to immediate holding company

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Non-trade amount due to immediate holding company				
- current	2,223,277	811,578	1,700,212	–
- non-current	23,662,106	24,227,106	–	–
Dividend payable	–	–	–	698,086
	25,885,383	25,038,684	1,700,212	698,086

The non-current amount due to immediate holding company before the restructuring exercise were quasi-equity loan in nature with no stated repayment terms, unsecured and interest-free.

The current amount due to immediate holding company are unsecured, interest-free and repayable on demand.

17 Provision for restoration costs

	31 March 2018 $	31 March 2019 $	31 March 2020 $
At 1 April	305,757	272,067	283,948
Provision made during the year	–	–	256,814
Provision reversed during the year	–	–	(31,631)
Utilised	(41,734)	–	(4,550)
Unwinding of discount	8,044	11,881	3,330
At 31 March	272,067	283,948	507,911

18 Lease liabilities

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Non-current liabilities	13,952,682	19,002,048	18,022,280	25,691,027
Current liabilities	1,777,206	4,037,283	4,810,628	4,707,751
	15,729,888	23,039,331	22,832,908	30,398,778

The terms and conditions of lease liabilities are as follows:

	Currency	Nominal interest rate %	Year of maturity	Face value $	Carrying amount $
1 April 2017					
Lease liabilities	SGD	1.98%-2.60%	2018-2034	17,465,827	14,428,031
	MYR	5.67%	2018	1,561,117	1,301,857
				19,026,944	15,729,888
31 March 2018					
Lease liabilities	SGD	1.98%-3.02%	2019-2034	22,149,309	18,940,697
	MYR	5.67%	2024-2039	6,403,171	4,098,634
				28,552,480	23,039,331
31 March 2019					
Lease liabilities	SGD	1.98%-3.02%	2020-2039	21,887,195	19,010,719
	MYR	5.67%	2024-2039	5,854,438	3,822,189
				27,741,633	22,832,908
31 March 2020					
Lease liabilities	SGD	1.98%-3.05%	2021-2034	28,723,358	25,487,308
	MYR	4.92%-5.67%	2022-2039	5,679,226	3,833,309
	RMB	4.90%	2039	1,679,074	1,078,161
				36,081,658	30,398,778

A lease liability of $180,000 (2019: $140,000; 2018: $Nil; 1 April 2017: $Nil) is secured by the personal guarantee from a director of the Group.

19 Trade and other payables

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Trade payables				
- third parties	772,424	684,159	715,563	1,111,136
- related corporation	354,330	397,567	206,303	244,789
- immediate holding company	–	–	–	64,253
	1,126,754	1,081,726	921,866	1,420,178
Accrued operating expenses	554,695	564,831	901,296	710,747
Interest payables	13,186	13,083	13,172	10,005
Other payables	129,694	219,311	339,997	335,615
Payables to suppliers of plant and equipment	–	–	330,278	330,278
Refundable deposits	1,535,766	1,555,879	1,364,087	1,404,017
Financial liabilities at amortised cost	3,360,095	3,434,830	3,870,696	4,210,840
Deferred grant income	–	138,194	–	597,201
Liability for short-term accumulated compensated absences	52,925	59,898	94,956	92,657
Home fees collected in advance	21,193	22,162	16,584	27,719
	3,434,213	3,655,084	3,982,236	4,928,417

Deferred grant income relates to the Jobs Support Scheme. The Jobs Support Scheme is announced at the Budget 2020 whereby the government will provide grants to the eligible organisations during the period of economic uncertainty due to the Coronavirus (COVID-19) outbreak. The purpose of the scheme is to provide wage support to employers to help them retain their local employees.

The Group exposures to currency risk and liquidity risk related to trade and other payables are disclosed in Note 27.

20 Revenue

	Medicare centres and nursing homes fees		Ancillary fees					
	Home fees **$**	**Home care and day care and other nursing home services** **$**	**Ambulance fees** **$**	**Course fees** **$**	**Management fee** **$**	**Traditional Chinese medicine ("TCM") clinics services** **$**	**Other ancillary services** **$**	**Total** **$**
2018								
Third parties								
- Singapore	14,595,362	2,274,670	435,491	1,287,370	–	1,043,582	29,603	19,666,078
- Malaysia	3,499,009	1,157,202	–	–	–	–	–	4,656,211
	18,094,371	3,431,872	435,491	1,287,370	–	1,043,582	29,603	24,322,289
Related corporation								
- Singapore	–	–	5,838	2,310	–	1,267	–	9,415
	18,094,371	3,431,872	441,329	1,289,680	–	1,044,849	29,603	24,331,704
2019								
Third parties								
- Singapore	12,673,604	2,590,344	497,762	34,824	–	886,719	18,757	16,702,010
- Malaysia	3,929,700	1,522,785	–	–	–	–	–	5,452,485
	16,603,304	4,113,129	497,762	34,824	–	886,719	18,757	22,154,495
Related corporation								
- Singapore	–	–	40,540	2,130	236,000	1,807	–	280,477
	16,603,304	4,113,129	538,302	36,954	236,000	888,526	18,757	22,434,972
2020								
Third parties								
- Singapore	10,928,296	3,619,674	176,750	16,338	–	914,467	7,221	15,662,746
- Malaysia	3,882,262	1,401,305	–	–	–	–	–	5,283,567
	14,810,558	5,020,979	176,750	16,338	–	914,467	7,221	20,946,313
Related corporation								
- Singapore	–	–	13,915	170	944,400	1,096	476	960,057
Affiliated corporation								
- Singapore	–	–	–	–	18,840	–	–	18,840
	14,810,558	5,020,979	190,665	16,508	963,240	915,563	7,697	21,925,210

Home fees generally relates to contracts with patients in which performance obligations are to provide nursing home healthcare services to individual patients in Singapore and Malaysia. 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. Ambulance fees relate to provision of medical and passenger transport services to individual patients and related corporation in Singapore. Course fees relates 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 a related corporation. Traditional Chinese medicine ("TCM") clinic services relate to the offering of TCM services at TCM clinics.

Other nursing home services relate to provision of dressing, rehabilitation services, TCM treatments and other medical related services to individual patients and related corporations in Singapore.

The performance obligations for nursing home healthcare services, home care services, management services and training services are generally satisfied overtime and revenue is recorded when the services are performed. The performance obligations for medical and passenger transport services and other ancillary services are generally satisfied at a point in time.

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.

21 Operating subvention grants

	2018 $	2019 $	2020 $
Operating subvention grants	14,317,724	14,531,678	15,394,321

Operating subvention grants were provided by the government to the Group for the purposes of providing subsidised nursing home care services during the approved period. The scheme allows the Group to set aside a portion of its beds for eligible patients who meet the means test criteria to enjoy the subsidies. These patients are generally older persons who are unable to enjoy proper level of nursing care required in their own homes, and require supervision or assistance with their daily activities as well as persons who need further care and treatment after being discharged from an acute hospital.

Operating subvention grants are recognised in the profit or loss when conditions attached to its recognition are met by the Group.

22 Other income

	2018 $	2019 $	2020 $
Grants on special employment credit, temporary employment credit and wages credit scheme	82,603	68,616	46,291
Grant on capability development	119,840	–	–
Grant on Senior Activity Centres	–	–	60,000
Rental income	31,912	37,115	215,985
Amortisation of deferred capital grants	–	–	39,758
Service fees from joint venture	134,701	124,645	114,637
Others	126,710	171,955	111,630
	495,766	402,331	588,301

Capability development grant is a non-recurring grant received from Standards, Productivity and Innovation Board for the purpose of implementing the Customer Centric Initiative Project.

Grants are provided to the Group to execute a programme with the objective to establish and operate Senior Activity Centres at Studio Apartments ("SAC(SA)"). The objective of the SAC(SA) is to provide a place for seniors to be mentally, socially and physically active, provide a basic level of support for Seniors and provide not-for-profit services to the residents in the precinct which may be chargeable on a cost-recovery basis.

23 Profit for the year

The following items have been included in arriving at profit for the year:

	2018 $	2019 $	2020 $
Expenses relating to short-term leases	1,179,396	116,513	28,210
Repair and maintenance expenses	603,695	687,758	560,305
Loss/(Gain) on disposal of property, plant and equipment	3,086	(91,681)	19,194
Write-off of property, plant and equipment	–	–	4,845
Contributions to defined contribution plans included in staff costs	581,020	601,461	836,137
Directors fees	–	54,666	54,599

24 Finance income and costs

	2018 $	2019 $	2020 $
Exchange gain, net	–	779	506
Interest income from bank deposits	16,139	28,137	25,605
Interest income from finance lease receivables	4,296	3,571	2,283
Finance income	20,435	32,487	28,394
Exchange loss, net	(81,032)	–	–
Interest expense from borrowings	(474,300)	(450,563)	(465,260)
Unwinding of discount on provision for restoration cost	(8,044)	(11,881)	(3,330)
Interest expense from lease liabilities	(542,554)	(804,446)	(1,015,482)
Finance costs	(1,105,930)	(1,266,890)	(1,484,072)
Net finance costs	(1,085,495)	(1,234,403)	(1,455,678)

26 Tax expense

	Note	2018 $	2019 $	2020 $
Current tax expense				
Current year		501,168	699,104	700,888
Changes in estimates related to prior years		(497,503)	(251,802)	(212,426)
		3,665	447,302	488,462
Deferred tax expense				
Origination and reversal of temporary differences		89,869	143,843	26,237
Changes in estimates related to prior years		(31,542)	(24,728)	(39,038)
	14	58,327	119,115	(12,801)
Tax expense		61,992	566,417	475,661

Reconciliation of effective tax rate

	2018 $	2019 $	2020 $
Profit before tax	5,541,254	4,862,333	4,355,689
Tax using the Singapore tax rate of 17% (2019: 17%; 2018: 17%)	942,013	826,597	740,467
Effect of tax rates in foreign jurisdictions	26,862	12,406	5,132
Effect of result of equity-accounted investee presented net of tax	32,826	20,276	606
Non-deductible expenses	9,693	90,137	15,331
Tax exempt income, incentives and rebate	(119,722)	(106,469)	(54,659)
Tax losses transferred from related corporations at no benefit	(300,635)	–	–
Changes in estimates related to prior years	(529,045)	(276,530)	(251,464)
Current year losses for which no deferred tax asset was recognised	–	–	20,248
	61,992	566,417	475,661

The tax incentives comprise mainly enhanced Productivity and Innovation Credit of 400% (2019: 400%; 2018: 400%) for certain plant and equipment purchases.

In 2018, the Group submitted their tax filling for financial year ended 31 March 2016. The tax losses within the Group amounting to $1,130,567, from immediate holding company and a related corporation outside the Group amounting to $658,984 and $1,521,535 respectively were utilised to set-off against the taxable profits under group relief by certain subsidiaries of the Group, resulting in overprovision of prior year tax amounting to $562,884.

In 2019 and 2020, related corporations transferred tax losses to the Group under group relief for financial year ended 31 March 2017 and 31 March 2019 resulting in a overprovision of prior years' tax amounting to $190,857 and $200,670 respectively.

27 Leases

Leases as lessee

The Group leases office premise, office equipment and properties for its nursing homes, physiotherapy services, health and wellness centres, TCM services and staff apartments. 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 premise have been sub-let by the Group for a period of one to two years.

The Group also leases ambulance vehicles. The lease typically runs for a period of 1 year and is a short-term lease. The Group has elected not to recognise right-of-use assets and lease liabilities for this lease.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented separately (see Note 5).

Amounts recognised in profit or loss

	2018 $	2019 $	2020 $
Interest expense on lease liabilities	542,554	804,446	1,015,482
Interest income from finance lease arrangements	(4,296)	(3,571)	(2,283)
Income from sub-leasing right-of-use assets presented in 'other income'	(31,912)	(37,115)	(37,332)
Expenses relating to short-term leases	1,179,396	116,513	28,210

Amounts recognised in statement of cash flows

	2018 $	2019 $	2020 $
Total cash outflow for leases	3,751,953	5,231,989	5,641,906

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 (see Note 6). 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.

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 2020, the Group recognised interest income on finance lease receivables of $2,283 (2019: $3,571; 2018: $4,296).

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.

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Less than one year	29,220	34,152	36,720	36,720
One to two years	34,152	36,720	36,720	36,720
Two to three years	36,720	36,720	36,720	18,360
Three to four years	36,720	36,720	18,360	–
Four to five years	36,720	18,360	–	–
More than five years	18,360	–	–	–
Total undiscounted lease receivable	191,892	162,672	128,520	91,800
Unearned finance income	(13,401)	(9,105)	(5,534)	(3,251)
Net investment in the lease	178,491	153,567	122,986	88,549
Within one year	24,924	30,581	33,836	34,649
One to five years	135,320	122,986	89,150	53,900
Beyond five years	18,247	–	–	–
Total discounted lease receivable	178,491	153,567	122,986	88,549

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 2020 was $215,985 (2019: $37,115; 2018: $31,912).

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

Operating leases	31 March 2018 $	31 March 2019 $	31 March 2020 $
Less than one year	37,115	37,332	274,582
One to two years	37,332	37,332	240,361
Two to three years	37,332	3,111	–
Three to four years	3,111	–	–
Total	114,890	77,775	514,943

27 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

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.

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, customers 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 customer credit risk, customers 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:

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Singapore	18,184,839	8,823,475	4,974,371	5,803,972
Malaysia	176,950	353,528	329,390	487,187
	18,361,789	9,177,003	5,303,761	6,291,159

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

	1 April 2017 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2020 $**
Individuals	1,911,983	1,589,632	1,488,193	1,311,219
Corporations	1,035,206	1,146,162	1,348,316	1,385,612
Government	1,069,719	548,653	466,478	1,209,942
Immediate holding company	13,298,313	4,819,811	746,570	–
Related corporation	887,395	830,521	1,006,768	1,979,977
Joint venture	87,894	151,591	213,953	325,842
Others	71,279	90,633	33,483	78,567
	18,361,789	9,177,003	5,303,761	6,291,159

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

	1 April 2017 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2020 $**
Operating of medicare centres and nursing homes	4,464,981	3,787,342	3,715,011	5,027,700
Other ancillary services	322,506	317,448	279,915	462,424
Others	13,574,302	5,072,213	1,308,835	801,035
	18,361,789	9,177,003	5,303,761	6,291,159

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

	1 April 2017		**31 March 2018**		**31 March 2019**		**31 March 2020**	
	Not credit-impaired $	**Credit-impaired $**	**Not credit-impaired $**	**Credit-impaired $**	**Not credit-impaired $**	**Credit-impaired $**	**Not credit-impaired $**	**Credit-impaired $**
Group								
No credit terms	15,750,507	–	6,676,549	–	1,837,063	–	2,591,988	–
Not past due	1,165,601	–	868,815	–	1,594,317	–	582,091	–
Past due 1 – 30 days	278,619	–	304,880	–	378,606	–	573,086	–
Past due 31 – 180 days	422,305	–	601,993	–	647,369	–	862,321	–
Past due 181 – 365 days	325,142	–	171,731	–	160,588	–	668,170	–
More than one year	605,633	516,843	732,054	177,340	783,865	136,654	1,076,152	171,273
Total gross carrying amount	18,547,807	516,843	9,356,022	177,340	5,401,808	136,654	6,353,808	171,273
Loss allowance	(186,018)	(516,843)	(179,019)	(177,340)	(98,047)	(136,654)	(62,649)	(171,273)
	18,361,789	–	9,177,003	–	5,303,761	–	6,291,159	–

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 historic 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**
	%	**$**	**$**
1 April 2017			
Not past due	0.91%	1,098,707	(10,035)
Past due 1 – 30 days	1.80%	237,169	(4,279)
Past due 31 – 180 days	4.23%	401,528	(16,995)
Past due 181 – 365 days	16.82%	150,600	(25,325)
More than one year	88.91%	726,840	(646,227)
		2,614,844	(702,861)
31 March 2018			
Not past due	1.48%	1,066,899	(15,745)
Past due 1 – 30 days	0.21%	236,671	(499)
Past due 31 – 180 days	6.90%	333,561	(23,000)
Past due 181 – 365 days	44.97%	110,006	(49,473)
More than one year	83.21%	321,642	(267,642)
		2,068,779	(356,359)
31 March 2019			
Not past due	2.18%	743,533	(16,192)
Past due 1 – 30 days	0.82%	265,954	(2,178)
Past due 31 – 180 days	3.93%	434,272	(17,083)
Past due 181 – 365 days	6.94%	37,564	(2,607)
More than one year	77.79%	252,786	(196,641)
		1,734,109	(234,701)
31 March 2020			
Not past due	0.36%	643,652	(2,336)
Past due 1 – 30 days	2.66%	307,420	(8,185)
Past due 31 – 180 days	6.71%	369,164	(24,787)
Past due 181 – 365 days	37.68%	29,409	(11,080)
More than one year	95.93%	195,496	(187,534)
		1,545,141	(233,922)

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:

	2018	**2019**	**2020**
	$	**$**	**$**
At 1 April	702,861	356,359	234,701
Impairment loss (reversed)/recognised	(37,197)	(70,188)	8,710
Utilised	(309,305)	(51,470)	(9,489)
At 31 March	356,359	234,701	233,922

Cash and cash equivalents

The Group held cash with a bank, which is rated AA-, based on S&P's ratings as at 1 April 2017, 31 March 2018, 31 March 2019 and 31 March 2020.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and low credit risk of the exposures. The amount of the allowance on cash and cash equivalents was negligible.

Government grant receivables, staff advances, other receivables, 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 considers that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant.

Trade amounts due from joint venture and a related corporation

Based on the Group's historical experience in the collection of trade amounts due from joint venture and a related corporation, no credit loss was incurred. The management reviews the financials and forecast of these related parties periodically to assess for changes in financial standing. The Group considers that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant.

Non-trade amounts due from immediate holding company and a related corporation

Non-trade amounts extended to immediate holding company and a related corporation 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 Group considers that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant.

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 cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Group uses excess liquidity to provide funding to the immediate holding company. The Group is in net current liabilities position as at 31 March 2019 and 31 March 2020 and has net negative cash outflow for those years. However, the Group is confident that the cash flows generated from its operations will be adequate and that it has sufficient funds for its operational needs. The Group has not breached any financial covenants as stipulated under the bank facilities agreements as a result of the net current liabilities position and net negative cash outflow as at 31 March 2019 and 31 March 2020.

Management believes that the Group will have the continued support of its bankers to renew its bank facilities as and when they fall due.

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 $**
1 April 2017					
Non-derivative financial liabilities					
Secured bank loans	11,734,194	(14,944,113)	(1,832,613)	(7,045,468)	(6,066,032)
Lease liabilities	15,729,888	(19,026,944)	(3,084,618)	(6,418,381)	(9,523,945)
Trade and other payables*	3,360,095	(3,360,095)	(3,360,095)	–	–
Amount due to immediate holding company	2,223,277	(2,223,277)	(2,223,277)	–	–
	33,047,454	(39,554,429)	(10,500,603)	(13,463,849)	(15,589,977)
31 March 2018					
Non-derivative financial liabilities					
Secured bank loans	10,766,530	(13,184,468)	(1,899,789)	(7,823,742)	(3,460,937)
Lease liabilities	23,039,331	(28,552,480)	(4,758,521)	(10,616,641)	(13,177,318)
Trade and other payables*	3,434,830	(3,434,830)	(3,434,830)	–	–
Amount due to immediate holding company	811,578	(811,578)	(811,578)	–	–
	38,052,269	(45,983,356)	(10,904,718)	(18,440,383)	(16,638,255)
31 March 2019					
Non-derivative financial liabilities					
Secured bank loans	9,970,122	(11,389,521)	(2,636,423)	(6,872,018)	(1,881,080)
Lease liabilities	22,832,908	(27,741,633)	(5,518,591)	(10,957,538)	(11,265,504)
Trade and other payables*	3,870,696	(3,870,696)	(3,870,696)	–	–
Amount due to immediate holding company	1,700,212	(1,700,212)	(1,700,212)	–	–
	38,373,938	(44,702,062)	(13,725,922)	(17,829,556)	(13,146,584)
31 March 2020					
Non-derivative financial liabilities					
Secured bank loans	9,637,921	(10,492,630)	(3,761,313)	(5,638,057)	(1,093,260)
Lease liabilities	30,398,778	(36,081,658)	(5,667,750)	(18,599,247)	(11,814,661)
Trade and other payables*	4,210,840	(4,210,840)	(4,210,840)	–	–
Amount due to immediate holding company	698,086	(698,086)	(698,086)	–	–
	44,945,625	(51,483,214)	(14,337,989)	(24,237,304)	(12,907,921)

* *Exclude deferred grant income, home fees collected in advance and liability for short-term accumulated compensation absence*

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			
	1 April 2017	**31 March 2018**	**31 March 2019**	**31 March 2020**
	$	**$**	**$**	**$**
Fixed rate instruments				
Fixed deposits	46,967	623,767	1,042,350	871,455
Finance lease receivables	178,491	153,567	122,986	88,549
Lease liabilities	(15,729,888)	(23,039,331)	(22,832,908)	(30,398,778)
	(15,504,430)	(22,261,997)	(21,667,572)	(29,438,774)
Variable rate instruments				
Secured bank loans	(11,734,194)	(10,766,530)	(9,970,122)	(9,637,921)

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

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 1 April 2017, 31 March 2018, 31 March 2019 and 31 March 2020.

	100bp increase	**100bp decrease**
31 March 2018		
Profit or loss	(107,665)	107,665
31 March 2019		
Profit or loss	(99,701)	99,701
31 March 2020		
Profit or loss	(96,379)	96,379

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 and Malaysian Ringgit.

Accounting classifications and fair values

The fair value hierarchy is not included as the carrying amounts of financial assets and financial liabilities is a reasonable approximation of fair value.

	Note	Carrying amount		
		Amortised cost $	Other financial liabilities $	Total carrying amount $
1 April 2017				
Financial assets not measured at fair value				
Cash and cash equivalents	9	5,418,509	–	5,418,509
Trade and other receivables^	8	18,361,789	–	18,361,789
		23,780,298	–	23,780,298
Financial liabilities not measured at fair value				
Secured bank loans	13	–	(11,734,194)	(11,734,194)
Amount due to immediate holding company	16	–	(2,223,277)	(2,223,277)
Trade and other payables *	19	–	(3,360,095)	(3,360,095)
		–	(17,317,566)	(17,317,566)
31 March 2018				
Financial assets not measured at fair value				
Cash and cash equivalents	9	10,550,650	–	10,550,650
Trade and other receivables^	8	9,177,003	–	9,177,003
		19,727,653	–	19,727,653
Financial liabilities not measured at fair value				
Secured bank loans	13	–	(10,766,530)	(10,766,530)
Amount due to immediate holding company	16	–	(811,578)	(811,578)
Trade and other payables *	19	–	(3,434,830)	(3,434,830)
		–	(15,012,938)	(15,012,938)

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

	Note	Carrying amount Amortised cost $	Other financial liabilities $	Total carrying amount $
31 March 2019				
Financial assets not measured at fair value				
Cash and cash equivalents	9	7,916,729	–	7,916,729
Trade and other receivables^	8	5,303,761	–	5,303,761
		13,220,490	–	13,220,490
Financial liabilities not measured at fair value				
Secured bank loans	13	–	(9,970,122)	(9,970,122)
Amount due to immediate holding company	16	–	(1,700,212)	(1,700,212)
Trade and other payables *	19	–	(3,870,696)	(3,870,696)
		–	(15,541,030)	(15,541,030)
31 March 2020				
Financial assets not measured at fair value				
Cash and cash equivalents	9	7,333,704	–	7,333,704
Trade and other receivables^	8	6,291,159	–	6,291,159
		13,624,863	–	13,624,863
Financial liabilities not measured at fair value				
Secured bank loans	13	–	(9,637,921)	(9,637,921)
Amount due to immediate holding company			(698,086)	(698,086)
Trade and other payables *	19	–	(4,210,840)	(4,210,840)
		–	(14,546,847)	(14,546,847)

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

Measurement of fair values

Other short-term 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.

Secured bank loans

The notional amount of secured bank loans are assumed to approximate their fair values because of the floating interest rates.

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 $
31 March 2020				
Investment property	–	8,238,775	–	8,238,775

Determination of fair values

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, being the 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. The valuation is based on the direct comparison method. 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.

28 Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and to sustain future development of the business. In order to maintain or achieve optimal capital structure, the Group may adjust the amount of dividend payment. There were no changes in the Group's approach to capital management during the year.

Capital consists of total equity.

There were no changes in the Group's approach to capital management during the year.

29 Financial guarantees

Bank loan taken up by ultimate holding company, immediate holding company and hire purchase facility taken up by joint venture have been guaranteed by the Group. These financial guarantees contracts are accounted for as insurance contracts.

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 future cash flows. Estimates of the Group'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 in respect of the inter-group financial guarantee for the facilities drawn down by immediate holding, ultimate holding company and joint venture at the reporting date is as follows:

	1 April 2017 $	**31 March 2018 $**	**31 March 2019 $**	**31 March 2020 $**
Bank loans jointly guaranteed by the Group and Company in respect of facilities drawn down by ultimate holding company*				
Facility amount				
- Non-revolving fixed advance facility	–	26,305,000	26,305,000	26,305,000
- Term loan	–	20,160,000	20,160,000	20,160,000
Outstanding amount				
- Non-revolving fixed advance facility	–	25,935,000	25,992,155	26,012,439
- Term loan	–	20,160,000	17,305,337	14,420,416
Bank loan guaranteed by the Group in respect of facilities drawn down by immediate holding company**				
Facility amount				
- Mortgage loan	8,000,000	8,000,000	8,000,000	8,000,000
Outstanding amount				
- Mortgage loan	6,219,524	5,871,574	5,519,191	5,159,472
Hire purchase guaranteed by the Group in respect of facilities taken up by joint venture				
Facility amount	–	95,860	95,860	95,860
Outstanding amount	–	82,204	60,847	38,711

* The bank loans are secured by the immediate holding company's freehold land and building with a carrying value of $17,630,363 (2019: $17,782,856; 2018:$17,935,348), an affiliated company's investment properties with a carrying value of $4,220,800 (2019: $4,233,600; 2018: $4,246,400) and a related corporation's leasehold building with a carrying value of $1,973,235 (2019: $2,073,994).

** The bank loans is secured by the immediate holding company's freehold land and building with a carrying value of $7,800,668 (2019: $7,858,004; 2018: $7,915,340; 1 April 2017: $7,972,676).

At the reporting date, the Group does not consider it probable that a claim will be made against the Group under the inter-group financial guarantee.

30 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.

	2018 $	2019 $	2020 $
Post-employment benefits	–	9,270	44,761
Non-monetary benefit	–	13,978	13,978
Short term employee benefits including director fees	–	228,880	962,558
	–	252,128	1,021,297

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 years ended 31 March 2019 and 2020.

Prior to restructuring exercise on 12 December 2018, the key management personnel of the Group are remunerated by the immediate holding company.

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	2018 $	2019 $	2020 $
Immediate holding company			
Purchase and contracted services	5,680,000	3,680,000	–*
Service fee expenses	–	66,798	18,000
Payment made on behalf	–	182,306	(21,338)
Related corporation			
Rental of ambulance expenses	62,595	50,076	20,865
Lease expense	73,617	73,617	59,078
Pharmacy expenses	864,453	878,483	798,479
Reimbursement of staff costs	(44,998)	(37,327)	–
Service fee expense	4,063	18,189	–
Purchase of property, plant and equipment	–	13,787	–
Course fee income	(2,310)	(2,130)	(170)
Rehabilitation service income	–	–	(476)
Ambulance service income	(5,838)	(40,540)	(13,915)
Treatment income	(1,267)	(1,807)	(1,096)
Management fee income	–	(236,000)	(944,400)*
Payment made on behalf	–	–	722
Affiliated company			
Management fee income	–	–	(18,840)
Rental income	–	–	(4,560)

* After the Restructuring Exercise, the employees under the immediate holding company have been transferred to the Company. As such, no services have been provided by the immediate holding company to the Company thereafter. In addition, management services provided by the immediate holding company to related corporation previously has been taken over by the Company and recharged as management fees to related corporation.

31 Earnings per share

Basic earnings per share

Pursuant to directors' resolutions on 23 March 2021, each ordinary share in the existing issued share capital of the Company was sub-divided into 13.8 shares ("Share Split").

The calculation of basic earnings per share at 31 March 2018, 31 March 2019 and 31 March 2020 is based on the profit attributable to ordinary shareholders of $5,479,262, $4,295,916 and $4,037,196, respectively and the weighted-average number of ordinary shares outstanding during the years, as follows:

	2018 No. of shares	**2019 No. of shares**	**2020 No. of shares**
Issued ordinary shares at 1 April	2	2	2
Issued ordinary shares pursuant to the Restructuring Exercise	14,999,998	14,999,998	14,999,998
Issued ordinary shares immediately after the Restructuring Exercise	15,000,000	15,000,000	15,000,000
Sub-division of ordinary shares via Share Split	207,000,000	207,000,000	207,000,000
Weighted-average number of ordinary shares during the year	207,000,000	207,000,000	207,000,000

The Company's pre-invitation number of ordinary shares of 207,000,000 has been used in the calculation of basic earnings per share for all periods presented as pre-invitation number of ordinary shares reflects the weighted average number of shares for all periods adjusting the changes in number of shares arising from the Restructuring Exercise as disclosed in Note 1.3 and Share Split.

Diluted earnings per share

As at 31 March 2018, 31 March 2019 and 31 March 2020, there were no outstanding dilutive potential ordinary shares.

32 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, ambulance services, healthcare training services, the offering of TCM services at our TCM clinics and the operation of senior activity centres in Singapore.

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 (the chief operating decision maker). 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**
	$	**$**	**$**	**$**
2018				
Revenue:				
External revenue	21,526,243	2,805,461	–	24,331,704
Inter-segment revenue	–	1,539,962	(1,539,962)	–
Operating subvention grants	14,317,724	–	–	14,317,724
Results:				
Segment results	7,199,834	(185,485)	(194,505)	6,819,844
Finance income	16,139	4,296	–	20,435
Finance costs	392,323	(99,976)	(1,398,277)	(1,105,930)
Share of results of joint venture	–	(193,095)	–	(193,095)
Segment profit/(loss) before tax	7,608,296	(474,260)	(1,592,782)	5,541,254
Assets:				
Segment assets	55,888,146	24,768,411	(17,136,579)	63,519,978
Tax assets	54,882	31,607	–	86,489
Total assets	55,943,028	24,800,018	(17,136,579)	63,606,467
Liabilities:				
Segment liabilities	50,621,859	33,131,710	(20,981,873)	62,771,696
Tax liabilities	771,043	15,774	–	786,817
Total liabilities	51,392,902	33,147,484	(20,981,873)	63,558,513
Capital expenditure	371,766	6,890	–	378,656

	Medicare centres and nursing homes	**Other operation and ancillary services**	**Eliminations**	**Total**
	$	**$**	**$**	**$**
<u>2018</u>				
Significant non-cash items				
Depreciation or property, plant and equipment	740,245	189,619	–	929,864
Depreciation or right-of-use assets	2,797,422	627,921	–	3,425,343
Reversal of impairment losses on trade receivables	(37,197)	–	–	(37,197)
<u>2019</u>				
Revenue:				
External revenue	20,716,433	1,718,539	–	22,434,972
Inter-segment revenue	–	2,469,900	(2,469,900)	–
Operating subvention grants	14,531,678	–	–	14,531,678
Results:				
Segment results	6,767,901	(2,066,221)	1,514,327	6,216,007
Finance income	(363,414)	3,571	392,330	32,487
Finance costs	(1,064,823)	(202,067)	–	(1,266,890)
Share of results of joint venture	–	(119,271)	–	(119,271)
Segment profit/(loss) before tax	5,339,664	(2,383,988)	1,906,657	4,862,333
Assets:				
Segment assets	51,475,273	51,229,737	(44,788,209)	57,916,801
Tax assets	48,318	31,570	–	79,888
Total assets	51,523,591	51,261,307	(44,788,209)	57,996,689
Liabilities:				
Segment liabilities	49,833,084	38,115,601	(49,179,259)	38,769,426
Tax liabilities	1,049,645	14,432	–	1,064,077
Total liabilities	50,882,729	38,130,033	(49,179,259)	39,833,503
Capital expenditure	1,528,892	1,654,921	–	3,183,813
Significant non-cash items				
Depreciation of property, plant and equipment	674,832	234,886	–	909,718
Depreciation of right-of-use assets	3,480,033	1,371,810	–	4,851,843
Reversal of impairment losses on trade receivables	(70,188)	–	–	(70,188)

	Medicare centres and nursing homes $	Other operation and ancillary services $	Eliminations $	Total $
2020				
Revenue:				
External revenue	19,831,537	2,093,673	–	21,925,210
Inter-segment revenue	–	5,006,050	(5,006,050)	–
Operating subvention grants	15,394,321	–	–	15,394,321
Results:				
Segment results	6,526,173	(2,053,058)	1,341,818	5,814,933
Finance income	(6,881)	2,283	32,992	28,394
Finance costs	(1,266,644)	(200,313)	(17,115)	(1,484,072)
Share of results of joint venture	–	(3,566)	–	(3,566)
Segment profit/(loss) before tax	5,252,648	(2,254,654)	1,357,695	4,355,689
Assets:				
Segment assets	63,027,561	49,998,030	(46,702,165)	66,323,426
Tax assets	39,264	62,543	–	101,807
Total assets	63,066,825	50,060,573	(46,702,165)	66,425,233
Liabilities:				
Segment liabilities	60,759,740	13,761,147	(28,103,868)	46,417,019
Tax liabilities	850,044	29,442	(8,778)	870,708
Total liabilities	61,609,784	13,790,589	(28,112,646)	47,287,727
Capital expenditure	2,003,381	143,812	–	2,147,193
Significant non-cash items				
Depreciation of property, plant and equipment	699,268	271,404	38,825	1,009,497
Depreciation of right-of-use assets	3,348,027	1,765,708	–	5,113,735
Impairment losses on trade receivables	8,710	–	–	8,710

Geographical information

External customers of the Group are located in Singapore and Malaysia. The Group carries out its operations in Singapore and Malaysia and all the Group's non-current assets are located in the two countries. The Group invested into operation of nursing homes in China which is expected to be operational in 2021 after receipt of the necessary licences and approvals.

In presenting the information on the basis of geographical segments, segment revenue is based on the geographical location of the customers and segment assets are based on the geographical location of the assets.

	2018 $	2019 $	2020 $
Revenue			
Singapore	19,675,493	16,982,487	16,641,643
Malaysia	4,656,211	5,452,485	5,283,567
Consolidated revenue	24,331,704	22,434,972	21,925,210
Non-current assets			
Singapore	20,918,249	22,026,174	27,999,219
Malaysia	23,563,847	23,602,152	24,570,036
China	–	–	1,043,050
Consolidated total non-current assets	44,482,096	45,628,326	53,612,305

33 Subsidiaries

As disclosed in Note 1.3, the Company had on 12 December 2018, entered into a restructuring agreement with Econ Healthcare Pte. Ltd. to acquire the equity interest of 9 entities listed in Note 1.3 for a consideration of $8,390,225. The consideration was satisfied by the allotment and issue of 8,390,225 ordinary shares of the Company to Econ Healthcare Pte. Ltd.. Upon completion of the above acquisition, these entities became the subsidiaries of the Company.

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

	Principal place of business/ Country of Incorporation	Ownership interest 2020 %	2019 %
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. [(1)]	Singapore	100	100
Econ Ambulance Services Pte. Ltd. [(1)]	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. [(1)]	Singapore	100	100

	Principal place of business/ Country of Incorporation	**Ownership interest 2020 %**	**2019 %**
Held through Econ Healthcare (China) Pte. Ltd.			
Chongqing Yikang Bailingbang Eldercare Co., Ltd. [3]	China	60	–
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	100

[1] Audited by KPMG LLP (Singapore)
[2] Audited by Baker Tilly Monteiro Heng (Malaysia)
[3] Incorporated on 12 December 2019 with a registered capital of RMB 20,000,000. Not audited as at 31 March 2020.

Econ Healthcare (M) Sdn Bhd

On 1 April 2019, the Group sold 30% shares in its wholly-owned subsidiary, Econ Healthcare (M) Sdn Bhd to non-controlling interests ("NCI") for a consideration $99,560. The Group recognised a gain on disposal of $69,821 (net of tax) in the equity. A new medicare centre and nursing home is operated by this subsidiary in December 2020.

The following subsidiaries have NCI.

Names of subsidiaries	**Principal places of business / Country of incorporation**	**Ownership interests held by NCI 2020 %**	**2019 %**
Econ Healthcare (M) Sdn. Bhd.	Malaysia	30	–
Chongqing Yikang Bailingbang Eldercare Co., Ltd.	China	40	–

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.**	**Total**
	$	**$**	**$**
2020			
Summarised consolidated income statement and consolidated statement of comprehensive income:			
Revenue	–	–	–
Loss for the year	(487,870)	(27,017)	(514,887)
Other comprehensive income	(633)	501	(132)
Total comprehensive income	(488,503)	(26,516)	(515,019)
Attributable to NCI			
- Loss	(146,361)	(10,807)	(157,168)
- OCI	(190)	199	9
- Total comprehensive income	(146,551)	(10,608)	(157,159)
Non-current assets	4,706,612	1,051,828	5,758,440
Current assets	130,851	–	130,851
Non-current liabilities	(2,833,290)	(1,032,401)	(3,865,691)
Current liabilities	(2,405,807)	(46,944)	(2,452,751)
Net liabilities	(401,634)	(27,517)	(429,151)
Net assets attributable to:			
Non-controlling interests	(120,490)	(10,608)	(131,098)
Summarised cash flow statements:			
Cash flows used in operating activities	(455,191)	–	(455,191)
Cash flows used in investing activities	(1,790,847)	–	(1,790,847)
Cash flows from financing activities	2,256,096	–	2,256,096

34 Transition to SFRS(I) and new standards and interpretations adopted

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I).

As stated in Note 2.2, these are the first financial statements of the Group prepared in accordance with SFRS(I).

The accounting policies set out in Note 3 have been applied in preparing the consolidated financial statements for the years ended 31 March 2018, 31 March 2019 and 31 March 2020, and in the preparation of the opening SFRS(I) statement of financial position at 1 April 2017 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I).

In preparing the opening SFRS(I) statement of financial position, the Group has adjusted amounts reported previously in the financial statements in accordance with previous financial reporting standards.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes amendments arising from IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and measurement of share-based payment transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of investment property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016;
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration.*
- SFRS(I) 16 *Leases*
- SFRS(I) Int 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I) 1-19)

The application of the above standards and interpretations do not have a material impact on the financial statements, except for SFRS(I) 9 and SFRS(I) 16.

An explanation of how the transition from previous FRS to SFRS(I) and the adoption of SFRS(I) 9 and SFRS(I) 16 have affected the Group's financial position, financial performance and cash flows is set out under the summary of quantitative impact and the accompanying notes.

The following reconciliations summarise the impacts on initial application of SFRS(I) 9 and SFRS(I) 16 on the Group's financial position as at 1 April 2017, 31 March 2018, 31 March 2019 and 31 March 2020, the Group's profit or loss, other comprehensive income and cash flows for the years ended 31 March 2018 and 31 March 2019.

Reconciliation of the Group's equity
Consolidated statement of financial position

		As at 1 April 2017			
	Note	SFRS framework $	SFRS(I) 9 adjustment $	SFRS(I) 16 adjustment $	SFRS(I) framework $
Assets					
Property, plant and equipment		20,228,165	–	–	20,228,165
Right-of-use assets	B	–	–	15,331,953	15,331,953
Joint venture		115,932	–	–	115,932
Trade and other receivables		–	–	343,713	343,713
Deferred tax assets		20,392	–	–	20,392
Finance lease receivables	B	–	–	153,567	153,567
Non-current assets		20,364,489	–	15,829,233	36,193,722
Trade and other receivables	A	18,627,975	(186,018)	(343,713)	18,098,244
Finance lease receivables	B	–	–	24,924	24,924
Cash and cash equivalents		5,418,509	–	–	5,418,509
Current tax assets		48,834	–	–	48,834
Current assets		24,095,318	(186,018)	(318,789)	23,590,511
Total assets		44,459,807	(186,018)	15,510,444	59,784,233
Share capital		2	–	–	2
Currency translation reserve		(3,320,541)	–	–	(3,320,541)
Merger reserve		750,005	–	–	750,005
Accumulated profits	A,B	4,878,947	(186,018)	(219,444)	4,473,485
Total equity		2,308,413	(186,018)	(219,444)	1,902,951
Liabilities					
Loans and borrowings		10,386,045	–	–	10,386,045
Deferred tax liabilities		156,602	–	–	156,602
Amount due to immediate holding company		23,662,106	–	–	23,662,106
Provision for restoration costs		305,757	–	–	305,757
Lease liabilities	B	–	–	13,952,682	13,952,682
Non-current liabilities		34,510,510	–	13,952,682	48,463,192
Loans and borrowings		1,348,149	–	–	1,348,149
Amount due to immediate holding company		2,223,277	–	–	2,223,277
Trade and other payables		3,434,213	–	–	3,434,213
Lease liabilities	B	–	–	1,777,206	1,777,206
Current tax liabilities		635,245	–	–	635,245
Current liabilities		7,640,884	–	1,777,206	9,418,090
Total liabilities		42,151,394	–	15,729,888	57,881,282
Total equity and liabilities		44,459,807	(186,018)	15,510,444	59,784,233

Reconciliation of the Group's equity
Consolidated statement of financial position

	Note	As at 31 March 2018 SFRS framework $	SFRS(I) 9 adjustment $	SFRS(I) 16 adjustment $	SFRS(I) framework $
Assets					
Property, plant and equipment		21,020,970	–	–	21,020,970
Right-of-use assets	B	–	–	22,422,712	22,422,712
Joint venture		122,837	–	–	122,837
Trade and other receivables		–	–	792,591	792,591
Deferred tax assets	B	23,082	–	8,525	31,607
Finance lease receivables	B	–	–	122,986	122,986
Non-current assets		21,166,889	–	23,346,814	44,513,703
Trade and other receivables	A	9,313,530	(64,288)	(792,591)	8,456,651
Finance lease receivables	B	–	–	30,581	30,581
Cash and cash equivalents		10,550,650	–	–	10,550,650
Current tax assets		54,882	–	–	54,882
Current assets		19,919,062	(64,288)	(762,010)	19,092,764
Total assets		41,085,951	(64,288)	22,584,804	63,606,467
Share capital		2	–	–	2
Currency translation reserve	B	(2,152,719)	–	(2,081)	(2,154,800)
Merger reserve		750,005	–	–	750,005
Accumulated profits	A,B	1,916,571	(64,288)	(399,536)	1,452,747
Total equity		513,859	(64,288)	(401,617)	47,954
Liabilities					
Loans and borrowings		9,363,067	–	–	9,363,067
Deferred tax liabilities	B	281,063	–	(52,910)	228,153
Amount due to immediate holding company		24,227,106	–	–	24,227,106
Provision for restoration costs		272,067	–	–	272,067
Lease liabilities	B	–	–	19,002,048	19,002,048
Non-current liabilities		34,143,303	–	18,949,138	53,092,441
Loans and borrowings		1,403,463	–	–	1,403,463
Amount due to immediate holding company		811,578	–	–	811,578
Trade and other payables		3,655,084	–	–	3,655,084
Lease liabilities	B	–	–	4,037,283	4,037,283
Current tax liabilities		558,664	–	–	558,664
Current liabilities		6,428,789	–	4,037,283	10,466,072
Total liabilities		40,572,092	–	22,986,421	63,558,513
Total equity and liabilities		41,085,951	(64,288)	22,584,804	63,606,467

Reconciliation of the Group's equity
Consolidated statement of financial position

		As at 31 March 2019			
	Note	SFRS framework $	SFRS(I) 9 adjustment $	SFRS(I) 16 adjustment $	SFRS(I) framework $
Assets					
Property, plant and equipment	B	22,798,994	–	(346,325)	22,452,669
Right-of-use assets	B	–	–	21,959,413	21,959,413
Joint venture		3,566	–	–	3,566
Trade and other receivables		–	–	1,123,528	1,123,528
Deferred tax assets	B	–	–	31,570	31,570
Finance lease receivables	B	–	–	89,150	89,150
Non-current assets		22,802,560	–	22,857,336	45,659,896
Trade and other receivables		5,461,438	–	(1,123,528)	4,337,910
Finance lease receivables	B	–	–	33,836	33,836
Cash and cash equivalents		7,916,729	–	–	7,916,729
Current tax assets		48,318	–	–	48,318
Current assets		13,426,485	–	(1,089,692)	12,336,793
Total assets		36,229,045	–	21,767,644	57,996,689
Share capital		15,000,000	–	–	15,000,000
Currency translation reserve	B	(2,486,140)	–	(44)	(2,486,184)
Merger reserve		(99,293)	–	–	(99,293)
Accumulated profits	B	6,498,583	–	(749,920)	5,748,663
Total equity		18,913,150	–	(749,964)	18,163,186
Liabilities					
Loans and borrowings	B	7,848,219	–	(140,000)	7,708,219
Deferred tax liabilities	B	480,228	–	(135,300)	344,928
Provision for restoration costs		283,948	–	–	283,948
Lease liabilities	B	–	–	18,022,280	18,022,280
Non-current liabilities		8,612,395	–	17,746,980	26,359,375
Amount due to immediate holding company		1,700,212	–	–	1,700,212
Trade and other payables		3,982,236	–	–	3,982,236
Loans and borrowings	B	2,301,903	–	(40,000)	2,261,903
Lease liabilities	B	–	–	4,810,628	4,810,628
Current tax liabilities		719,149	–	–	719,149
Current liabilities		8,703,500	–	4,770,628	13,474,128
Total liabilities		17,315,895	–	22,517,608	39,833,503
Total equity and liabilities		36,229,045	–	21,767,644	57,996,689

Reconciliation of the Group's profit or loss
Consolidated income statement

		Year ended 31 March 2018			
	Note	SFRS framework $	SFRS(I) 9 adjustment $	SFRS(I) 16 adjustment $	SFRS(I) framework $
Revenue		24,331,704	–	–	24,331,704
Operating subvention grants		14,317,724	–	–	14,317,724
Other income	B	524,986	–	(29,220)	495,766
Supplies and consumables		(3,972,791)	–	–	(3,972,791)
Staff costs	B	(13,680,942)	–	30,000	(13,650,942)
Depreciation of property, plant and equipment		(929,864)	–	–	(929,864)
Depreciation of right-of-use assets	B	–	–	(3,425,343)	(3,425,343)
Lease expense	B	(4,885,621)	–	3,706,225	(1,179,396)
Utilities expenses		(928,787)	–	–	(928,787)
Purchased and contracted services		(5,680,000)	–	–	(5,680,000)
Reversal of (impairment losses) on trade receivables	A	(84,533)	121,730	–	37,197
Other operating expenses	B	(2,611,152)	–	15,728	(2,595,424)
Results from operating activities		6,400,724	121,730	297,390	6,819,844
Finance income	B	16,139	–	4,296	20,435
Finance costs – leases	B	–	–	(542,554)	(542,554)
Finance costs – others		(563,376)	–	–	(563,376)
Finance costs		(563,376)	–	(542,554)	(1,105,930)
Net finance costs		(547,237)	–	(538,258)	(1,085,495)
Share of loss of joint venture (net of tax)		(193,095)	–	–	(193,095)
Profit before tax		5,660,392	121,730	(240,868)	5,541,254
Tax expense	B	(122,768)	–	60,776	(61,992)
Profit for the year, attributable to owner of the Company		5,537,624	121,730	(180,092)	5,479,262

Reconciliation of the Group's total comprehensive income
Consolidated statement of comprehensive income

		Year ended 31 March 2018			
	Note	**SFRS framework $**	**SFRS(I) 9 adjustment $**	**SFRS(I) 16 adjustment $**	**SFRS(I) framework $**
Profit for the year		5,537,624	121,730	(180,092)	5,479,262
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences – foreign operations	B	1,167,822	–	(2,081)	1,165,741
Total comprehensive income for the year, attributable to owner of the Company		6,705,446	121,730	(182,173)	6,645,003

Reconciliation of the Group's profit or loss
Consolidated income statement

		Year ended 31 March 2019			
	Note	**SFRS framework $**	**SFRS(I) 9 adjustment $**	**SFRS(I) 16 adjustment $**	**SFRS(I) framework $**
Revenue		22,434,972	–	–	22,434,972
Operating subvention grants		14,531,678	–	–	14,531,678
Other income	B	436,483	–	(34,152)	402,331
Supplies and consumables		(4,214,269)	–	–	(4,214,269)
Staff costs	B	(14,114,359)	–	57,600	(14,056,759)
Depreciation of property, plant and equipment		(909,718)	–	–	(909,718)
Depreciation of right-of-use assets	B	–	–	(4,851,843)	(4,851,843)
Lease expense	B	(5,250,102)	–	5,133,589	(116,513)
Utilities expenses		(930,362)	–	–	(930,362)
Purchased and contracted services		(3,680,000)	–	–	(3,680,000)
Reversal of impairment loss on trade receivables	A	69,925	263	–	70,188
Other operating expenses	B	(2,500,706)	–	37,008	(2,463,698)
Results from operating activities		5,873,542	263	342,202	6,216,007
Finance income	B	28,916	–	3,571	32,487
Finance costs - leases	B	–	–	(804,446)	(804,446)
Finance costs - others	B	(465,124)	–	2,680	(462,444)
Finance costs		(465,124)	–	(801,766)	(1,266,890)
Net finance costs		(436,208)	–	(798,195)	(1,234,403)
Share of loss of joint venture (net of tax)		(119,271)	–	–	(119,271)
Profit before tax		5,318,063	263	(455,993)	4,862,333
Tax expense	B	(672,026)	–	105,609	(566,417)
Profit for the year, attributable to owner of the Company		4,646,037	263	(350,384)	4,295,916

Reconciliation of the Group's total comprehensive income
Consolidated statement of comprehensive income

	Year ended 31 March 2019			
	SFRS framework $	SFRS(I) 9 adjustment $	SFRS(I) 16 adjustment $	SFRS(I) framework $
Profit for the year	4,646,037	263	(350,384)	4,295,916
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences – foreign operations	(333,421)	–	2,037	(331,384)
Total comprehensive income for the year, attributable to owner of the Company	4,312,616	263	(348,347)	3,964,532

Reconciliation of the Group's statement of cash flows
Consolidated statement of cash flows

	Note	For the year ended 31 March 2018			
		SFRS framework $	**SFRS(I) 9 adjustment $**	**SFRS(I) 16 adjustment $**	**SFRS(I) framework $**
Cash flows from operating activities					
Profit for the year	A,B	5,537,624	121,730	(180,092)	5,479,262
Adjustments for:					
Loss on disposal of property, plant and equipment		3,086	–	–	3,086
Depreciation of property, plant and equipment		929,864	–	–	929,864
Depreciation of right-of-use assets	B	–	–	3,425,343	3,425,343
Impairment losses (reversal of impairment losses) on trade receivables	A	84,533	(121,730)	–	(37,197)
Interest income	B	(16,139)	–	(4,296)	(20,435)
Interest expense	B	474,300	–	542,554	1,016,854
Unwinding of discount on provisions		8,044	–	–	8,044
Tax expense	B	122,768	–	(60,776)	61,992
Share of loss of joint-venture, net of tax		193,095	–	–	193,095
		7,337,175	–	3,722,733	11,059,908
Changes in:					
- Trade and other receivables		783,915	–	–	783,915
- Trade and other payables		237,938	–	–	237,938
Cash generated from operations		8,359,028	–	3,722,733	12,081,761
Reinstatement cost paid		(41,734)	–	–	(41,734)
Tax paid		(86,294)	–	–	(86,294)
Net cash from operating activities		8,231,000	–	3,722,733	11,953,733
Cash flows from investing activities					
Non-trade amounts due from immediate holding company		(21,498)	–	–	(21,498)
Non-trade amounts due from a related company		(54)	–	–	(54)
Finance lease received	B	–	–	29,220	29,220
Loan to joint venture		(200,000)	–	–	(200,000)
Interest received		16,139	–	–	16,139
Proceeds from disposal of property, plant and equipment		2,797	–	–	2,797
Purchase of property, plant and equipment		(378,656)	–	–	(378,656)
Withdrawal of fixed deposits		(292,300)	–	–	(292,300)
Net cash used in investing activities		(873,572)	–	29,220	(844,352)
Cash flows from financing activities					
Non-trade amount due to immediate holding company		(846,699)	–	–	(846,699)
Repayment of borrowings		(1,289,331)	–	–	(1,289,331)
Payment of lease liabilities	B	–	–	(3,209,399)	(3,209,399)
Interest paid	B	(474,403)	–	(542,554)	(1,016,957)
Net cash used in financing activities		(2,610,433)	–	(3,751,953)	(6,362,386)
Net increase in cash and cash equivalents		4,746,995	–	–	4,746,995
Cash and cash equivalents at 1 April		5,371,542	–	–	5,371,542
Effect of exchange rate fluctuations on cash held		92,846	–	–	92,846
Cash and cash equivalents at 31 March		10,211,383	–	–	10,211,383

Reconciliation of the Group's statement of cash flows
Consolidated statement of cash flows

	Note	Year ended 31 March 2019 SFRS framework $	SFRS(I) 9 adjustment $	SFRS(I) 16 adjustment $	SFRS(I) framework $
Cash flows from operating activities					
Profit for the year	A,B	4,646,037	263	(350,384)	4,295,916
Adjustments for:					
Gain on disposal of property, plant and equipment		(91,681)	–	–	(91,681)
Depreciation of property, plant and equipment		909,718	–	–	909,718
Depreciation of right-of-use assets	B	–	–	4,851,843	4,851,843
Re-measurement from lease modification	B	–	–	(18,888)	(18,888)
Reversal of impairment losses on trade receivables	A	(69,925)	(263)	–	(70,188)
Interest income	B	(28,137)	–	(3,571)	(31,708)
Interest expense	B	453,243	–	801,766	1,255,009
Unwinding of discount on provisions		11,881	–	–	11,881
Tax expense	B	672,026	–	(105,609)	566,417
Share of loss of joint-venture, net of tax		119,271	–	–	119,271
		6,622,433	–	5,175,157	11,797,590
Changes in					
- Trade and other receivables		217,738	–	–	217,738
- Trade and other payables		(60,548)	–	–	(60,548)
Cash generated from operations		6,779,623	–	5,175,157	11,954,780
Tax paid		(280,253)	–	–	(280,253)
Net cash from operating activities		6,499,370	–	5,175,157	11,674,527
Cash flows from investing activities					
Non-trade amounts due from immediate holding company		(6,165,386)	–	–	(6,165,386)
Non-trade amounts due from a related company		(57,343)	–	–	(57,343)
Finance lease received	B	–	–	34,152	34,152
Interest received		28,137	–	–	28,137
Proceeds from disposal of property, plant and equipment		154,780	–	–	154,780
Purchase of property, plant and equipment		(2,137,951)	–	–	(2,137,951)
Placement of fixed deposits		140,209	–	–	140,209
Net cash used in investing activities		(8,037,554)	–	34,152	(8,003,402)
Cash flows from financing activities					
Proceeds from borrowings		702,286	–	–	702,286
Non-trade amount due to immediate holding company		239,528	–	–	239,528
Repayment of borrowings		(1,397,237)	–	–	(1,397,237)
Payment of lease liabilities	B	(20,000)	–	(4,407,543)	(4,427,543)
Interest paid	B	(453,154)	–	(801,766)	(1,254,920)
Net cash used in financing activities		(928,577)	–	(5,209,309)	(6,137,886)
Net decrease in cash and cash equivalents		(2,466,761)	–	–	(2,466,761)
Cash and cash equivalents at 1 April		10,211,383	–	–	10,211,383
Effect of exchange rate fluctuations on cash held		(26,951)	–	–	(26,951)
Cash and cash equivalents at 31 March		7,717,671	–	–	7,717,671

Notes to the reconciliation of effect of current framework to SFRS(I) framework

(A) SFRS(I) 9

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' (ECL) model and a new general hedge accounting model.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been applied by the Group retrospectively.

The impact upon adoption of SFRS(I) 9, including the corresponding tax effects, are described below.

(i) Classification of financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, fair value through other comprehensive income ("FVOCI") – equity instrument; or fair value through profit or loss ("FVTPL"). The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

SFRS(I) 9 largely retains the existing requirements in FRS 39 for the classification and measurement of financial liabilities and derivative financial instruments.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies related to financial liabilities.

The following tables and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's financial assets as at 1 April 2017.

	Original classification under FRS 39	New classification under SFRS (I) 9	Original carrying amount under FRS 39 $	New carrying amount under SFRS (I) 9 $
Financial assets				
Trade and other receivables *	Loans and receivables	Amortised cost	18,361,789	18,361,789
Cash and cash equivalents	Loans and receivables	Amortised cost	5,418,509	5,418,509
Total financial assets			23,780,298	23,780,298

* – excluding prepayments

(ii) Impairment of financial assets

SFRS(I) 9 replaces the "incurred loss" model in FRS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost.

The application of SFRS(I) 9 impairment requirements at 1 April 2017 results in increase in allowances for impairment as follows:

	$
Loss allowance at 31 March 2017 under FRS 39	516,843
Increase in impairment recognised at 1 April 2017 on trade and other receivables as at 31 March 2017	186,018
Loss allowance at 1 April 2017 under SFRS(I) 9	702,861

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Additional information about how the Group measure the allowance for impairment is described in Note 27.

(B) SFRS(I) 16

The Group has initially adopted SFRS(I) 16 *Leases* from 1 April 2017. SFRS(I) 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect, if any, of initial application is recognised in retained earnings at 1 April 2017. The details of the changes in accounting policies are disclosed below.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under INT FRS 104 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease. Under SFRS(I) 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed. Therefore, the definition of a lease under SFRS(I) 16 has been applied only to contracts entered into or changed on or after 1 April 2017.

As a lessee

As a lessee, the Group leases many assets including office premise, office equipment, properties for its nursing homes, health and wellness centres, staff apartments and ambulance vehicles. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

Leases classified as operating leases under SFRS(I) 1-17

Previously, the Group classified office premises, office equipment, properties for its nursing homes, health and wellness centres, staff apartments and ambulance vehicles leases as operating leases under SFRS(I) 1-17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 April 2017. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has recognised impairment losses in the accumulated profits.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

The Group assessed the classification of the security deposits with reference to the periods covered by lease contract, including the option to extend the lease if the Group is reasonably certain to exercise that option. These deposits are reclassified from current trade and other receivables to non-current based on the expected recovery of the deposits accordingly.

Leases classified as finance leases under SFRS(I) 1-17

The Group leases a motor vehicle. This lease was classified as finance leases under SFRS(I) 1-17. For these finance leases, the carrying amount of the right-of use asset and the lease liability at 1 April 2017 were determined at the carrying amount of the lease asset and lease liability under SFRS(I) 1-17 immediately before that date.

As a lessor

The Group leases out its investment property, including right-of-use assets. The Group has classified these leases as operating leases.

The Group is not required to make any adjustments on transition to SFRS(I) 16 for leases in which it acts as a lessor, except for a sub-lease.

The Group sub-leases out its health and wellness centres. The Group has classified these leases as operating leases, with the exception of a sub-lease, which the Group classified as a finance sub-lease.

Under SFRS(I) 1-17, the head lease and sub-lease contracts were classified as operating leases. On transition to SFRS(I) 16, the right-of-use assets recognised from the head leases are measured at fair value at that date. The Group assessed the classification of the sub-lease contracts with reference to the right-of-use asset rather than the underlying asset, and concluded that they are operating leases under SFRS(I) 16.

The Group has applied SFRS(I) 15 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

The Group has also entered into a sub-lease before 2017, which has been classified as a finance lease.

Impact on financial statements

Impact on transition*

On transition to SFRS(I) 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in accumulated profits. The impact on transition is summarised below.

	1 April 2017 $
Right-of-use assets	15,653,934
Impairment losses of right-of-use assets	(321,981)
	15,331,953
Lease liabilities	(15,729,888)
Finance lease receivables	178,491
Accumulated profits	219,444

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2017. The weighted-average rate applied is 3.02%.

	1 April 2017 $
Operating lease commitments at 31 March 2017 under SFRS(I) 1-17	14,396,073
Discounted using the incremental borrowing rate at 1 April 2017	11,095,800
- Recognition exemption for leases with less than 12 months of lease term at transition	(1,145,936)
- Early termination of leases	(346,976)
- Extension options reasonably certain to be exercised	6,127,000
Lease liabilities recognised at 1 April 2017	15,729,888

(C) SFRS(I) 1

In adopting SFRS(I), the Group has applied the transition requirements in SFRS(I) 1 with 1 April 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

35 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements.

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- SFRS(I) 1-17 *Insurance Contracts*
- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 1-7)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)

SFRS(I) 1-17, when effective, will change the existing accounting standards and guidance applied by the Group in accounting for intra-group financial guarantee contracts, which are currently accounted for as insurance contracts. As such, this standard is expected to be relevant to the Group. The Group is currently assessing the impact of SFRS(I) 1-17 and plans to adopt the new standard on the recognised effective date.

36 Commitments

The Group has made commitments for the following capital expenditures:

	1 April 2017 $	31 March 2018 $	31 March 2019 $	31 March 2020 $
Plant and equipment	–	–	–	190,731

37 Subsequent events

(i) Disposal of joint venture

On 30 September 2020, the Group transferred its shares in the joint venture, Econ Advance Renal Care Pte. Ltd., to Econ Healthcare Pte. Ltd. for a consideration of $1. On 31 December 2020, the Group entered into a shareholder loan transfer agreement with immediate holding company pursuant to which the loan due from joint venture amounting to $375,000 was transferred to immediate holding company.

(ii) Coronavirus (COVID-19) pandemic

The coronavirus (COVID-19) pandemic was announced by the World Health Organization in March 2020 given the outbreak of the virus in countries across the world including Singapore.

The spread of COVID-19 has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses. The Group is taking precautionary measures to deal with the COVID-19 outbreak in accordance with guidelines provided by the authorities in the respective countries the Group operates in.

The COVID-19 outbreak is expected to have minimal impact the Group’s operations and results. The Group is actively monitoring and managing its operations to minimize any potential impacts that may arise from the outbreak.

(iii) Investment in Sichuan Guangda Bailingbang Yikang

On 3 March 2021, the Group via a wholly-owned subsidiary, Econ Healthcare (China) Pte. Ltd., and third party partners Guangda Bailingbang Eldercare Industry, Sichuan Mingruiyi Health Eldercare Co., Ltd and Rongyao Changsheng (Chengdu) Health Eldercare Co., Ltd. incorporated a new entity for the purpose of leasing and operating a nursing home in Chengdu, China. The Group holds 20% of this newly incorporated entity named Sichuan Guangda Bailingbang Yikang.

(iv) Share split

On 23 March 2021, in connection with the proposed initial public offering of the Company’s shares, the Company approved the sub-division of each ordinary share in the existing issued share capital of the Company into 13.8 ordinary shares (see Note 31).

(v) Change in name

On 26 February 2021, the Company changed its name to Econ Healthcare (Asia) Pte. Ltd.. On 29 March 2021, the Company changed its name to Econ Healthcare (Asia) Limited in connection with its conversion into a public company limited by shares.

APPENDIX B – INDEPENDENT AUDITORS' REVIEW REPORT AND UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2020

Econ Healthcare (Asia) Limited
and its subsidiaries
Registration Number: 200400965N

Unaudited condensed consolidated interim financial statements
For the six-month period ended 30 September 2020

Directors' statement

In our opinion:

(a) the unaudited condensed consolidated interim financial statements set out on pages FS1 to FS36 are drawn up so as to present fairly the consolidated interim statement of financial position as at 30 September 2020, the consolidated interim income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six-month period ended 30 September 2020 in accordance with Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting*; and

(b) 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.

The Board of Directors has, on the date of this statement, authorised these unaudited condensed consolidated interim financial information for issue.

On behalf of the Board of Directors

Ong Chu Poh
Director

Ong Hui Ming
Director

25 March 2021, except for Note 32 Subsequent events, as to which the date is 9 April 2021.

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Independent auditors' report on review of condensed consolidated interim financial statements for the six-month period ended 30 September 2020

The Board of Directors
Econ Healthcare (Asia) Limited

Introduction

We have reviewed the condensed consolidated interim statement of financial position of Econ Healthcare (Asia) Limited (the "Company") and its subsidiaries (collectively the "Group") as at 30 September 2020 and the related condensed consolidated interim income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information (the "Condensed Consolidated Interim Financial Statements"). The Company's management is responsible for the preparation and presentation of the Condensed Consolidated Interim Financial Statements in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on the Condensed Consolidated Interim Financial Statements based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Interim Financial Statements is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.

Restriction on Distribution and Use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed offering of the shares of the Company in connection with the Company's listing on the Catalist Board of the Singapore Exchange Securities Trading Limited.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

Tan Yek Lee Doreen
Partner-in-charge

25 March 2021, except for Note 32 Subsequent events, as to which the date is 9 April 2021.

Unaudited condensed consolidated interim statement of financial position
As at 30 September 2020

	Note	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Assets			
Property, plant and equipment	7	15,663,659	15,114,106
Right-of-use assets	8	27,952,820	29,001,111
Investment property	9	8,257,572	8,281,218
Joint venture	10	–	–
Trade and other receivables	11	1,163,005	1,161,970
Deferred tax assets		104,701	78,344
Finance lease receivables		36,957	53,900
Non-current assets		53,178,714	53,690,649
Inventories		13,703	7,205
Trade and other receivables	11	9,276,312	5,335,563
Finance lease receivables		34,396	34,649
Cash and cash equivalents	12	9,067,039	7,333,704
Current tax assets		98,192	23,463
Current assets		18,489,642	12,734,584
Total assets		71,668,356	66,425,233
Equity			
Share capital	13	15,000,000	15,000,000
Currency translation reserve		(2,623,557)	(2,587,783)
Merger reserve		(99,293)	(99,293)
Accumulated profits		10,607,608	6,955,680
Equity attributable to owner of the Company		22,884,758	19,268,604
Non-controlling interests		227,195	(131,098)
Total equity		23,111,953	19,137,506
Liabilities			
Loans and borrowings	14	5,256,088	6,165,114
Deferred tax liabilities		347,532	374,424
Deferred capital grants		235,199	245,906
Provision for restoration costs		502,279	507,911
Lease liabilities	17	24,892,738	25,691,027
Non-current liabilities		31,233,836	32,984,382
Loans and borrowings	14	5,907,807	3,472,807
Amounts due to immediate holding company	16	–	698,086
Trade and other payables	18	5,855,603	4,928,417
Lease liabilities	17	4,664,344	4,707,751
Current tax liabilities		894,813	496,284
Current liabilities		17,322,567	14,303,345
Total liabilities		48,556,403	47,287,727
Total equity and liabilities		71,668,356	66,425,233

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated interim income statement
For the six-month period ended 30 September 2020

	Note	For the six-month period ended 30 September 2020 $ (Unaudited)	2019 $ (Unaudited)
Revenue	19	10,234,193	11,111,258
Operating subvention grants	20	8,406,546	7,462,654
Other income	21	3,113,094	269,086
Supplies and consumables		(2,626,619)	(2,484,628)
Staff costs		(9,220,807)	(8,697,853)
Depreciation of property, plant and equipment	7	(520,756)	(492,757)
Depreciation of right-of-use assets	8	(2,573,659)	(2,558,248)
Lease expense		(648)	(22,998)
Utilities expenses		(494,261)	(525,923)
Impairment losses on trade receivables		(10,344)	(45,400)
Other operating expenses		(1,370,863)	(1,447,991)
Results from operating activities		4,935,876	2,567,200
Finance income		9,901	14,813
Finance costs - leases		(506,734)	(505,459)
Finance costs - others		(220,537)	(228,101)
Finance costs		(727,271)	(733,560)
Net finance costs	23	(717,370)	(718,747)
Share of profit/(loss) of joint venture (net of tax)	10	4,591	(3,566)
Profit before tax		4,223,097	1,844,887
Tax expense	24	(685,851)	(370,730)
Profit for the period	22	3,537,246	1,474,157
Profit attributable to:			
Owner of the Company		3,651,928	1,511,197
Non-controlling interests		(114,682)	(37,040)
Profit for the period		3,537,246	1,474,157
Earnings per share			
Basic and diluted earnings per share (cents)		1.76	0.73

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated interim statement of comprehensive income
For the six-month period ended 30 September 2020

	For the six-month period ended 30 September	
	2020	**2019**
	$	**$**
	(Unaudited)	**(Unaudited)**
Profit for the period	3,537,246	1,474,157
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	(29,466)	(81,095)
Total comprehensive income for the period	3,507,780	1,393,062
Total comprehensive income attributable to:		
Owner of the Company	3,616,154	1,430,302
Non-controlling interests	(108,374)	(37,240)
Total comprehensive income for the period	3,507,780	1,393,062

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated interim statement of changes in equity
For the six-month period ended 30 September 2020

Group	**Share capital $**	**Currency translation reserve $**	**Merger reserve $**	**Accumulated profits $**	**Total equity attributable to owner of the Company $**	**Non-controlling interests $**	**Total equity $**
At 1 April 2020	15,000,000	(2,587,783)	(99,293)	6,955,680	19,268,604	(131,098)	19,137,506
Total comprehensive income for the period							
Profit for the period	–	–	–	3,651,928	3,651,928	(114,682)	3,537,246
Other comprehensive income							
Foreign currency translation differences – foreign operations	–	(35,774)	–	–	(35,774)	6,308	(29,466)
Total comprehensive income for the period	–	(35,774)	–	3,651,928	3,616,154	(108,374)	3,507,780
Transactions with owner, recognised directly in equity							
Capital contribution by non-controlling interests	–	–	–	–	–	466,667	466,667
At 30 September 2020 (Unaudited)	15,000,000	(2,623,557)	(99,293)	10,607,608	22,884,758	227,195	23,111,953

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated interim statement of changes in equity (cont'd)
For the six-month period ended 30 September 2020

Group	Share capital $	Currency translation reserve $	Merger reserve $	Accumulated profits $	Total equity attributable to owner of the Company $	Non-controlling interests $	Total equity $
At 1 April 2019	15,000,000	(2,486,184)	(99,293)	5,748,663	18,163,186	–	18,163,186
Total comprehensive income for the period							
Profit for the period	–	–	–	1,511,197	1,511,197	(37,040)	1,474,157
Other comprehensive income							
Foreign currency translation differences – foreign operations	–	(80,895)	–	–	(80,895)	(200)	(81,095)
Total comprehensive income for the period	–	(80,895)	–	1,511,197	1,430,302	(37,240)	1,393,062
Transactions with owner, recognised directly in equity							
Sale of equity interests to non-controlling interest without change in control	–	3,678	–	69,821	73,499	26,061	99,560
At 30 September 2019 (Unaudited)	15,000,000	(2,563,401)	(99,293)	7,329,681	19,666,987	(11,179)	19,655,808

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated interim statement of cash flows
For the six-month period ended 30 September 2020

	Note	For the six-month period ended 30 September 2020 $ (Unaudited)	2019 $ (Unaudited)
Cash flows from operating activities			
Profit for the period		3,537,246	1,474,157
Adjustments for:			
Amortisation of deferred capital grant		(10,707)	(8,437)
Loss on disposal of property, plant and equipment		2,132	14,859
Depreciation of property, plant and equipment		520,756	492,757
Depreciation of right-of-use assets		2,573,659	2,558,248
Loss on disposal of joint venture		4,590	–
Impairment losses on trade receivables		10,344	45,400
Write-off of property, plant and equipment		–	310
Interest income		(9,901)	(13,860)
Interest expense		717,696	731,441
Rent concessions		(501,440)	–
Unwinding of discount on provisions		2,147	2,119
Reversal of provision for restoration cost		(7,779)	–
Tax expense		685,851	370,730
Share of (profit)/loss of joint venture, net of tax		(4,591)	3,566
		7,520,003	5,671,290
Changes in:			
- Inventories		(6,498)	(4,767)
- Trade and other receivables		(2,155,414)	(4,268,184)
- Trade and other payables		636,616	1,007,092
Cash generated from operations		5,994,707	2,405,431
Tax paid		(414,557)	(295,751)
Net cash from operating activities		5,580,150	2,109,680
Cash flows from investing activities			
Change in non-trade amounts due from immediate holding company		(2,819,839)	(5,343)
Change in non-trade amounts due from a related company		487,973	161,302
Change in non-trade amounts due from non-controlling interests		(8,942)	–
Finance lease received		18,360	18,360
Proceeds from disposal of plant and equipment		267	29,297
Proceeds from disposal of joint venture		1	–
Proceeds from sale of equity interest to non-controlling interest without change in controlling interest		–	99,560
Purchase of property, plant and equipment		(1,101,786)	(1,454,015)
(Placement)/withdrawal of fixed deposits with licensed banks		(1,501)	165,079
Restricted cash held with bank		(30,162)	–
Capital grants received		–	108,942
Interest received		8,737	12,393
Net cash used in investing activities		(3,446,892)	(864,425)

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited condensed consolidated interim statement of cash flows (cont'd)
For the six-month period ended 30 September 2020

	Note	**For the six-month period ended 30 September 2020 $ (Unaudited)**	**2019 $ (Unaudited)**
Cash flows from financing activities			
Capital contribution by non-controlling interests		318,926	–
Change in non-trade amounts due to immediate holding company		–	(1,655,218)
Change in non-trade amounts due to non-controlling interests		278,743	–
Proceeds from borrowings		2,294,294	922,647
Repayment of borrowings		(753,176)	(729,921)
Payment of lease liabilities		(1,891,981)	(2,370,950)
Interest paid		(681,886)	(731,868)
Net cash used in financing activities		(435,080)	(4,565,310)
Net increase/(decrease) in cash and cash equivalents		1,698,178	(3,320,055)
Cash and cash equivalents at 1 April		7,300,749	7,717,671
Effect of exchange rate fluctuations on cash held		3,494	7,812
Cash and cash equivalents at 30 September	12	9,002,421	4,405,428

Significant non-cash transactions

Acquisition of property, plant and equipment
The Group acquired property, plant and equipment with an aggregate cost of $1,101,786 (2019: $1,584,015), of which $Nil (2019: $130,000) was provision for restoration costs.

Settlement of non-trade amounts due to immediate holding company
As at 30 September 2020, the non-trade amounts owing to its immediate holding company, amounting to $698,086 was settled via set-off against non-trade amounts due from immediate holding company.

Rent concessions
Rent concessions were given by the lessors to the Group arising from the Rental Relief Framework 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. It allows the Group to forego lease payments amounting to $501,440 during the period of the rent concession. See Note 15 and 21 for details.

Notes to the unaudited condensed consolidated interim financial statements

These notes form an integral part of the unaudited condensed consolidated interim financial statements.

1 Domicile and activities

1.1 Introduction

The Company was incorporated on 28 January 2004 under the name of EHL (S) Pte. Ltd. and is domiciled in the Republic of Singapore. The name was changed to Econ Healthcare (S) Pte. Ltd. with effect from 16 February 2006. On 26 February 2021, the Company changed its name to Econ Healthcare (Asia) Pte. Ltd..

The unaudited condensed consolidated interim financial statements of Econ Healthcare (Asia) Limited (the "Company") and its subsidiaries (together referred to as the "Group" and individually as "Group entities") have been prepared solely for inclusion in the Offer Document to be issued in connection with the initial public offering and listing of the shares of the Company on the Catalist Board of Singapore Exchange Securities Trading Limited.

1.2 The Company

The Company's registered address and principal place of business is at 160 Changi Road, #05-01-13 Hexacube, Singapore 419728.

The immediate and ultimate holding company are Econ Healthcare Pte. Ltd. and Econ Investment Holdings Pte. Ltd. respectively. Both are incorporated in the Republic of Singapore. As at 30 September 2020 and 31 March 2020, the Group was ultimately controlled by Mr Ong Chu Poh and Dr Koh Hin Ling, who have the power to direct the transactions of the Group at their own discretion and for their own benefit. They also have a number of other business interests outside the Group.

The principal activities of the Group 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.

2 Basis of accounting

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") I-34 *Interim Financial Reporting*, and should be read in conjunction with the last issued audited consolidated financial statements of the Group as at and for the year ended 31 March 2020 which is included in the Offer Document of the Company. They do not include all of the information required for a complete set of SFRS(I) financial statements. However, selected explanatory notes are included to explain the events and transactions that are significant to understanding of the changes in the Group's financial position and performance since the last issued audited consolidated financial statements.

The unaudited condensed consolidated interim financial statements are presented in Singapore dollar which is the functional currency of the Company and the presentation currency for the Group.

These unaudited condensed consolidated interim financial statements were authorised for issue by the Company's board of directors on 9 April 2021.

3 Use of estimates and judgements

In preparing the unaudited condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last issued audited consolidated financial statements.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has an overall responsibility for all significant fair value measurements and reports directly to the Chief Financial Officer.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1* : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3* : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is 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 (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 25 – Financial risk management.

4 Changes in accounting policy

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies in the audited consolidated financial statements for the financial statements for the financial year ended 31 March 2020 and are, prepared in accordance with SFRS(I).

Except as described below, the accounting policies applied in these unaudited condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 March 2020.

The Group has early adopted *Covid-19-Related Rent Concessions – Amendment to SFRS(I) 16* issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee, i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequences of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on accumulated profits at 1 April 2020.

5 Significant accounting policies

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities in the consolidated statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied *Covid-19-Related Rent Concessions – Amendment to SFRS(I) 16.* The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concession in leases to which Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

6 Seasonal operations

The Group's operations were not significantly affected by seasonal or cyclical factors during the period.

7 Property, plant and equipment

Acquisitions and disposals
During the six-month period ended 30 September 2020, the Group acquired property, plant and equipment of $1,101,786 (six-month period ended 30 September 2019: $1,584,015).

Assets were disposed during the six-month period ended 30 September 2020 with carrying amount of $2,399 (six-month period ended 30 September 2019: $44,156), resulting in a loss of $2,132 (six-month period ended 30 September 2019: loss of $14,859) in profit or loss.

Depreciation
During the six-month period ended 30 September 2020, the Group's depreciation charge for property, plant and equipment amounted to $520,756 (six-month period ended 30 September 2019: $492,757).

8 Right-of-use assets

Additions

During the six-month period ended 30 September 2020, the Group recognised right-of-use assets of $1,535,244 (six-month period ended 30 September 2019: $8,717,560), of which $1,351,668 (six-month period 30 September 2019: 8,397,024) relates to lease modification.

Depreciation

During the six-month period ended 30 September 2020, the Group's depreciation charge amounted to $2,573,659 (six-month period ended 30 September 2019: $2,558,248).

9 Investment property

	30 September 2020 $ (Unaudited)	**31 March 2020 $ (Audited)**
At 1 April 2020 / 1 April 2019, at cost	8,281,218	–
Reclassification from property, plant and equipment	–	8,280,299
Translation differences on consolidation	(23,646)	919
At 30 September 2020 / 31 March 2020	8,257,572	8,281,218

Investment property comprises a freehold land that is leased to a third party during the period/year. 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

	For the six-month period ended 30 September 2020 $ (Unaudited)	2019 $ (Unaudited)
Rental income	82,893	59,807
Direct operating expenses	(2,789)	(44,967)

The fair value of the investment property amounting to $8,215,250 (31 March 2020: $8,238,775), description of valuation techniques and inputs used in fair value measurement are disclosed in Note 25.

10 Joint venture

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Unquoted equity investment, net	–	–
Loan due from related corporation (31 March 2020: joint venture), net	–	–
Interest in joint venture	–	–
Group's interest in net assets of investee at beginning of the period/year	–	3,566
Share of total comprehensive income/(loss)	4,591	(3,566)
Disposal	(4,591)	–
Carrying amount of interest in investee at end of the period/year	–	–

On 30 September 2020, the Group transferred its shares in the joint venture, Econ Advance Renal Care Pte. Ltd., to Econ Healthcare Pte. Ltd. for a consideration of $1 with a loss on disposal of $4,590.

Name of joint venture/ Principal activity	Principal place of business/ Country of incorporation	Ownership interest 30 September 2020 %	Ownership interest 31 March 2020 %	Voting rights held 30 September 2020 %	Voting rights held 31 March 2020 %
Econ Advance Renal Care Pte Ltd Provision of renal dialysis and related services	Singapore	–	50	–	40

The Group has not recognised share of losses totalling $Nil for the six-month period ended 30 September 2020 (six-month period ended 30 September 2019: $19,634) in relation to its interests in joint venture, because the Group has no obligation in respect of these losses.

On 31 December 2020, the Group entered into a shareholder loan transfer agreement with immediate holding company pursuant to which the loan due from related corporation amounting to $375,000 was transferred to immediate holding company.

11 Trade and other receivables

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Trade receivables – third parties	1,549,604	1,545,141
Less: Impairment losses	(244,265)	(233,922)
	1,305,339	1,311,219
Trade amounts due from:		
- related corporation	6,604	1,492,004
- related corporation (31 March 2020: Joint venture)	255,152	325,842
Total trade receivables	1,567,095	3,129,065
Government grant receivables for subvention	4,511,888	792,741
Government grant receivables for Job Support Scheme	281,918	417,201
Other receivables	53,657	63,264
Accrued receivables	52,335	–
Staff advances	12,848	15,303
Deposits	1,447,705	1,385,612
Non-trade amounts due from:		
- immediate holding company	2,121,753	–
- related corporation	–	487,973
- non-controlling interests	8,942	–
Capital contribution due from non-controlling interest	149,969	–
	10,208,110	6,291,159
Prepayments	231,207	206,374
	10,439,317	6,497,533
Non-current	1,163,005	1,161,970
Current	9,276,312	5,335,563
	10,439,317	6,497,533

Non-trade amounts due from immediate holding company, a related corporation and non-controlling interests are unsecured, interest-free and repayable on demand.

The Group's exposure to credit risks and impairment losses related to trade and other receivables are disclosed in Note 25.

12 Cash and cash equivalents

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Cash at bank and in hand	7,704,545	6,462,249
Fixed deposits	1,362,494	871,455
Cash and cash equivalents in statement of financial position	9,067,039	7,333,704
Less: Fixed deposits with maturity more than 90 days at period end	(34,456)	(32,955)
Less: Restricted cash	(30,162)	–
Cash and cash equivalents in statement of cash flows	9,002,421	7,300,749

13 Share capital

There were no changes in share capital of the Group during the six-month period ended 30 September 2020.

After the period end, pursuant to directors' resolutions on 23 March 2021, each ordinary share in the existing issued share capital of the Company was sub-divided into 13.8 shares ("Share Split").

Dividends

There were no dividends declared during the six-month period ended 30 September 2020 and 2019.

14 Loans and borrowings

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Non-current liabilities		
Secured bank loans	5,256,088	6,165,114
Current liabilities		
Secured bank loans	5,907,807	3,472,807
	11,163,895	9,637,921

	Note	Currency	Nominal interest rate %	Year of maturity	Face value $	Carrying amount $
30 September 2020 (Unaudited)						
Secured bank loans	A	SGD	SIBOR + 2%	2023	3,651,069	3,651,069
Secured advance facility	A	SGD	SIBOR + 2%	2020	2,000,000	2,000,000
Secured bank loans	B	MYR	Base lending rate – 1.25%	2027	3,374,827	3,374,827
Secured revolving credit	C	MYR	Cost of funds + 1.5%	2020	2,137,999	2,137,999
					11,163,895	11,163,895
31 March 2020 (Audited)						
Secured bank loans	A	SGD	SIBOR + 2%	2023	4,188,411	4,188,411
Secured bank loans	B	MYR	Base lending rate – 1.25%	2027	3,602,013	3,602,013
Secured revolving credit	C	MYR	Cost of funds + 1.5%	2020	1,847,497	1,847,497
					9,637,921	9,637,921

A) The bank loan is secured by corporate guarantee from immediate holding company, joint and several personal guarantees from the directors of the Company and subsidiary and on the immediate holding company's freehold land and building with a carrying value of $17,554,117 (31 March 2020: $17,630,363) and an affiliated company's investment properties with a carrying value of $4,214,400 (31 March 2020: $4,220,800). Affiliated company is the company controlled by the common directors.

B) The bank loan is secured by corporate guarantee from the Company and immediate holding company and on the Group's freehold land and building amounting to $9,720,947 (31 March 2020: $9,846,443).

C) The bank loan is secured by corporate guarantee from immediate holding company and the Company.

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

	Liabilities				
	Amounts due to immediate holding company $	**Loans and borrowings $**	**Lease liabilities $**	**Interest payable $**	**Total $**
Balance at 1 April 2019	1,700,212	9,970,122	22,832,908	13,172	34,516,414
Changes from financing cash flows					
Non-trade amounts due to immediate holding company	(1,655,218)	–	–	–	(1,655,218)
Proceed from borrowings	–	922,647	–	–	922,647
Repayment of borrowings	–	(729,921)	–	–	(729,921)
Payment of lease liabilities	–	–	(2,370,950)	–	(2,370,950)
Interest paid	–	–	(505,459)	(226,409)	(731,868)
Total changes from financing cash flows	(1,655,218)	192,726	(2,876,409)	(226,409)	(4,565,310)
The effect of change in foreign exchange rates	–	(8,295)	(18,138)	–	(26,433)
Liability-related other changes					
New leases	–	–	320,536	–	320,536
Lease modifications	–	–	8,397,024	–	8,397,024
Interest expenses	–	–	505,459	225,982	731,441
Total liability-related other changes	–	–	9,223,019	225,982	9,449,001
Balance at 30 September 2019 (Unaudited)	44,994	10,154,553	29,161,380	12,745	39,373,672

	Liabilities					
	Amounts due to immediate holding company $	**Amounts due to non-controlling interests $**	**Loans and borrowings $**	**Lease liabilities $**	**Interest payable $**	**Total $**
Balance at 1 April 2020	698,086	–	9,637,921	30,398,778	10,005	40,744,790
Changes from financing cash flows						
Non-trade amounts due to non-controlling interests	–	278,743	–	–	–	278,743
Proceed from borrowings	–	–	2,294,294	–	–	2,294,294
Repayment of borrowings	–	–	(753,176)	–	–	(753,176)
Payment of lease liabilities	–	–	–	(1,891,981)	–	(1,891,981)
Interest paid	–	–	–	(480,292)	(201,594)	(681,886)
Total changes from financing cash flows	–	278,743	1,541,118	(2,372,273)	(201,594)	(754,006)
The effect of change in foreign exchange rates	–	2,945	(15,144)	(9,961)	(34)	(22,194)
Liability-related other changes						
New leases	–	–	–	183,576	–	183,576
Lease modifications	–	–	–	1,351,668	–	1,351,668
Set-off against non-trade amounts due from immediate holding company	(698,086)	–	–	–	–	(698,086)
Rent concessions	–	–	–	(501,440)	–	(501,440)
Interest expenses	–	–	–	506,734	210,962	717,696
Total liability-related other changes	(698,086)	–	–	1,540,538	210,962	1,053,414
Balance at 30 September 2020 (Unaudited)	–	281,688	11,163,895	29,557,082	19,339	41,022,004

15 Leases

See accounting policy in Note 5.

A. Leases as lessee

The Group leases office premise, office equipment and properties for its nursing homes, physiotherapy services, health and wellness centres, TCM services and staff apartments. 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 premise have been sub-let by the Group for a period of one to two years.

The Group also leases ambulance vehicles. The lease typically runs for a period of 1 year and is a short-term lease. The Group has elected not to recognise right-of-use assets and lease liabilities for this lease.

B. Rent concessions

Rent concessions were given by the lessors to the Group arising from the Rental Relief Framework came into force on 31 July 2020 through the Amendment Act and the COVID-19 (Temporary Measures) (Rental and Related Measures) Regulations 2020. 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 $501,440 (six-month period ended 30 September 2019: $Nil). See Note 21 for details.

16 Amounts due to immediate holding company

The amounts due to immediate holding company are unsecured, interest-free and repayable on demand.

17 Lease liabilities

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Non-current liabilities	24,892,738	25,691,027
Current liabilities	4,664,344	4,707,751
	29,557,082	30,398,778

The terms and conditions of lease liabilities are as follows:

	Currency	Nominal interest rate %	Year of maturity	Face value $	Carrying amount $
30 September 2020 (Unaudited)					
Lease liabilities	SGD	1.98%–3.05%	2021-2034	27,759,940	24,775,719
	MYR	4.92%–5.67%	2022-2039	5,410,987	3,675,053
	RMB	4.90%	2039	1,681,298	1,106,310
				34,852,225	29,557,082
31 March 2020 (Audited)					
Lease liabilities	SGD	1.98%–3.05%	2021-2034	28,723,358	25,487,308
	MYR	4.92%–5.67%	2022-2039	5,679,226	3,833,309
	RMB	4.90%	2039	1,679,074	1,078,161
				36,081,658	30,398,778

18 Trade and other payables

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Trade payables		
- third parties	1,060,685	1,111,136
- related corporation	–	244,789
- immediate holding company	–	64,253
	1,060,685	1,420,178
Accrued operating expenses	1,609,639	710,747
Interest payables	19,339	10,005
Non-trade amounts due to non-controlling interests	281,688	–
Other payables	298,045	335,615
Payables to suppliers of plant and equipment	330,278	330,278
Refundable deposits	1,412,481	1,404,017
Financial liabilities at amortised cost	5,012,155	4,210,840
Deferred grant income	364,839	597,201
Liability for short-term accumulated compensated absences	278,305	92,657
Home fees and other fees collected in advance	50,198	27,719
Government grant received in advance	150,106	–
	5,855,603	4,928,417

The non-trade amounts due to non-controlling interests are unsecured, interest-free, repayable within 10 months from the date of withdrawal.

19 Revenue

	Medicare centres and nursing homes fees		Ancillary fees					
For the six-month period ended 30 September	Home fees $	Home care and day care and other nursing home services $	Ambulance fees $	Course fees $	Management fee $	Traditional Chinese medicine ("TCM") clinics services $	Other ancillary services $	Total $
2020 (Unaudited)								
Third parties								
- Singapore	5,635,116	1,376,607	–	178	–	315,086	40	7,327,027
- Malaysia	1,842,577	738,856	–	–	–	–	–	2,581,433
	7,477,693	2,115,463	–	178	–	315,086	40	9,908,460
Related corporation								
- Singapore	–	–	13	1,500	314,800	–	–	316,313
Affiliated corporation								
- Singapore	–	–	–	–	9,420	–	–	9,420
	7,477,693	2,115,463	13	1,678	324,220	315,086	40	10,234,193
2019 (Unaudited)								
Third parties								
- Singapore	6,044,758	1,309,249	176,550	11,196	–	518,301	2,636	8,062,690
- Malaysia	1,888,962	662,745	–	–	–	–	–	2,551,707
	7,933,720	1,971,994	176,550	11,196	–	518,301	2,636	10,614,397
Related corporation								
- Singapore	–	476	13,915	–	472,200	850	–	487,441
Affiliated corporation								
- Singapore	–	–	–	–	9,420	–	–	9,420
	7,933,720	1,972,470	190,465	11,196	481,620	519,151	2,636	11,111,258

Home fees generally relates to contracts with patients in which performance obligations are to provide nursing home healthcare services to individual patients in Singapore and Malaysia. 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. Ambulance fees relate to provision of medical and passenger transport services to individual patients and related corporation in Singapore. Course fees relates 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 a related corporation. Traditional Chinese medicine ("TCM") clinic services relate to the offering of TCM services at TCM clinics. Other nursing home services relate to provision of dressing, , rehabilitation services, TCM treatments and other medical related services to individual patients and related corporations in Singapore.

The performance obligations for nursing home healthcare services, home care services, management services and training services are generally satisfied overtime and revenue is recorded when the services are performed. The performance obligations for medical and passenger transport services and other ancillary services are generally satisfied at a point in time.

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.

20 Operating subvention grants

	For the six-month period ended 30 September	
	2020	**2019**
	$	**$**
	(Unaudited)	**(Unaudited)**
Operating subvention grants	8,406,546	7,462,654

Operating subvention grants were provided by the government to the Group for the purposes of providing subsidised nursing home care services during the approved period. The scheme allows the Group to set aside a portion of its beds for eligible patients who meet the means test criteria to enjoy the subsidies. These patients are generally older persons who are unable to enjoy proper level of nursing care required in their own homes, and require supervision or assistance with their daily activities as well as persons who need further care and treatment after being discharged from an acute hospital.

Operating subvention grants are recognised in the profit or loss when conditions attached to its recognition are met by the Group.

21 Other income

	For the six-month period ended 30 September	
	2020	**2019**
	$	**$**
	(Unaudited)	**(Unaudited)**
Other government grants:		
- Grants on special employment credit, temporary employment credit and wages credit scheme	42,456	19,954
- Grant on Senior Activity Centres	180,000	–
- Grants on Jobs Support Scheme	806,504	–
- Foreign worker levy rebate	491,250	–
- Grants on staff accommodation	751,400	–
Rent concessions	501,440	–
Rental income	103,839	80,753
Amortisation of deferred capital grants	10,707	8,437
Service fees from joint venture	52,974	56,551
Property tax rebate	40,596	–
Others	131,928	103,391
	3,113,094	269,086

Grants are provided to the Group to execute a programme with the objective to establish and operate Senior Activity Centres at Studio Apartments ("SAC(SA)"). The objective of the SAC(SA) is to provide a place for seniors to be mentally, socially and physically active, provide a basic level of support for Seniors and provide not-for-profit services to the residents in the precinct which may be chargeable on a cost-recovery basis.

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.

The Group had been given foreign worker levy rebate for each work permit or S pass holder at $750 for the months of April and May 2020. This assistance supported the Group with workers who are unable to work due to the circuit breaker and/or Stay-Home Notice measures.

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 their onsite dormitories for adherence to split zones and safe distancing.

Rent concessions were given by the lessors to the Group arising from the Rental Relief Framework 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. It allows the Group to forego lease payments during the period of the rent concession.

22 Profit for the period

The following items have been included in arriving at profit for the period:

	For the six-month period ended 30 September	
	2020	2019
	$	$
	(Unaudited)	(Unaudited)
Write-off of property, plant and equipment	–	310
Loss on disposal of property, plant and equipment	2,132	14,859
Expenses relating to short-term leases	648	22,998
Repair and maintenance expenses	375,934	426,707
Contributions to defined contribution plans included in staff costs	408,120	416,648
Directors fees	27,194	27,249

23 Finance income and costs

	For the six-month period ended 30 September	
	2020	2019
	$	$
	(Unaudited)	(Unaudited)
Exchange gain, net	–	953
Interest income from bank deposits	8,737	12,393
Interest income from lease receivables	1,164	1,467
Finance income	9,901	14,813
Exchange loss, net	(7,428)	–
Interest expense on bank borrowings	(210,962)	(225,982)
Interest expense on leases	(506,734)	(505,459)
Unwinding of discount on provision for restoration cost	(2,147)	(2,119)
Finance costs	(727,271)	(733,560)
Net finance costs	(717,370)	(718,747)

24 Tax expense

Income tax expense is recognised at an amount determined by multiplying the profit/(loss) before tax for the interim reporting period by management's best estimate of the effective tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate for the six-month period ended 30 September 2020 was 16.2% (six-month period ended 30 September 2019: 20.1%). The change in effective tax rate was caused mainly by the following factors.

- During the six-month period ended 30 September 2020, the Group recognised Jobs Support Scheme grant of $806,504, which is not taxable as the grant is to help the Group to retain local employees by providing cashflow support or mitigate the financial impact of COVID-19 containment measures for employees.
- A Malaysia subsidiary, with tax rate of 24% generated lower taxable income for the six-month period ended 30 September 2020 as compared to previous corresponding period.

25 Financial risk management

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.

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:

	30 September 2020 $ (Unaudited)	**31 March 2020 $ (Audited)**
Singapore	9,582,262	5,803,972
Malaysia	466,937	487,187
China	158,911	–
	10,208,110	6,291,159

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

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Individuals	1,357,674	1,311,219
Corporations	1,447,705	1,385,612
Government	4,793,806	1,209,942
Immediate holding company	2,121,753	–
Non-controlling interests	158,911	–
Related corporation	6,604	1,979,977
Related corporation (31 March 2020: Joint venture)	255,152	325,842
Others	66,505	78,567
	10,208,110	6,291,159

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

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Operating of medicare centres and nursing homes	7,735,188	5,027,700
Other ancillary services	297,513	462,424
Others	2,175,409	801,035
	10,208,110	6,291,159

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 historic 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.

Trade amounts due from joint venture and a related corporation

Based on the Group's historical experience in the collection of trade amounts due from joint venture and a related corporation, no credit loss was incurred. The management reviews the financials and forecast of these related parties periodically to assess for changes in financial standing. The Group considers that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant

Cash and cash equivalents

The Group held cash with a bank, which is rated AA-, based on S&P's ratings as at 30 September 2020 and 31 March 2020.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and low credit risk of the exposures. The amount of the allowance on cash and cash equivalents was negligible.

Government grant receivables, staff advances, other receivables, 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 considers that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant.

Non-trade amounts due from immediate holding company and a related corporation

Non-trade amounts extended to immediate holding company and a related corporation 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 Group considers that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant.

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 cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Group uses excess liquidity to provide funding to the immediate holding company. The Group is in net current liabilities position and net negative cash outflow as at 31 March 2020. However, the Group is confident that the cash flows generated from its operations will be adequate and that it has sufficient funds for its operational needs. In addition, during the period, the Group has borrowed $1.3 million from a bank to advance to the immediate holding company. The Group has not breached any financial covenants as stipulated under the bank facilities agreements as a result of the net current liabilities position and net negative cash outflow as at 31 March 2020.

Management believes that the Group will have the continued support of its bankers to renew its bank facilities as and when they fall due.

The following are the expected contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount $	Contractual cash flows $	Cash flows Within 1 year $	 1 to 5 years $	 More than 5 years $
30 September 2020 (Unaudited)					
Non-derivative financial liabilities					
Loans and borrowings	11,163,895	(11,816,267)	(6,016,477)	(4,894,828)	(904,962)
Lease liabilities	29,557,082	(34,852,945)	(5,574,964)	(17,904,676)	(11,373,305)
Trade and other payables*	5,012,155	(5,012,155)	(5,012,155)	–	–
	45,733,132	(51,681,367)	(16,603,596)	(22,799,504)	(12,278,267)
31 March 2020 (Audited)					
Non-derivative financial liabilities					
Loans and borrowings	9,637,921	(10,492,630)	(3,761,313)	(5,638,057)	(1,093,260)
Lease liabilities	30,398,778	(36,081,658)	(5,667,750)	(18,599,247)	(11,814,661)
Trade and other payables*	4,210,840	(4,210,840)	(4,210,840)	–	–
Amount due to immediate holding company	698,086	(698,086)	(698,086)	–	–
	44,945,625	(51,483,214)	(14,337,989)	(24,237,304)	(12,907,921)

* Excludes unearned revenue, home fees and other fees collected in advance, liability for short-term accumulating compensated absences, deferred grant income and government grant received in advance

Accounting classifications and fair values

The fair value hierarchy is not included as the carrying amounts of financial assets and financial liabilities is a reasonable approximation of fair value.

	Note	Carrying amount Amortised cost $	 Other financial liabilities $	 Total carrying amount $
30 September 2020 (Unaudited)				
Financial assets not measured at fair value				
Cash at bank and in hand	12	9,067,039	–	9,067,039
Trade and other receivables^	11	10,208,110	–	10,208,110
		19,275,149	–	19,275,149
Financial liabilities not measured at fair value				
Loans and borrowings	14	–	(11,163,895)	(11,163,895)
Trade and other payables *	18	–	(5,012,155)	(5,012,155)
		–	(16,176,050)	(16,176,050)

	Note	Carrying amount		
		Amortised cost $	**Other financial liabilities $**	**Total carrying amount $**
31 March 2020 (Audited)				
Financial assets not measured at fair value				
Cash at bank and in hand	12	7,333,704	–	7,333,704
Trade and other receivables^	11	6,291,159	–	6,291,159
		13,624,863	–	13,624,863
Financial liabilities not measured at fair value				
Loans and borrowings	14	–	(9,637,921)	(9,637,921)
Amounts due to immediate holding company	16	–	(698,086)	(698,086)
Trade and other payables *	18	–	(4,210,840)	(4,210,840)
		–	(14,546,847)	(14,546,847)

^ Excludes prepayments
* Excludes unearned revenue, home fees and other fees collected in advance, liability for short-term accumulating compensated absences, deferred grant income and government grant received in advance

Measurement of fair values

Other short-term 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.

Secured bank loans

The notional amount of secured bank loans are assumed to approximate their fair values because of the floating interest rates.

Determination of fair values

Investment property (Level 2)

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, being the 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. The valuation is based on the direct comparison method. 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.

26 Financial guarantees

Bank loan taken up by ultimate holding company, immediate holding company and hire purchase facility taken up by joint venture have been guaranteed by the Group. These financial guarantees contracts are accounted for as insurance contracts.

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 future cash flows. Estimates of the Group'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 in respect of the intra-group financial guarantee for the facilities drawn down by immediate holding, ultimate holding company, subsidiary and joint venture at the reporting date is as follows:

	30 September 2020 $ (Unaudited)	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)	31 March 2020 $ (Audited)
	Facility amount	**Outstanding amount**	**Facility amount**	**Outstanding amount**
Bank loans jointly guaranteed by the Group and Company in respect of facilities fully drawn down by ultimate holding company*				
- Non-revolving fixed advance facility	26,305,000	10,955,839	26,305,000	26,012,439
- Term loan	20,160,000	12,971,420	20,160,000	14,420,416
Bank loan guaranteed by the Group in respect of facilities fully drawn down by immediate holding company**				
- Mortgage loan	8,000,000	4,975,247	8,000,000	5,159,472
Hire purchase guaranteed by the Group in respect of facilities taken up by joint venture	95,860	27,340	95,860	38,711

* The bank loans are secured by the immediate holding company's freehold land and building with a carrying value of $17,554,117 (31 March 2020: $17,630,363), an affiliated company's investment properties with a carrying value of $4,214,400 (31 March 2020: $4,220,800) and a related corporation's leasehold building with a carrying value of $Nil (31 March 2020: $1,973,235).

** The bank loans is secured by the immediate holding company's freehold land and building with a carrying value of $7,772,000 (31 March 2020: $7,800,668).

At the reporting dates, the Group does not consider it probable that a claim will be made against the Group under the intra-group financial guarantee.

27 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.

	For the six-month period ended 30 September	
	2020	2019
	$	$
	(Unaudited)	(Unaudited)
Post-employment benefits	18,283	25,261
Short term employee benefits including director fees	377,944	504,032
Non-monetary benefit	6,989	6,989
	403,216	536,282

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 periods ended 30 September 2019 and 2020.

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	For the six-month period ended 30 September	
	2020	2019
	$	$
	(Unaudited)	(Unaudited)
Immediate holding company		
Payment made on behalf	(2,513)	63,469
Related corporation		
Rental of ambulance expenses	–	20,865
Lease expense	–	36,808
Pharmacy expenses	36,145	411,836
Other ancillary service income	(1,513)	(15,241)
Management fee income	(314,800)	(472,200)
Payment made on behalf	(27,906)	(57,650)
Affiliated company		
Management fee income	(9,420)	(9,420)
Rental income	(2,280)	(2,280)

28 Earnings per share

Basic earnings per share

Pursuant to directors' resolutions on 23 March 2021, each ordinary share in the existing issued share capital of the Company was sub-divided into 13.8 shares ("Share Split").

The calculation of basic earnings per share at 30 September 2020 and 30 September 2019 is based on the profit attributable to ordinary shareholders of $3,651,928 and $ 1,511,197, respectively and the weighted-average number of ordinary shares outstanding during both periods, as follows:

	2020 No. of shares	2019 No. of shares
Issued ordinary shares at 1 April	2	2
Issued ordinary shares pursuant to the Restructuring Exercise	14,999,998	14,999,998
Issued ordinary shares immediately after the Restructuring Exercise	15,000,000	15,000,000
Sub-division of ordinary shares via Share Split	207,000,000	207,000,000
Weighted-average number of ordinary shares during the year	207,000,000	207,000,000

The Company's pre-invitation number of ordinary shares of 207,000,000 has been used in the calculation of basic earnings per share for all periods presented as pre-invitation number of ordinary shares reflects the weighted average number of shares for all periods adjusting the changes in number of shares arising from the Restructuring Exercise and Share Split.

Diluted earnings per share

As at 30 September 2019 and 30 September 2020, there were no outstanding dilutive potential ordinary shares.

29 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, ambulance services, healthcare training services, the offering of TCM services at our TCM clinics and the operation of senior activity centres in Singapore.

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 (the chief operating decision maker). 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 and adjustments**	**Total**
	$	**$**	**$**	**$**
For the six-month period ended 30 September 2020 (Unaudited)				
Revenue:				
External revenue	9,593,156	641,037	–	10,234,193
Inter-segment revenue	–	2,593,225	(2,593,225)	–
Operating subvention grants	8,406,546	–	–	8,406,546
	17,999,702	3,234,262	(2,593,225)	18,640,739
Results:				
Segment results	4,313,888	621,988	–	4,935,876
Finance income	8,737	1,164	–	9,901
Finance costs	(631,193)	(96,078)	–	(727,271)
Share of results of joint venture	–	4,591	–	4,591
Segment profit before tax	3,691,432	531,665	–	4,223,097
Other material items				
Depreciation of property, plant and equipment	410,115	110,641	–	520,756
Depreciation of right-of-use assets	1,692,661	880,998	–	2,573,659
Impairment losses on trade receivables	10,344	–	–	10,344

	Medicare centres and nursing homes $	Other operation and ancillary services $	Eliminations and adjustments $	Total $
For the six-month period ended 30 September 2019 (Unaudited)				
Revenue:				
External revenue	9,906,190	1,205,068	–	11,111,258
Inter-segment revenue	–	2,922,751	(2,922,751)	–
Operating subvention grants	7,462,654	–	–	7,462,654
	17,368,844	4,127,819	(2,922,751)	18,573,912
Results:				
Segment results	2,516,300	50,900	–	2,567,200
Finance income	13,346	1,467	–	14,813
Finance costs	(631,923)	(101,637)	–	(733,560)
Share of results of joint venture	–	(3,566)	–	(3,566)
Segment profit/(loss) before tax	1,897,723	(52,836)	–	1,844,887
Other material items				
Depreciation of property, plant and equipment	364,451	128,306	–	492,757
Depreciation of right-of-use assets	1,670,515	887,733	–	2,558,248
Impairment losses on trade receivables	45,400	–	–	45,400
As at 30 September 2020 (Unaudited)				
Assets:				
Segment assets	64,565,866	52,541,992	(45,642,395)	71,465,463
Tax assets	135,805	67,088	–	202,893
Total assets	64,701,671	52,609,080	(45,642,395)	71,668,356
Liabilities:				
Segment liabilities	54,708,251	42,282,020	(49,676,213)	47,314,058
Tax liabilities	1,219,518	22,827	–	1,242,345
Total liabilities	55,927,769	42,304,847	(49,676,213)	48,556,403
Capital expenditure	943,999	157,787	–	1,101,786
As at 31 March 2020 (Audited)				
Assets:				
Segment assets	63,027,561	49,998,030	(46,702,165)	66,323,426
Tax assets	39,264	62,543	–	101,807
Total assets	63,066,825	50,060,573	(46,702,165)	66,425,233

	Medicare centres and nursing homes $	Other operation and ancillary services $	Eliminations and adjustments $	Total $
As at 31 March 2020 (Audited)				
Liabilities:				
Segment liabilities	60,759,740	13,761,147	(28,103,868)	46,417,019
Tax liabilities	850,044	29,442	(8,778)	870,708
Total liabilities	61,609,784	13,790,589	(28,112,646)	47,287,727
Capital expenditure	2,003,381	143,812	–	2,147,193

Geographical information

External customers of the Group are located in Singapore and Malaysia. The Group carries out its operations in Singapore and Malaysia and all the Group's non-current assets are located in Singapore, Malaysia and China. The Group invested into operation of nursing homes in China in December 2019 which is expected to be operational in 2021 after receipt of the necessary licences and approvals.

In presenting the information on the basis of geographical segments, segment revenue is based on the geographical location of the customers and segment assets are based on the geographical location of the assets.

	For the six-month period ended 30 September	
	2020 $ (Unaudited)	2019 $ (Unaudited)
Revenue		
Singapore	7,652,760	8,559,551
Malaysia	2,581,433	2,551,707
Consolidated revenue	10,234,193	11,111,258

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Non-current assets		
Singapore	26,947,190	27,999,219
Malaysia	24,188,141	24,570,036
China	1,938,682	1,043,050
Consolidated total non-current assets	53,074,013	53,612,305

30 Commitments

The Group has made commitments for the following capital expenditures:

	30 September 2020 $ (Unaudited)	31 March 2020 $ (Audited)
Plant and equipment	510,201	190,731

31 Comparative information

The comparative figures for the financial period ended 30 September 2019 have not been audited or reviewed.

32 Subsequent events

(i) Coronavirus (COVID-19) pandemic

The coronavirus (COVID-19) pandemic was announced by the World Health Organization in March 2020 given the outbreak of the virus in countries across the world including Singapore.

The spread of COVID-19 has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses. The Group is taking precautionary measures to deal with the COVID-19 outbreak in accordance with guidelines provided by the authorities in the respective countries the Group operates in.

The COVID-19 outbreak is expected to have minimal impact the Group's operations and results. The Group is actively monitoring and managing its operations to minimize any potential impacts that may arise from the outbreak.

(ii) Investment in Sichuan Guangda Bailingbang Yikang

On 3 March 2021, the Group via a wholly-owned subsidiary, Econ Healthcare (China) Pte. Ltd., and third party partners Guangda Bailingbang Eldercare Industry, Sichuan Mingruiyi Health Eldercare Co., Ltd and Rongyao Changsheng (Chengdu) Health Eldercare Co., Ltd. incorporated a new entity for the purpose of leasing and operating a nursing home in Chengdu, China. The Group holds 20% of this newly incorporated entity named Sichuan Guangda Bailingbang Yikang.

(iii) Share split

On 23 March 2021, in connection with the proposed initial public offering of the Company's shares, the Company approved the sub-division of each ordinary share in the existing issued share capital of the Company into 13.8 ordinary shares (see Note 28).

(iv) Change in name

On 26 February 2021, the Company changed its name to Econ Healthcare (Asia) Pte. Ltd.. On 29 March 2021, the Company changed its name to Econ Healthcare (Asia) Limited in connection with its conversion into a public company limited by shares.

APPENDIX C – NURSING HOME INDUSTRY IN SINGAPORE, MALAYSIA AND CHINA (IN PARTICULAR, CHONGQING)

Nursing Home Industry in Singapore, Malaysia and China (in particular, Chongqing)

A report compiled by Euromonitor International Limited for

Econ Healthcare (Asia) Pte. Ltd. (to be renamed)

28 February 2021

www.euromonitor.com

DISCLAIMER

The information that appears in this report has been prepared by Euromonitor International Limited and reflects estimates of market conditions based on publicly available sources and trade opinion surveys and is prepared primarily as a market research tool. References to Euromonitor International Limited should not be considered as the opinion of Euromonitor International Limited as to the value of any security or the advisability of investing in the Company. The information prepared by Euromonitor International Limited and set out in this report has not been independently verified by the Company, DBS Bank Ltd. (the "Sponsor, the Issue Manager, the Underwriter and the Placement Agent") or any other party involved in the Offering, neither do they give any representations as to its accuracy, and investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of making any investment decision in the Group.

This report has been prepared for the purpose of inclusion in the offer document to be issued in relation to the proposed initial public offering and listing of the Company on the Catalist Board of the Singapore Exchange Securities Trading Limited.

Name: Linda Wake
Designation: Director and Chief Financial Officer

LIST OF CONTENTS

1. RESEARCH BACKGROUND

1.1 RESEARCH OBJECTIVE

Econ Healthcare (Asia) Pte. Ltd. (to be renamed Econ Healthcare (Asia) Limited) (referred to as “Econ” or “Econ Healthcare”) is a Singapore-headquartered company engaged in the operation of nursing homes for the elderly in Singapore, Malaysia and China. Econ is proposing to conduct an initial public offering on the Catalist Board of the Singapore Exchange Securities Trading Limited and requires an independent assessment of the nursing home industry in Singapore, Malaysia and China (in particular, Chongqing) in the form of a report.

1.2 SOURCES OF INDUSTRY INFORMATION

This report (the “Euromonitor Report”) was prepared by Euromonitor International for the purposes of this offer document. The Euromonitor Report was last updated in February 2021 and all statistics are based on available data at the time of publishing.

1.3 RESEARCH METHODOLOGIES

In compiling and preparing the Euromonitor Report, Euromonitor International used the following methodologies to collect multiple sources, validate the data and information collected and cross-check each respondent’s information and views against those of others:

- Secondary research involved the review of published sources such as the Department of Statistics of Singapore, Department of Statistics of Malaysia and the National Bureau of Statistics of China, official sources such as the Ministry of Health Singapore and the Ministry of Health Malaysia, company reports including audited financial statements where available and independent research reports.
- Primary research involved interviews with a sample of leading industry participants and experts for the latest data and insights into future trends, supplemented by verification and cross-checking of data and research estimates for consistency.
- Projected data were obtained from a historical data analysis plotted against macroeconomic data with reference to specific industry-related drivers.
- Review and cross-checks of all sources were carried out as well as independent analysis to build final estimates including the size, shape, drivers and future trends of the private nursing home industry in Singapore, Malaysia and China (in particular, Chongqing) and prepare the final report.

1.4 FORECASTING BASES AND ASSUMPTIONS

Euromonitor International based the Euromonitor Report on the following assumptions:

- Singapore, Malaysia, China and Chongqing’s economies are expected to maintain steady growth over the forecast period.
- Singapore, Malaysia, China and Chongqing’s social, economic and political environments are expected to remain stable during the forecast period.
- Key market drivers such as a rapidly ageing population, focus on quality of life and increasing spending power are expected to boost the private nursing home industry in each market.

The research results may be affected by the accuracy of these assumptions and the choice of these parameters. Euromonitor’s forecast data are derived from the analysis of the historical development of the market, the economic environment and underlying market drivers, and are cross-checked against established industry data and trade interviews with industry experts.

1.5 DEFINITIONS AND COVERAGE

Geographic Coverage

- Singapore
- Malaysia
- China
- Chongqing

Product / Category Definitions

- Nursing homes: A nursing home is a type of residential care facility for the elderly, where they can be admitted for long- or short-term care for their rehabilitation and/or care needs. Most elderly in the nursing home require support for their activities of daily living and do not have adequate caregiver and family support for care at home. Services provided in nursing homes include medical, nursing and care management, rehabilitation services such as physiotherapy and occupational therapy, as well as other care support activities and programmes. Please refer to the appendix for the definition of other key terms used within the report.

Period Coverage

Market review for this report has been carried out for the period covering 2015-2024, unless otherwise stated. The 2015-2019 period will be termed the historical or review period and 2020-2024 will be deemed as the forecast period for this entire report.

1.6 ABOUT EUROMONITOR

Established in 1972, Euromonitor International is the world leader in strategy research for both consumer and industrial markets. Comprehensive international coverage and leading-edge innovation make our products an essential resource for companies large and small, national and global. With offices around the world and analysts in 80 countries, the company is a leading provider of global market intelligence. Euromonitor's products and services are held in high regard by the international business community and have 5,000 active clients, including 90% of the Fortune 500 companies.

2. NURSING HOME INDUSTRY IN SINGAPORE

2.1 MACROECONOMIC ENVIRONMENT IN SINGAPORE

Singapore's economy registers slowest growth in a decade in 2019

Singapore's economy registered moderate growth during the 2015-2019 review period, with a compound annual growth rate (CAGR) of 4.6% in nominal GDP terms. Growth slowed in 2016 due to weak external demand, the economic slowdown in China and a protracted slump in oil prices, which hit the domestic oil and gas industry. However, the economy picked up pace in 2017 thanks to surging global demand for electronic products. As a result, real GDP grew by 4.3% for the year, the highest year-on-year growth in the review period. However, Singapore's export-orientated economy hit the brakes in 2019 as a result of a drawn-out trade war between the US and China and a cyclical downturn in the electronics sector. Real GDP grew by 0.7% in 2019, the slowest annual pace since 2009 and down from 3.4% in 2018.

The economy is forecast to contract between 6.0% and 6.5% in 2020, due to disruptions caused by the COVID-19 pandemic, according to the latest forecast released by the Ministry of Trade and Industry in November 2020. However, a recovery is expected in 2021 with real GDP forecast to grow by 4.0-6.0%, as the global economies recover from the economic disruption of the pandemic and post a rebound from 2020's low base[2].

Table 1 Macroeconomic Indicators in Singapore, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Nominal GDP (SGD million)	423,444.1	440,218.2	472,079.1	503,395.2	507,567.7	4.6%
Real GDP (SGD million)	423,444.1	437,178.4	456,137.1	471,819.6	475,279.5	2.9%
Consumer Price Index (CPI) on Healthcare	99.9	101.0	103.5	105.6	106.8	-

Source: Singapore Department of Statistics, Online Data Series, found in (http://www.tablebuilder.singstat.gov.sg/) and last accessed on 12 November 2020.

Note: The Singapore Department of Statistics has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

[2] The Business Times, "Singapore GDP forecast to contract 6-6.5% for 2020; rebound expected next year: MTI" at https://www.businesstimes.com.sg/government-economy/singapore-gdp-forecast-to-contract-6-65-for-2020-rebound-expected-next-year-mti last accessed on 25 November 2020.
Note: The Business Times has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Singapore's ageing population growth poses social and economic challenges

Singapore's population continued to expand, but the population growth rate registered a general downward trend between 2009 and 2019[3]. In 2017, growth was almost flat at 0.1%. This was attributed to fewer citizen births, a drop in the non-resident population caused by tighter foreign labour policies and a decline in foreign employment. By the end of the review period, population growth had recovered to a moderate rate of 1.2% per year for 2019, which was mainly due to an increase in the non-resident population.

Singapore's population stood at 5.7 million in 2019, a figure reflecting 3.5 million citizens, 0.5 million permanent residents and 1.7 million non-residents. The non-resident population grew by 2.0% in 2019. This was mainly attributed to foreign employment growth in the services and construction sectors[4].

An ageing population is an ongoing challenge for Singapore, caused in part by the long-term trend of falling fertility rates. The total fertility rate, which refers to the average number of live births each female has during her reproductive years (age 15-49), fell from 1.22 in 2009 to 1.14 in 2019, which is lower than the natural replacement rate of 2.1 children born per woman. With increasing life expectancy and lower fertility rates, Singapore's citizen population continued to age over the review period. The proportion of citizens aged 65 and above rose to 10.2% in 2019, up from 6.6% in 2009. Citizens' median age also increased to 41.1 years in 2019, compared with 36.9 years in 2009. On the other hand, the old age support ratio has fallen, indicating that there is growing pressure on younger generations to support the elderly population. In 2019, there were 4.5 residents aged 20-64 for each resident aged 65 and above, down from a ratio of 7.5 in 2009.

Singapore's ageing population will also have implications for the economy, which include lower economic growth and the increase in aged residents exceeding the growth in the labour force. The government will need to spend more on social needs and may have to raise taxes, which could hurt economic competitiveness. In a 2018 study, researchers from the Institute of Policy Studies (IPS) estimated that if fertility rates in Singapore remain at current levels, the ageing population will cause a drag of 1.5 percentage points on per capita GDP growth every year until 2060[5].

[3] Strategy Group, "Population in Brief 2019" at https://www.strategygroup.gov.sg/files/media-centre/publications/population-in-brief-2019.pdf last accessed on 25 November 2020.
Note: Strategy Group has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[4] The Straits Times, "Singapore population grows at slower pace to hit 5.7 million" at https://www.straitstimes.com/singapore/singapore-population-reaches-57-million-with-22550-new-citizens last accessed on 25 November 2020.
Note: The Straits Times has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[5] Today Online, "Ageing population to drag down S'pore's annual GDP per capita growth for decades: IPS study" at https://www.todayonline.com/singapore/spores-gdp-capita-growth-faces-15-drag-every-year-until-2060-because-ageing-population last accessed on 25 November 2020.
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Singapore's population is expected to continue to age, due to the large cohorts of baby boomers moving into retirement. With the total population estimated to reach 5.7 million in 2020 and 6.1 million in 2030[6], the gap between the young and old in Singapore will also be expected to widen considerably. The proportion of elderly citizens aged 65 and above is forecast to grow from 6.7% in 2010 to 10.8% in 2020[7] and reach to 24.6% in 2030[8]. This translates to an old-age support ratio of Singaporean citizens of 7.4 in 2010, 3.7 in 2020 and 2.4 in 2030[8]. This trend is expected to sustain the demand for social and healthcare services during the next decade.

Singapore's world-class healthcare system offers different levels of service

Singapore has a world-class healthcare system that provides primary healthcare, acute to intermediate care and long-term care services. The government has also implemented a mandatory national health insurance plan named MediShield Life, which helps to offset large hospital bills and selected costly outpatient treatments for Singaporean citizens and permanent residents.

Singapore's healthcare system was ranked the second most efficient in the world, according to the most recent iteration of the Bloomberg Health-Care Efficiency Index, released in September 2018[9]. The ranking takes into account relative health expenditure (healthcare expenditure as a percentage of GDP), absolute health expenditure (average healthcare expenditure per capita) and average life expectancy. Singapore's life expectancy stood at 82.7 years, while health expenditure accounted for 4.3% of GDP. The absolute health expenditure was about SGD3,125[10]. In comparison, the world's largest economy, the US, has a life expectancy of 78.7 years, a relative

[6] Euromonitor Estimates

[7] Singapore Department of Statistics, Online Data Series, at http://www.tablebuilder.singstat.gov.sg/ last accessed on 21 November 2020.
Note: Singapore Department of Statistics has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[8] Euromonitor Estimates

[8] National Population and Talent Division, Strategy Group, Prime Minister's Office, "Population in Brief 2020" at https://www.population.gov.sg/files/media-centre/publications/pib-2020-final.pdf last accessed on 25 November 2020.
Note: National Population and Talent Division, Strategy Group, Prime Minister's Office has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[9] Bloomberg Quint "These are the economies with the most (and least) efficient health care" at https://www.bloombergquint.com/global-economics/u-s-near-bottom-of-health-index-hong-kong-and-singapore-at-top
last accessed on 23 November 2020.
Note: Bloomberg Quint has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[10] X-rates at https://www.x-rates.com/ shows a conversion rate of SGD1.370517 to USD1 on 18 September 2018. Figure is converted from USD2,280.
Note: X-rates has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

health expenditure of 16.8% of GDP and an absolute health expenditure of SGD13,069[11]. Singapore's healthcare outcomes are also ranked among the best in the world. In 2020, the Bloomberg Global Health Index ranked Singapore as the second healthiest country in Asia[12] and the eighth healthiest country in the world.

In August 2015, the government unveiled an SGD3.0 billion national plan to help Singaporeans age confidently and lead active lives. The Action Plan for Successful Ageing Report, released on 24 February 2016[13], detailed about 70 initiatives covering 12 areas, including health and wellness, employment, housing, transport, healthcare and aged care, protection for vulnerable seniors and research. The Action Plan aims to build "A Nation for All Ages", with its initiatives focused on three key pillars. At the individual level, it aims to help Singaporeans live long, live well and age confidently. At the community level, it aims to build a cohesive society with intergenerational harmony. Lastly, at the city level, it aims to build an age-friendly city that enables seniors to live actively and "age in place" confidently. With the continued ageing of the Singaporean population and strong government support to help Singaporeans age confidently, demand for healthcare services will remain strong and there will be many opportunities for healthcare providers in the forecast period.

Thanks to its reputation for sophisticated technology and top medical expertise, Singapore is one of the leading destinations for medical tourism[14]. However, it faces growing competition from neighbouring countries such as Malaysia and Thailand, which have posted improvements in patient experience while maintaining low healthcare costs[15]. Despite that, Singapore is increasingly moving towards providing premium services to its patients to

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[11] *Ibid*. Figure is converted from USD9,536. X-rates at https://www.x-rates.com last accessed on 25 November 2020.
Note: X-rates has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[12] "Bloomberg, "Global Health Index For 2020" at https://worldhealth.net/news/bloombergs-global-health-index-2020/ last accessed on 23 November 2020.
Note: Bloomberg has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[13] Civil Service College, "Successful Ageing: Progressive Governance and Collaborative Communities" at https://www.csc.gov.sg/articles/successful-ageing-progressive-governance-and-collaborative-communities last accessed on 22 November 2020.
Note: Civil Service College has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[14] Budget Direct Insurance, "Medical Tourism Singapore 2020" at https://www.budgetdirect.com.sg/travel-insurance/research/medical-tourism-singapore last accessed on 26 November 2020.
Note: Budget Direct Insurance has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[15] Healthcare Asia, "Singapore's medical tourism ambitions falter as Malaysia steps up" at https://healthcareasiamagazine.com/healthcare/in-focus/singapores-medical-tourism-ambitions-falter-malaysia-steps-0 last accessed on 26 November 2020.
Note: Healthcare Asia has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

defend its position. For example, a private hospital in Singapore, Farrer Park Hospital, is providing wireless tablets to its patients and preparing food from the same kitchen as One Farrer Hotel, its 5-star hotel under the same parent group. Popular services offered by medical providers also range from the standard such as hip and knee replacements to the high-technology such as heart transplants and medical fringe such as medical spas. A study by the University of Hong Kong also found that drug approval in Singapore is relatively quicker than other countries. For example, it was found that the same medicine takes only 60 days in Singapore to be approved as compared to 18-24 months in Hong Kong[16]. Singapore's efficiency will benefit patients who are waiting for new medicine and treatments. Singapore's reputation and position as a leading medical tourism destination is expected to remain strong.

[16] South China Morning Post, "Patients forced to wait up to 24 months for new drugs to be approved in Hong Kong, as experts call for simpler system" at http://www.scmp.com/news/hong-kong/health-environment/article/1853881/experts-call-hong-kongs-drug-approval-system-be last accessed on 27 November 2020.

Note: South China Morning Post has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Table 2 Population Indicators of Singapore Residents, Historical (2009-2019)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2009-2019
Population ('000 People)	4,987.6	5,076.7	5,183.7	5,312.4	5,399.2	5,469.7	5,535.0	5,607.3	5,612.3	5,638.7	5,703.6	1.4%
Resident Population Aged 20-64 ('000 People)	2,473.1	2,515.2	2,539.0	2,554.4	2,570.0	2,583.8	2,597.7	2,610.1	2,621.7	2,628.8	2,631.3	0.6%
Resident Population Aged 65 and Over ('000 People)	330.1	338.4	352.6	378.6	404.4	431.6	459.7	487.6	516.7	547.9	581.7	5.8%
Proportion of Population Aged 65 and Above	6.6%	6.7%	6.8%	7.1%	7.5%	7.9%	8.3%	8.7%	9.2%	9.7%	10.2%	-
Old Age Support Ratio	7.5	7.4	7.2	6.7	6.4	6.0	5.7	5.4	5.1	4.8	4.5	-
Old Dependency Ratio	13.3%	13.5%	13.9%	14.8%	15.7%	16.7%	17.7%	18.7%	19.7%	20.8%	22.1%	-
Fertility Rate	1.22	1.15	1.20	1.29	1.19	1.25	1.24	1.20	1.16	1.14	1.14	-
Total Life Expectancy at Birth	81.4	81.7	81.9	82.1	82.4	82.6	82.9	83.0	83.2	83.4	83.6	0.3%
Male Life Expectancy at Age 65	17.8	18.0	18.1	18.4	18.6	18.8	18.9	19.0	19.2	19.4	19.6	1.0%
Female Life Expectancy at Age 65	21.2	21.4	21.6	21.7	21.9	22.1	22.3	22.4	22.6	22.7	22.9	0.8%
Median Age	36.9	37.4	38.0	38.4	38.9	39.3	39.6	40.0	40.5	40.8	41.1	1.1%

** Resident Population includes Singapore Citizens and Permanent Residents*

Source: Singapore Department of Statistics, Online Data Series, at http://www.tablebuilder.singstat.gov.sg/ and last accessed on 21 November 2020.

Notes: The old age support ratio is calculated by dividing the number of residents aged 20-64 by the number of residents aged 65 and older. The fertility rates refer to the average number of live births each female would have during her reproductive years (age 15-49) in the given year.

The Singapore Department of Statistics has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the

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2.2 NURSING HOMES IN SINGAPORE

2.2.1 Market Overview

Nursing home industry in Singapore offers diversity of care settings and services

The development of residential aged care services in Singapore over the past 30 years has been a success in terms of the progressive improvements in the diversity and quality of services offered to the elderly. In the 1970s, a few nursing homes existed, largely focused on providing basic shelter and care for the elderly, with the sick elderly being cared for by a chronic sick unit. Over the years, a full range of residential intermediate and long-term care services, including nursing homes, has developed in Singapore, with different types of care settings and services catering to different needs. In addition, nursing homes have been encouraged to provide a range of services beyond basic nursing care for residential patients.

Currently, the residential intermediate and long-term care sector in Singapore consists of community hospitals, chronic sick units, nursing homes, inpatient hospices and sheltered homes for those who have been diagnosed as mentally ill. Chronic sick units provide long-term care to the elderly with advanced, complicated medical conditions. Nursing homes provide long-term nursing care for the elderly, who often do not have adequate family or caregiver support at home, or a caregiver is unable to provide the required level of nursing care. Some nursing homes provide care for residents with special needs, such as dementia or stabilised psychiatric conditions. Inpatient hospice facilities provide pain management and treatment for terminally ill patients, and, lastly, sheltered homes provide care for patients with stabilised psychiatric conditions requiring minimal medication.

The nursing home industry has grown from a limited number of homes in the 1970s to 60 nursing homes in 2009 and 77 nursing homes in 2019, provided through Voluntary Welfare Organisations (VWO) nursing homes, public nursing homes and privately-run nursing homes. VWO as championed by NCSS, are named Social Service Agency (SSA) from 2019[18]. In the past, nursing homes were regarded in less than favourable terms. There was a widespread stereotypical impression that nursing homes were physically unappealing and depressing, that the standard of care was low and fraught with neglect, and that they were populated with residents who were frail and ill. Apart from the increase in nursing home beds, the quality of care in nursing homes has improved over the past three decades. It is estimated that nursing homes currently account for about 15-20% of the total market for residential care facilities in Singapore, with the remaining 80-85% comprising community hospitals, chronic sick units, inpatient hospice care and sheltered homes for the ex-mentally ill.

Public, private and not-for-profit nursing homes cater to different consumer segments and budgets

There are three main types of nursing homes in Singapore: SSA nursing homes, public nursing homes and private nursing homes. SSA-operated nursing homes are run by not-for-profit organisations, public nursing homes are run by the government or public corporations, and private nursing homes are operated by private companies. The services provided across the three types of nursing homes are similar; however, private nursing homes tend to have more single or double rooms, better facilities and strategic locations and to provide more holistic care. In addition, more effort is invested in social activities at private nursing homes to ensure that the elderly enjoy

[18] The Straits Times "New name for voluntary welfare organisations – social service agencies" at https://www.straitstimes.com/singapore/new-name-for-voluntary-welfare-organisations-social-service-agencies last accessed on 30 December 2020.
Note: The Straits Times has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information

interaction with one another. Family members send their elderly parents to private nursing homes so that they can receive special medical attention and enjoy socialising opportunities with their peers, typically not available when they are cared for at home by a caregiver such as a domestic helper. In 2015, the Ministry of Health (MOH) and MOH Holdings set up Vanguard Healthcare with the intention to expand options in eldercare services in Singapore by operating a few public nursing homes, promoting innovations and testing new care models. In general, the public regard private nursing homes positively, as they are perceived to have a resident mix with higher income and to offer more activities and services that promote the elderly's wellbeing and quality of life.

2019 saw a net increase of five nursing homes compared to the previous year. This was largely driven by the addition of new public nursing homes in 2019, such as St Andrew's Nursing Home in Taman Jurong[19] and Bukit Batok Care Home[20]. The supply of total nursing home beds has increased from 12,185 in 2015 to 16,059 in 2019, resulting in an increase in the number of available beds per 1,000 elderly aged 65 and above from 26.5 in 2015 to 27.6 in 2019.

On the other hand, the supply of private nursing homes in Singapore has largely remained unchanged in recent years and has resulted in the decrease of available private nursing home beds per 1,000 elderly aged 65 and above in Singapore – from 8.5 beds in 2015 to 6.6 beds in 2019. This decrease is attributed to the increasing aging population and continued low supply of private nursing home beds and may translate to an unmet demand for private nursing home beds.

Table 3 Types of Nursing Homes in Singapore, Historical (2015-2019)

Nursing Homes (#)	**2015**	**2016**	**2017**	**2018**	**2019**
Public	11	13	20	21	23
Private	34	30	30	28	31
Not-for-Profit (VWOs)	26	26	23	23	23
Total	71	69	73	72	77
Total Number of Beds (#)	12,185	13,022	14,918	15,205	16,059
Number of Public Beds	2,488	3,110	5,281	5,581	6,238
Number of Not-for-Profit (VWOs) Beds	5,802	6,058	5,872	5,953	5,963
Number of Private Beds	3,895	3,854	3,765	3,671	3,858

Source: Ministry of Health Singapore, "Number of Nursing Homes" at (https://www.moh.gov.sg/content/moh_web/home/statistics/Health_Facts_Singapore/Health_Facilities.html) and last accessed on 20 November 2020.

Note: The Ministry of Health Singapore has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information

[19] The Straits Times "New nursing home can care for up to 290 seniors" at https://www.straitstimes.com/singapore/health/new-nursing-home-can-care-for-up-to-290-seniors last accessed on 26 November 2020.
Note: The Straits Times has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, , the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[20] Ministry of Health Singapore, "Upcoming and completed healthcare facilities" at https://www.moh.gov.sg/upcoming-and-completed-healthcare-facilities last accessed on 26 November 2020.
Note: Ministry of Health Singapore has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

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Source: Data.gov.sg "Health facilities and beds in inpatient facilities" at https://data.gov.sg/dataset/health-facilities?view_id=30c38f18-5bfa-4eac-89ff-f0e22b240e75&resource_id=1e5b2dd3-97fb-44e4-9f88-c6415ef230cd last accessed 23 November 2020.

Note: Data.gov.sg has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

The Build-Own-Lease funding model for nursing homes is a key government strategy to increase nursing home capacity

The Build-Own-Lease (BOL) funding model was introduced by the Singapore government in 2012[21]**.** Under this framework, the government covers the costs of nursing home development and tenders out the operating rights to both private and VWO operators. This arrangement allows operators the ability to not bear the high upfront capital costs associated with construction. This framework also focuses on the quality of care that operators provide as tender proposals are evaluated on aspects such as model of care and community integration plans. In addition, operators are also accessed on the amount that they intend to charge patients based on what is sustainable to them, thereby keeping nursing home fees affordable for elderly residents.[22] This framework is expected to continue in the future and there have been 3 tenders for the provision of integrated operator services in the second half of 2020.[23]

[21] Ministry of Health Singapore, "Speech by Dr Amy Khor, Senior Minister of State for Health, in response to motions on aging with purpose and support for caregivers" at https://www.moh.gov.sg/news-highlights/details/speech-by-dr-amy-khor-senior-minister-of-state-for-health-in-response-to-motions-on-ageing-with-purpose-and-support-for-caregivers last accessed on 28 December 2020.
Note: Ministry of Health Singapore has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[22] Ministry of Health Singapore, "Speech by Dr Amy Khor, Senior Minister of State for Health, in response to motions on aging with purpose and support for caregivers" at https://www.moh.gov.sg/news-highlights/details/speech-by-dr-amy-khor-senior-minister-of-state-for-health-in-response-to-motions-on-ageing-with-purpose-and-support-for-caregivers last accessed on 28 December 2020.
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[23] GeBiz, "Opportunities" at https://www.gebiz.gov.sg/ptn/opportunity/BOListing.xhtml last accessed on 28 December 2020.
Note: GeBiz has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Econ Medicare Centre at Yio Chu Kang was the first nursing home that was developed under the BOL framework[24], and has recently been awarded 2 BOL nursing homes in Henderson and Jurong that will be operational in 2022 and 2024 respectively and have a total capacity of 968 beds combined.

In addition to the BOL framework, the government is also building larger day care centres called "Active Ageing Hubs" that offer a wider range of active ageing and care services.[25] As of 2020, there are 10 Active Ageing Hubs in Singapore that are operated by NTUC Health, Society of Sheng Hong Welfare Services, Kwong Wai Shiu Hospital, Active Global Home & Community Care, Home Nursing Foundation and Care Corner.[26]

Subsidies for local citizens and permanent residents improve accessibility of long-term care for the needy

To reduce the government's financial burden of providing subsidies for nursing home residents and ensure a "shared responsibility", families must contribute towards the costs of the elderly's stay and treatment[27]. The amount of government subsidy provided depends on a patient's household income. Patients from households with less than SGD2,800 per capita monthly income would be eligible for a subsidy ranging from 10.0% to 75.0%. The remaining cost may be further covered by ElderShield, an insurance policy that provides coverage to elderly Singaporeans who require long-term care. In addition to ElderShield, the government introduced CareShield Life in 2020. CareShield Life is a compulsory insurance policy for anyone over the age of 30 and will provide monthly pay-outs for people who are severely disabled[28]. These monthly pay-outs can be used to defray the costs of long term care such as nursing home fees.

[24] Asia One, "Concerns over new nursing home model" at https://www.asiaone.com/health/concerns-over-new-nursing-home-model last accessed on 4 January 2021.
Note: Asia One has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[25] Ministry of Health Singapore, "Speech by Dr Amy Khor, Senior Minister of State for Health, in response to motions on aging with purpose and support for caregivers" at https://www.moh.gov.sg/news-highlights/details/speech-by-dr-amy-khor-senior-minister-of-state-for-health-in-response-to-motions-on-ageing-with-purpose-and-support-for-caregivers last accessed on 28 December 2020.
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[26] Homage, "Active Ageing Hubs & Senior Programmes in Singapore" at https://www.homage.sg/resources/active-ageing-singapore/ last accessed on 4 January 2021.
Note: Homage has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information

[27] Ministry of Health Singapore, "Our Singapore Conversation on Healthcare" at https://www.moh.gov.sg/content/moh_web/home/pressRoom/pressRoomItemRelease/2013/our-singapore-conversation-on-healthcare.html last accessed on 26 November 2020.
Note: Ministry of Health Singapore has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[28] Asian Development Bank, "Singapore's long-term care system" at https://www.adb.org/sites/default/files/publication/637416/singapore-care-system-population-aging.pdf last accessed on 29 December 2020.
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The Agency for Integrated Care (AIC) was set up by the MOH to oversee, coordinate and facilitate efforts in care integration. It matches the elderly who are financially poor or in need of care to nursing homes that receive MOH subsidies, allocates subsidies and refers the eligible elderly to nursing homes and day care centres. These referrals are typically made through hospitals to the AIC which will assess eligibility through means testing. If the applicant's household per capita monthly income is less than SGD2,800, they would qualify for a subsidy from the AIC. Public hospitals typically refer elderly patients to the appropriate care facilities and includes nursing homes where they can receive subsidies. However, if an elderly patient prefers a private nursing home, there are pay-out schemes in the form of monthly financial assistance, which the elderly can use to subsidise their fees at private nursing homes.

Private nursing homes cater to both full-paying and subsidised patients. However, accredited private nursing homes which are under the MOH Portable Subsidy Scheme have also set aside some of their beds for patients who are eligible for MOH subsidies. This initiative provides those who are unable to afford private nursing homes more options and the opportunity to stay in one as long as they are referred by the AIC. However, since April 2003, the MOH has extended subsidies to patients who meet the criteria and are admitted to accredited private nursing homes. This provides greater availability and choice of nursing homes for families that are financially challenged.

Table 4 Subsidies for Patients in Intermediate and Long-Term Care Residential Services in Singapore (except Community Hospitals)

Household per Capita Monthly Income	Subsidy Rate	
	Singapore Citizens	Permanent Residents
Below SGD801	75%	50%
SGD801-1,200	60%	40%
SGD1,201-1,900	50%	30%
SGD1,901-2,000	40%	20%
SGD2,001-2,800	20%	10%
Above SGD2,800	0%	0%

Source: Ministry of Health Singapore, found in https://www.moh.gov.sg/content/moh_web/home/costs_and_financing/schemes_subsidies/subsidies_for_government_funded_ILTC_services.html and last accessed on 20 November 2020.

Note: The Ministry of Health Singapore has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

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Table 5 Subsidies for Patients in Intermediate and Long-Term Care Non-Residential Services in Singapore (Home and Centre-Based Services)

Household per Capita Monthly Income	Subsidy Rate	
	Singapore Citizens	Permanent Residents
Below SGD801	80%	55%
SGD801-1,200	75%	50%
SGD1,201-1,900	60%	40%
SGD1,901-2,000	50%	30%
SGD2,001-2,800	30%	15%
Above SGD2,800	0%	0%

Source: Ministry of Health Singapore, found in https://www.moh.gov.sg/content/moh_web/home/costs_and_financing/schemes_subsidies/subsidies_for_government_funded_ILTC_services.html and last accessed on 11 December 2021.

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Private nursing home industry continues to grow with a focus on a wider range of services

Revenue receipts of private nursing homes grew by a CAGR of 5.1% over the review period, from SGD92.6 million in 2015 to SGD113.1 million in 2019. Year-on-year growth rates have been relatively lower in recent years, due to nursing homes such as Orange Valley (Changi) being closed for one year for renovations[29]. Industry growth was supported by a growing demand for better quality services and facilities, due to rising consumer income and varying consumer preferences and lifestyles. As a result, the private nursing home industry has been developing rapidly, with operators offering a wider range of services such as physiotherapy, post-surgical care and social activities.

Table 6 Private Nursing Homes Revenue Receipts in Singapore, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Revenue Receipts of Private Nursing Homes in Singapore (SGD million)	92.6	95.8	98.3	102.6	113.1*	5.1%
Y-o-Y Growth (%)	-	3.5%	2.6%	4.3%	10.3%	

** Orange Valley (Changi) reopened in September 2019 after 1 year of renovation*

[29] The Straits Times, "Orange Valley Nursing Homes reopens Changi Care Village after year-long revamp" at https://www.straitstimes.com/singapore/orange-valley-nursing-homes-reopens-changi-care-village last accessed on 25 November 2020.
Note: The Straits Times has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Source: Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in Singapore

Note: The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

Nursing home operators cope with stringent regulatory requirements and operational challenges during COVID-19

Throughout the pandemic, the government has sought to introduce more incremental changes to prevent the spread of the virus in the healthcare industry. This resulted in nearly 100 updates in the first six months of the crisis.[30] Many operators have strived to navigate changes with short turnaround times and the large volume of advisories issued by the government. However, operators have also commended the support from the government which ranges from providing on-the-ground support to listening to operator feedback to further adapt policies.[31]

The government has also introduced stringent requirements to minimise infection risk. To comply with the new COVID-19-related regulatory requirements, nursing home operators needed to retrofit their facilities, especially in communal areas, split zones, and staff living quarters. These changes have often resulted in higher operating costs and operation challenges for nursing home operators. In all, 3,600 resident-facing staff, or around 40% of all 9,000 nursing home staff, were moved to designated accommodation facilities on-site or at hotels. After the "circuit breaker" was lifted, providers were supported with funding to transit their staff into the new accommodation[32], which adhered to principles such as observing split zones and safe distancing measures, minimising inter-mixing of staff, and ensuring the accommodation is well ventilated.

2.2.2 Legislative and Regulatory Regimes

Regulatory regimes for the nursing home industry

The nursing home industry is regulated by the MOH. All nursing homes must obtain a licence under the Private Hospitals and Medical Clinics Act. The licensing requirements cover various aspects of nursing home standards, such as medical and nursing care, facilities maintenance and upkeep and general hygiene.

[30] Lien Foundation and Oliver Wyman "Navigating a New Reality" at https://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2020/october/navigating-a-new-reality_v1.pdf last accessed on 30 December 2020.
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[31] Lien Foundation and Oliver Wyman "Navigating a New Reality" at https://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2020/october/navigating-a-new-reality_v1.pdf last accessed on 30 December 2020.
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[32] Ministry of Health Singapore, "Additional Covid-19 support measures for all homes serving the elderly" at https://www.moh.gov.sg/news-highlights/details/additional-covid-19-support-measures-for-all-homes-serving-the-elderly last accessed on 30 December 2020.
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To ensure that nursing homes meet the licensing requirements and care standards, the MOH conducts regular checks on nursing homes. It also engages independent auditors to further assess care standards in areas such as infection control, wound care and nursing management in the nursing homes. In addition, the MOH has set up the Nursing Home Visitors Programme, under which volunteers visit nursing homes for observation purposes, including observing the living environment and obtaining direct feedback from residents and their family members[33].

Enhancing care standards in the nursing home industry

The care standards in nursing homes are regularly reviewed by the MOH. In 2014, an industry-led workgroup was assembled to develop enhanced nursing home standards. The set of standards covers three domains: clinical aspects of care, social aspects of care and governance and organisational excellence[34]. The workgroup's recommendations were incorporated into licensing requirements in April 2015 and enforced with effect from April 2016. Nursing homes must obtain a licence in order to operate, but may face a shorter licensing period if licensing requirements are not met. Periods will be extended if nursing homes take measures to address areas of non-compliance. However, persistent non-compliance may lead to a loss of licence.

The new Healthcare Services Bill ("the Bill") was passed on 6 January 2020, replacing the Private Hospitals and Medical Clinics Act. The Bill will be implemented in three phases from late 2021 to the early 2023.[35] The Bill seeks to strengthen the safeguards for the safety and welfare of patients who receive healthcare services, improves the governance requirements for providers of healthcare services, and enhances the regulatory powers in relation to providers of healthcare services. It contains stricter staff employment rules, restricting people who have a prior record of elderly abuse from working in nursing homes[36]. This is to safeguard the welfare of the elderly and ensure

[33] Ministry of Health Singapore, "Standards of care for Nursing Homes" at https://www.moh.gov.sg/content/moh_web/home/pressRoom/Parliamentary_QA/2016/standards-of-care-for-nursing-homes.html last accessed on 30 December 2020.
Note: Ministry of Health Singapore has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[34] Ministry of Health Singapore, "Enhanced Nursing Home Standards to Provide Better Care for Seniors" at https://www.moh.gov.sg/content/moh_web/home/pressRoom/pressRoomItemRelease/2014/enhanced-nursing-home-standards-to-provide-better-care-for-senio.html last accessed on 30 December 2020.
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[35] The Ministry of Health Singapore, "Healthcare Services Act (HCSA)" at https://www.moh.gov.sg/hcsa/home last accessed on 4 January 2021.
Note: The Ministry of Health Singapore has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[36] Straits Times, "New Healthcare Services Bill to have far broader scope and more teeth" at https://www.straitstimes.com/singapore/health/new-healthcare-services-bill-to-have-far-broader-scope-and-more-teeth last accessed on 30 December 2020.
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accountability. In addition, there will be a services-based licensing regime under the Bill, instead of a premises-based one. This will allow healthcare providers to obtain licences based on the services they wish to provide. For example, nursing homes will now be able to provide dementia care within one location[37].

2.2.3 Business Models

Typical business model of private nursing homes

Private nursing homes are run by private companies or individuals, charging a monthly fee for providing nursing care as well as assistance with activities of daily living. Most private nursing homes offer a range of room types, including suites, single rooms, 2-bedded rooms and multi-bedrooms. Larger private nursing homes such as Econ and Orange Valley are typically set up in a multistorey building in order to offer a larger number of beds and a wider range of facilities, such as a rehabilitation unit, a multipurpose hall, and communal dining areas. Smaller private nursing homes are housed in bungalows and may have a smaller capacity and fewer facilities due to their scale and space constraints.

Additional services provided by private nursing homes

In addition to long-term residential care, some private nursing homes also offer respite care, short-term care, day care and home care. Short-term care offers temporary care, usually for less than a month. Short-term patients are charged on a daily rate and the service may include daily meals. Day care services cater to working families who require help with elderly care in the day and to elderly patients who require social engagement during the day. Fees for day care services are typically charged on a daily basis. Lastly, home care services provide nursing care for elderly patients in the comfort of their own homes.

Average costs of staying in a private nursing home

On average, it costs between SGD2,000 and SGD4,500 per month to stay in a private nursing home[38]. The fees vary among nursing homes as more premium homes tend to charge more for better facilities, environments and quality services. Fees are dependent on room types and the level of care required. For those who stay in private single-bedded rooms, the monthly fees can be as high as SGD5,500.

In the private nursing home industry, there has been a rise in philanthropists and local businesspersons who sponsor the building of new models of residential care facilities for seniors. In March 2018, it was reported that a group of five philanthropists had come together to develop the first purpose-built assisted living facility in

[37] Allen & Gledhill, " Healthcare services bill passed in Parliament: Provisions introduced to strengthen governance requirements for providers of healthcare services" at https://www.allenandgledhill.com/sg/publication/articles/13989/healthcare-services-bill-passed-in-parliament-provisions-introduced-to-strengthen-governance-requirements-for-providers-of-healthcare-services last accessed on 26 November 2020.
Note: Allen & Gledhill has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[38] Agency for Integrated Care "Introduction to nursing homes" at https://www.aic.sg/care-services/nursing-home last accessed on 25 November 2020.
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Singapore[39]. The facility will allow seniors with mobility issues to live independently, instead of living in an institutionalised setting as found in most existing nursing homes in Singapore. Residents can live on their own but retain access to nursing and personal care services. The 50-room facility will be located in the north-eastern part of Singapore and is expected to be completed by 2021.

Different needs drive alternative models in the private nursing home industry

As baby boomers with varying income levels and lifestyles enter their golden years, their needs, preferences and expectations change. In response to these changing needs from different senior segments, the services offered by private nursing homes have also become more diverse. Entrepreneurs are introducing alternative nursing home models, such as assisted living facilities and elderly-friendly estates, in contrast to the traditional open ward setup. An example of a newer home is St Bernadette Lifestyle Village, an assisted living facility housed in a single-storey bungalow in the Bukit Timah neighbourhood. The facility has capacity for eight elderly residents, who will each pay SGD3,500 per month on average.[40] Elderly residents enjoy their independence while staff help with chores and monitor their health. Each resident has a bedroom and shares a common living room. They also enjoy round-the-clock medical concierge services, such as accompaniment to medical appointments. Operators are also putting greater emphasis on patient rehabilitation instead of just residential care, in order to capture the segment of seniors who require short-term care (e.g. recovery from a hospital stay) or families who need a break from caregiver duties.

The emergence of luxurious nursing homes has also improved family receptiveness towards the idea of sending their elderly to private nursing homes, where they trust that their loved one would receive a high standard of care and proper medical attention in a homely environment, and thus have a positive outlook on life. To differentiate themselves, some operators (e.g. Allium Healthcare) have designed nursing home facilities to resemble private apartments and condominiums. These tend to house single and double en suite rooms, as well as executive suites which come with their own living room and an open terrace for residents. Instead of wards, the nursing homes feature "households" that cater to a small group of 10-12 residents that share a living area, dining area and kitchen, as well as an area for rehabilitation and exercise facilities.

2.2.4 Operational Costs

Labour costs represent the key operational cost

[39] The Straits Times, "Philanthropists to set up facility for assisted living" at https://www.straitstimes.com/singapore/philanthropists-to-set-up-facility-for-assisted-living last accessed on 25 November 2020.
Note: The Straits Times has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[40] The Straits Times "First retirement village opens in Singapore in December" at https://www.straitstimes.com/singapore/first-retirement-village-opens-in-singapore-in-december last accessed on 25 November 2020.
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According to a 2016 study by Lien Foundation and Khoo Chwee Neo Foundation[41], it was estimated that private nursing home operational costs are as follows:

- Healthcare costs – 48.2% of total operational costs. These are costs that are associated with the nursing and medical care of patients.
    - Labour costs – 31.2%. These are costs of nursing staff.
    - Other healthcare costs – 17.0%. These include the costs of nursing supply, medical care, rehabilitation services and social care services.
- Living costs – 24.6%. These include the cost of food, laundry, housekeeping and general maintenance.
- Accommodation costs – 17.8%. These are costs associated with the cost of rental expenses and utilities.
- Other costs – 9.3%. These are administrative costs such as the cost of administration staff and IT.

In 2020, increased operational costs were observed due to the increased safety and social distancing measures caused by COVID-19. This included costs associated with disinfection and sanitisation of facilities, personal protective equipment (PPE) and temperature measuring devices. However, some of these costs were defrayed by the support of the MOH and AIC as they provided support such as distributing PPE supply from the national stockpile to each operator and the formation of the Stronger Together Fund that provides financial support (up to SGD50,000 per nursing home) to long-term care providers which are hit by a confirmed COVID-19 case.[42]

2.2.5 Market Drivers

Growing elderly population and rising income drive demand for private nursing homes

Singapore's ageing population has been a key growth driver for the private nursing home industry. Socioeconomic development and improvements in healthcare have resulted in lower fertility rates and increased life expectancy. As the number of baby boomers age and require more elderly care services, the demand for nursing homes has grown accordingly. There has also been a rise in demand within major hospitals and community hospitals, resulting in a lack of beds for chronically ill elderly people. As a result, more elderly people need to be cared for in residential long-term care facilities. To meet rising demand, the number of nursing home beds in Singapore has increased from 9,442 in 2009 to 16,059 in 2019[43]. It suggests that Singapore is on track to meet the government's target of having 17,000 nursing home beds by 2020.

[41] Lien Foundation, "The Economics of Singapore Nursing Home Care" at http://www.lienfoundation.org/sites/default/files/20160728%20Economics%20NH%20LF%20KCNF%20vF.pdf last accessed on 25 November 2020.
Note: Lien Foundation has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[42] The Lien Foundation and Oliver Wyman "Navigating a new reality" at https://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2020/october/navigating-a-new-reality_v1.pdf last accessed on 10 December 2020.
Note: Lien Foundation and Oliver Wyman has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[43] Ministry of Health Singapore "Beds in inpatient facilities and places in non-resident long-care care facilities" at https://www.moh.gov.sg/resources-statistics/singapore-health-facts/beds-in-inpatient-facilities-and-places-in-non-residential-long-term-care-facilities, last accessed on 20 November 2020.
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While the ageing population has driven demand for nursing homes, rising income has also been particularly relevant for private nursing homes. As family members become more affluent, they are more likely to spend on premium private nursing homes to attain the best quality of care for their elderly. According to a 2016 survey commissioned by Lien Foundation and NTUC Income, the public believed that single- or 2-bedded rooms were more appropriate for nursing homes, as opposed to 6-bedded open wards. In addition, the survey also found that Singaporeans are willing to live in nursing homes provided they have personal space and privacy.[44] This indicates that, notwithstanding budget and costs, caregivers would select private nursing homes that offer more exclusive rooms.

Private nursing homes offer specialised services such as special needs and dementia care

The government has significantly ramped up capacity in the nursing home industry in the last few years, with a focus on standardisation and cost efficiencies, therefore increasing the number of medicalised, open ward nursing homes. This is reflected in the number of public nursing homes, which more than doubled in the review period. This leaves space for private nursing homes to offer premium or more personalised services, such as home-like care settings or services which cater to special needs such as dementia. For this reason, demand for private nursing homes has remained strong and private nursing home operators have reported a high occupancy rate. The average occupancy rate for private nursing homes stood at around 90%-95% in 2019, while some operators have reported having a waiting list for their premium packages, such as single-bedded rooms or 2-bedded rooms.

2.2.6 Market Constraints

Labour shortage is widespread across the nursing home industry

A labour shortage has been widely reported by both private and non-profit nursing home operators. Healthcare experts have expressed concern about labour needs in the long-term care sector as it is difficult for nursing home operators to hire professional staff. They face competition from the acute care sector, polyclinics and hospitals which are all actively recruiting. Medical professionals often prefer larger institutions such as hospitals, which are perceived to offer more sophisticated work and better career paths. Moreover, most Singaporeans are unwilling to work in the nursing home industry due to long hours and relatively lower pay compared to other office-based jobs or medical facilities. In addition, nursing homes must meet minimum staffing requirements issued by the MOH. For example, a nursing home must employ at least 12 workers on every shift throughout the day for every 24 Category Four residents (those who are bed-bound or severely ill)[45]. To cope with labour shortages, many private nursing homes have relied on foreign workers. The tight labour situation in the private nursing home industry also means that it will be more challenging to maintain care standards with limited manpower.

Labour shortage further exacerbated by COVID-19

[44] The Straits Times " Singaporeans okay with moving to nursing homes in their old age" at https://www.straitstimes.com/singapore/sporeans-okay-with-moving-to-nursing-homes-in-their-old-age last accessed on 10 December 2020.
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[45] intellasia, "Nursing home staff in Singapore overworked and underpaid: study" at https://www.intellasia.net/nursing-home-staff-in-singapore-overworked-and-underpaid-study-545771 last accessed on 4 January 2021.
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Insufficient manpower was a challenge in Singapore's nursing home industry before the COVID-19 pandemic and it has been further exacerbated by it. Given the industry's high dependence on foreign talent, there were key challenges in manpower during the pandemic, as travel restrictions reduced the availability of foreign manpower. Some foreign workers who went back to their home countries were unable to re-enter Singapore. The recruitment of foreign workers was also paused. Meanwhile, it became more challenging to hire locals, potentially given their fear of COVID-19 infections.

Singapore Healthcare Corps, an MOH-led initiative to support the healthcare workforce during the pandemic, provided a stopgap solution. The government recruited both healthcare and non-healthcare professionals, provided training, and matched them to paid or volunteer opportunities across the health system. Applicants indicated their preference, if any, for hospital or long-term care settings. This initiative was launched on 7 April 2019 and saw about 3,000 sign-ups by the end of April. However, the uptake of manpower from the initiative has not been high in the long-term care sector. Moreover, the Healthcare Corps volunteers only provided some temporary relief. One nursing home hired 10 Healthcare Corps members but noted that most would not likely stay permanently.

Competition from Malaysia as Singaporeans turn to Johor Bahru

The high costs of private nursing homes in Singapore have driven some Singaporean families to consider private nursing homes in the neighbouring state of Johor Bahru in Malaysia. Affordability is a main factor driving this trend, as nursing home fees in Singapore are twice as expensive as Malaysia's, on average. Some nursing homes (licenced and unlicensed) in Johor Bahru specifically target the Singaporean market with competitive pricing, while offering a good range of services, such as skilled nursing care, rehabilitation services, private transport to and from Singapore, ambulance services and special meals. However, the future development of this trend has become less certain in light of COVID-19. The flow of people across the border has become much more restricted, and there is much focus on the level of hygiene and sanitisation in nursing homes. Hence, Singaporeans who are considering moving to nursing homes in Malaysia are likely to temporarily shelve the plan until there is more clarity about the future development of the pandemic situation.

Rising operational costs due to tighter regulatory requirements

Changing regulatory requirements and stricter standards have made it more challenging for smaller private nursing homes to operate, due to the rising costs associated with compliance. Within one month of the MOH's launch of enhanced nursing home standards as part of the licensing conditions in April 2016, at least five nursing homes reduced their bed capacity or had plans to cease operations. Following checks by the AIC, some nursing homes had been instructed by the government to house fewer residents in order to meet the new requirements. Some nursing homes have also raised their fees to cover rising operational costs in response. Some were also instructed by the MOH to build facilities such as a holding room, isolation room and disposal room, which would incur additional costs to set up.

Increasing competition from government built BOL nursing homes and SSA nursing homes

In the forecast period, the government is expected to continue to push the development of BOL nursing homes to meet the strong demand for nursing home beds. There are several large public nursing homes in the pipeline, such as new nursing homes at Jurong West Street 52, Punggol East/Tebing Lane, Tampines Avenue 2 and Potong Pasir Avenue 1.[46] Another group of public nursing homes in the pipeline are planned to be located near or in a polyclinic

[46] The Ministry of Health Singapore, "Upcoming and completed healthcare facilities" at https://www.moh.gov.sg/upcoming-and-completed-healthcare-facilities last accessed on 20 November 2020.

Note: The Ministry of Health Singapore has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

or hospital to provide a hub of elderly care services. Upcoming projects in this category include Senja Nursing Home (opening at the end of 2020), TTSH Integrated Care Hub (scheduled to open in 2022), Kaki Bukit Polyclinic and Nursing Home (scheduled to open in 2025).

As the new BOL and SSA-run nursing homes focus on innovation and become more attractive options, private nursing homes will face greater competition in the future and may have to offer competitive pricing to attract elderly customers. There are indications that new public and SSA-run nursing homes will increasingly explore a community-focused, person-centric care model. In 2017, the National University of Singapore, in collaboration with the URA and other agencies, began a study to explore how the design of the physical environment can improve the wellbeing of nursing home residents, caregivers, staff and the larger community. The study aims to recommend design principles for future nursing homes which support person-centric care models and are well integrated with the surrounding communities[47]. The study is expected to be completed in 2020. An example of the newer BOL nursing homes is Ren Ci Hospital's new nursing home, Ren Ci @ Ang Mo Kio, which was opened in 2019. The new facility is designed to provide a cluster living concept for residents instead of isolated rooms. The residents are grouped into households with a common corridor called the "eight-foot way", a play on the "five-foot way" that was a continuous corridor built in front of shophouses. There are also spaces that allow residents to gather and socialise[48]. Another example, Bukit Batok Care Home which opened in 2019, has a “Home in a Garden” concept with greenery to provide a healing and restorative living environment for seniors. It also has fenceless boundaries and a public communal plaza to encourage integration with the community.

Private nursing homes may face competition from alternative options for elderly people to “age in place”

The government is encouraging seniors to age in place by rolling out housing options which specifically cater to the elderly’s needs. The Housing & Development Board (HDB) developed Kampong Admiralty as the first integrated housing for the elderly with a range of social, healthcare, communal, commercial and retail facilities. It was completed in 2017 and features 100 flats, a 2-storey medical centre, and a hawker centre. The HDB plans to have more public retirement villages similar to the one at Kampong Admiralty in other housing estates. According to a speech by the Senior Minister of State for Sustainability and the Environment, Dr Amy Khor, on 5 March 2020, the number of home and day care places to support “ageing in place” has increased by 70% since 2015. Furthermore, over the next four years, the government will “progressively level up and fund at least double the number of eldercare centres to provide an expanded suite of baseline support services for all seniors nationwide”. The government is currently rolling out a new HDB housing type called assisted living flats. The new assisted living flats will be sold with a mandatory service package that provides 24/7 emergency response and the assistance of an on-site community manager. The first set of these flats will be launched in Bukit Batok, and will be reserved for seniors aged 65 and above. Depending on the popularity of these new housing options, private nursing homes may face a higher level of competition in the forecast period.

[47] Urban Redevelopment Authority, “Rethinking the design of nursing homes” at https://www.ura.gov.sg/Corporate/Resources/Publications/Skyline/Skyline-issue12/Rethinking-design-of-nursing-homes last accessed on 20 November 2020.
Note: Urban Redevelopment Authority has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[48] The Straits Times, “Ren Ci Hospital opens nursing home in Ang Mo Kio” at https://www.straitstimes.com/singapore/health/ren-ci-hospital-opens-nursing-home-in-ang-mo-kio last accessed on 20 November 2020.
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2.2.7 Market Outlook

Nursing home industry expected to maintain strong growth due to the growing silver population and rising income

The private nursing home industry is expected to experience a CAGR of 13.6% over the forecast period, driven mainly by the ageing population and rising income level of Singaporeans. Singapore's elderly population is expected to increase at a faster pace than other demographic groups. It is projected that the number of elderly aged 65 and older will increase from 0.58 million in 2019[49] to 1.49 million in 2030[50], making up 10.2% of the population in 2019 and 24.6% of the population in 2030[51]. This represents a CAGR of 8.9% for the population of elderly aged 65 and older from 2019-2030[52], which is higher than the CAGR of the total population that is expected to have a CAGR of 0.6% from 2019-2030[53] and higher than the historical CAGR of 6.1% for the population of elderly aged 65 and older from 2015-2019[54]. To meet rising demand, the nursing home industry is forecast to grow at a quicker pace, following the government's target to have 17,000 beds in Singapore by 2020[55], the private nursing home industry is expected to provide an estimated total of around 5,577 beds by 2024[56], representing a CAGR growth of 7.7% from 3,858 beds in 2019 for the private nursing home. Notwithstanding the addition of new beds by 2024, with the fast pace of growth for population aged 65 and above in Singapore, the availability of private nursing home beds per 1,000 elderly aged 65 and above in Singapore will continue to decline to 5.2 beds in 2024 from 6.6 beds in 2019. Moreover, as the economy continues to expand, disposable income will continue to rise, and more Singaporeans will be willing to pay for better facilities and services at private nursing homes.

As the population ages, the average life expectancy of Singaporeans has increased over the decades and the number of years that a Singaporean spends in ill health at the end of their life rose from 9.0 years in 1990 to 10.6 years in 2017[57], representing an increase of 1.6 years. That means the average Singaporean born in 2017 could

[49] Singapore Department of Statistics, "Online Data Series" at http://www.tablebuilder.singstat.gov.sg/ last accessed on 21 November 2020.
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[50] Euromonitor estimates.

[51] Euromonitor estimates.

[52] Euromonitor estimates.

[53] Euromonitor estimates.

[54] Euromonitor estimates.

[55] The Straits Times, "Demand for elderly care facilities on the rise" at https://www.straitstimes.com/business/companies-markets/demand-for-elderly-care-facilities-on-the-rise last accessed on 27 November 2020.
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[56] Euromonitor estimates.

[57] Ministry of Health Singapore and Institute of Health Metrics and Evaluation at http://www.healthdata.org/sites/default/files/files/policy_report/2019/GBD_2017_Singapore_Report.pdf last accessed on 15 January 2021.
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expect to live for 84.8 years, but that 10.6 of those years would be spent in poor health[58]. This is due, in part, to the ageing population and the tendency of elderly people to have a higher rate of chronic disease and disability when compared to younger people[59].

The ageing population, coupled with the rise in the number of years that the elderly spend in ill health, higher willingness to pay for better facilities and services at private nursing homes is expected to translate to longer lengths of stay and a growing demand for the private nursing home industry.

Table 7 Private Nursing Homes Revenue Receipts in Singapore, Forecast (2020-2024)

	2020	2021	2022	2023	2024	CAGR 2020-2024
Revenue Receipts of Private Nursing Homes in Singapore (SGD million)	120.7	135.0	149.9	166.0	201.2	13.6%
Y-o-Y Growth (%)	6.7%	11.8%	11.0%	10.8%	21.2%	-

Source: Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in Singapore.

Note: The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

Increasing use of technology is expected to improve productivity and residents' experience

The increasing use of technology is an emerging trend in the nursing home industry which can improve staff productivity, deliver clinical care services more effectively and efficiently, and enable more frequent communications between patients and their family members. Such solutions are expected to alleviate some of the problems related to labour shortages in the industry. Nursing homes have also begun using robots, artificial intelligence and chatbots so that families can engage remotely with the elderly, and this is expected to enhance patients' stays at the nursing homes, as they can stay in touch with their families. Family members will also be able to enjoy greater peace of mind by keeping in touch with the elderly.

COVID-19 accelerates technology adoption in nursing homes

Nursing homes' response to COVID-19 further demonstrated how the greater use of digital technology can boost the efficiency of elderly care services, increase the variety of activities for the elderly, and show the potential of putting elderly people at the centre of care. The need to minimise infection and comply with regulatory requirements, while maintaining a high standard of care, has prompted nursing home operators to explore

[58] Ministry of Health Singapore and Institute of Health Metrics and Evaluation at http://www.healthdata.org/sites/default/files/files/policy_report/2019/GBD_2017_Singapore_Report.pdf last accessed on 15 January 2021. Note: The Ministry of Health Singapore and Institute of Health Metrics and Evaluation has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[59] Ministry of Health Singapore and Institute of Health Metrics and Evaluation at http://www.healthdata.org/sites/default/files/files/policy_report/2019/GBD_2017_Singapore_Report.pdf last accessed on 15 January 2021. Note: The Ministry of Health Singapore and Institute of Health Metrics and Evaluation has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

technology options, which in turn accelerated technology adoptions in the industry. For example, some operators are looking into providing telehealth services and communication apps where staff can discuss with clients and their families about care plans and other matters through digital channels[60]. \

Private nursing homes are expected to adapt and evolve

As Singapore's population ages, there is greater awareness of the different types of nursing homes in the market. Consumers will also demand a higher standard of care and better facilities. Younger Singaporeans have shown a preference for a model that focuses on the quality of life and emotional wellbeing of elderly care over the open ward model. The study by Lien Foundation and NTUC Income in 2016[61] found that 67.0% of the respondents aged 30-44 did not mind staying in a retirement village, compared to those aged 60-75 (48.0%). Towards the end of the review period, there was growing awareness and demand for nursing homes which offer personalised care, eg more single and double rooms which allow privacy and personalisation of care, and nursing homes which focus on the nursing, social and emotional needs of a "household" (household refers to the elderly people living together in the nursing home, perceived as a household or family).

There will be opportunities for private nursing homes to adapt their facilities and operations to meet this growing demand for person-centric care. This trend will be boosted by rising income, which means that more elderly people will be able to afford more personalised care in private nursing homes. The emergence of new nursing home models will present both opportunities and competition for private nursing homes. There will be increased competition for incumbents, but it will also mean opportunities for players, both incumbents and new entrants, to introduce new models of care, services and facilities. This will allow them to remain relevant and competitive in the forecast period while the model of nursing home care evolves.

2.3 COMPETITIVE LANDSCAPE

2.3.1 Competitive Environment

Private nursing home industry moves towards consolidation and greater competition among large players

The number of players in the private nursing home industry is relatively small, due to the higher fees charged by private nursing homes and number of SSA-operated nursing homes, which offer more subsidised beds. Most private nursing home operators are small companies or family-run businesses operating one or two nursing homes, with just a handful of players operating on a larger scale across Singapore. Competition among the larger players such as Econ Healthcare, Orange Valley and United Medicare Centre is strong.

There were only a few prominent new entrants in the industry in the last few years due to tightened standards for nursing homes raising the barriers to entry. However, there was a change of ownership in the industry. In 2017, Singapore Press Holdings (SPH) acquired Orange Valley as part of SPH's strategic move to enter the healthcare

[60] The Straits Times, "Longer hours, more stress for nursing home staff amid Covid-19" at https://www.straitstimes.com/singapore/health/longer-hours-more-stress-for-nursing-home-staff-amid-covid-19 last accessed on 25 November 2020.
Note: The Straits Times has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[61] Lien Foundation and NTUC Income, "Supporting Singaporeans' Aspirations for Aged Care" at http://nursinghomes.sg/pdf/Public-Survey-on-Aged-Care/Supporting%20Silver%20Aspirations%20in%20Singapore%2018Oct16.pdf last accessed on 29 November 2020.
Note: Lien Foundation and NTUC Income has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

industry. At the same time, other players continued to expand their market share by opening new nursing homes. These developments indicate that the nursing home industry is moving towards consolidation, while smaller players are forced to close due to rising costs and competition.

Private nursing homes differentiated by the quality of facilities and services and their location

Private nursing homes differentiate themselves from one another by the quality of their facilities and services, such as having en suite rooms and offering traditional Chinese medicine. They also differentiate themselves by their location. Some are found in the heartlands and popular neighbourhoods of Singapore, while some are found near hospitals or in Central Singapore. Some of the nursing homes, particularly the smaller nursing homes, compete by providing a more homely environment. For example, Our Lady of Lourdes Nursing Home is located in a bungalow and has a more personal atmosphere compared to the larger nursing homes. Some private nursing homes, such as Lee Ah Mooi, compete on price by offering open wards to make the services affordable for as many people as possible.

Smaller private nursing homes lose market share to other types of nursing homes

The operating environment has become more challenging for smaller players, as their profit margins are squeezed by rising labour costs and regulatory compliance standards. They lack the economies of scale to absorb such costs. While smaller players traditionally compete on price, they have been facing increasing competition from public and VWO nursing homes. Under the BOL framework, NTUC entered the nursing home industry in 2014 and announced plans to invest in another five homes within 3-5 years. For example, the new nursing home in Chai Chee by NTUC Health, completed in 2017, saw an addition of 342 beds, bringing its total bed capacity to more than 1,000 units. The Thye Hua Kwan Moral Society, a VWO, completed a 290-bed home in Hougang in 2016. Ren Ci Hospital opened a new 472-bed nursing home at Teck Ghee, called Ren Ci @ Ang Mo Kio, in 2019. Small operators have expressed concerns about being gradually phased out by larger players and other types of nursing homes which offer similar services at subsidised prices. It is estimated that there are currently fewer than 10 nursing homes with under 30 beds operating in Singapore.

2.3.2 Barriers to Entry

Regulatory compliance and labour shortage pose major barriers to entry

Barriers to entry within the private nursing home industry are high, reflected in the flat growth of private nursing homes in Singapore over the review period. Regulatory compliance and labour shortage are key barriers to entry. As the nursing home industry is regulated by comprehensive and stringent regulations under the MOH, the complexity and costs of regulatory compliance may have deterred potential new entrants, particularly those which have little experience in the Singapore healthcare industry. Labour shortage is also a well-known challenge for the industry, as existing players have found it difficult to hire professional, trained staff, as well as grapple with high turnover. It is also difficult for new players to build up a new team of medical professionals and caregivers.

Other barriers to entry include high setup costs, scarcity of land for new nursing home sites, and competition from well-established large players. New entrants need to be well resourced for the initial costs to set up a nursing home, such as the costs of securing new sites for development and construction costs. Strong competition from large players, which are able to provide more and better services and better pay for the staff, may also be a potential barrier. This is particularly relevant for smaller new entrants which may not have the financial muscle to compete.

2.3.3 Leading Private Nursing Home Operators

Overview of leading private nursing home operators

The private nursing home industry is led by Econ Healthcare Group with a 26.9% share in terms of revenue receipts in 2019. Econ Healthcare Group's key strength lies in providing a high standard of care and service to the residents, as well as offering both Western treatments and Eastern Traditional Chinese Medicine to them. In addition, Econ Healthcare Group has operations in overseas markets such as Malaysia and China.

Table 8 Top Five Private Nursing Home Operators in Singapore (2019)

Ranking	Private Nursing Home Operators	Market Share, Revenue Receipts (%)	Number of Beds	Listed or Private
1	**Econ Healthcare Group**	26.9%	855	Private
2	Player 2	22.1%	893	Private
3	Player 3	19.7%	732	Private
4	Player 4	19.5%	689	Private
5	Player 5	5.1%	242	Private

Source: Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in Singapore.

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Notes:

(1) Player 2 is an established private nursing home operator in Singapore with six locations and more than 1,000 beds. Apart from nursing home services, it also offers outpatient rehabilitation services, home care services and ambulance services. Its nursing homes are usually located near hospitals.

(2) Player 3 is a subsidiary of an integrated healthcare provider with three nursing homes. In addition to long-term residential care, its nursing homes also provide short-term medical and respite care and post-surgery step-down care. It also has dementia-friendly facilities and physiotherapy facilities, as well as activity areas for communal and social gatherings.

(3) Player 4 is another established private nursing home operator in Singapore with three locations. The nursing home operator provides long-term residential care, short-term care, day care and home care services. It also provides caregiver training for family members who wish to be trained professionally to take better care of their elderly parents at home.

(4) Player 5 is a private nursing home operator, established in the mid-1960s. It offers long-term residential care, respite care, day care, physiotherapy programmes for residents and caregivers' training.

3. NURSING HOME INDUSTRY IN MALAYSIA

3.1 MACROECONOMIC ENVIRONMENT IN MALAYSIA

Domestic demand underpins healthy growth of the economy

The Malaysian economy registered healthy growth over the review period with a CAGR of 6.4% in nominal GDP terms between 2015 and 2019. In 2016, the economy experienced a slowdown due to a weak external environment and domestic political challenges, but domestic demand provided it with some support. 2017 saw the strongest growth in the review period, with real GDP growth of 5.8% for the year. This was mainly driven by strong demand for manufactured goods and agricultural products from Malaysia's major trading partners, including China and the US. Real GDP growth moderated to 4.3% in 2019, the lowest since 2009. The lower growth can be attributed to lower output of palm oil, crude oil and natural gas, and a fall in exports amid the US-China trade war[62].

Table 9 Macroeconomic Indicators in Malaysia, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Nominal GDP (RM million)	1,176,941.0	1,249,698.0	1,372,310.0	1,447,451.0	1,510,693.0	6.4%
Real GDP (RM million)	1,176,940.0	1,229,312.0	1,300,768.0	1,362,815.0	1,421,454.0	4.8%
Consumer Price Index (CPI) for Healthcare	114.8	117.9	120.4	121.4	122.3	-

Source: Department of Statistics of Malaysia, found in https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=dDM2enNvM09oTGtQemZPVzRTWENmZz09 last accessed on 24 November 2020.

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Malaysia is affected by an ageing population

The total population in Malaysia grew at a CAGR of 1.0% over the review period, reaching 32.5 million by the end of 2019[63]. Like most other Southeast Asian economies, it is experiencing an increasing elderly population, as

[62] New Straits Times, "Malaysia's GDP grows 4.3 pct in 2019" at https://www.nst.com.my/business/2020/02/564829/malaysias-gdp-grows-43-pct-2019 last accessed on 25 November 2020.
Note: New Straits Times has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[63] Department of Statistics of Malaysia, "Population Quickinfo" at https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=Nk1JZnJBMm1TdmRFS0xaTXZnanIrQT09 last accessed on 25 November 2020.
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decades of socioeconomic development and improvements in healthcare have caused a long-term decline in the fertility rate and an increase in life expectancy. Malaysia's total fertility rate fell from 2.17 in 2009 to 2.0 in 2018. According to the World Bank, Malaysia's life expectancy at birth also increased from 74.3 in 2009 to 76.0 in 2018. In 2009, those who were 65 years or older accounted for 4.8% of the population. By 2019, the proportion increased to 6.7%. At the same time, the old age support ratio fell from 11.8 to 9.0, indicating a decrease in the number of adults to support each elderly person.

Malaysia's population is expected to reach 32.5 million in 2019[64] and 35.7 million in 2030[65], with the population of elderly population aged 65 and above expected to be 2.2 million in 2019[66] and 3.6 million in 2030[67]. This represents a proportion of elderly aged 65 and above to the total population of about 6.7% in 2019[68] and 10.1% in 2030[69].

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[64] Department of Statistics of Malaysia, "Population Quickinfo" at https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=Nk1JZnJBMm1TdmRFS0xaTXZnanIrQT09 last accessed on 25 November 2020.
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[65] Euromonitor Estimates

[66] Department of Statistics of Malaysia "Population Quickinfo" at https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=Nk1JZnJBMm1TdmRFS0xaTXZnanIrQT09 last accessed on 25 November 2020.
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[67] Euromonitor Estimates

[68] Department of Statistics of Malaysia "Population Quickinfo" at https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=Nk1JZnJBMm1TdmRFS0xaTXZnanIrQT09 last accessed on 25 November 2020.
Note: Department of Statistics of Malaysia has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

[69] Euromonitor Estimates

From 2019 to 2030, Malaysia's population is expected to grow from 32.5 million[70] to 35.7 million[71] at a CAGR of 0.9%[72], while the population of elderly aged 65 and above is expected to grow at CAGR of 4.7% from 2.2 million in 2019 to 3.6 million in 2030[73].

[70] Statistics of Malaysia "Population Quickinfo" at https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=Nk1JZnJBMm1TdmRFS0xaTXZnanIrQT09 last accessed on 25 November 2020.
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[71] Euromonitor Estimates

[72] Euromonitor Estimates

[73] Euromonitor Estimates

Table 10 Population Indicators in Malaysia, Historical (2009-2019)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2009-2019
Population ('000 People)	28,081.5	28,588.6	29,062.0	29,510.0	30,213.7	30,708.5	31,186.1	31,633.5	32,258.9	32,400.0	32,500.0	1.5%
Population Aged 20-64 ('000 People)	16,012.8	16,504.1	16,926.3	17,313.5	17,912.4	18,348.1	18,742.2	19,099.7	19,441.0	19,529.6	19,661.2	2.1%
Population Aged 65 and Over ('000 People)	1,361.0	1,425.1	1,492.1	1,566.2	1,649.9	1,734.1	1,821.4	1,911.4	2,002.8	2,106.0	2,177.5	4.8%
Proportion of Population Aged 65 and Above	4.8%	5.0%	5.1%	5.3%	5.5%	5.6%	5.8%	6.0%	6.2%	6.5%	6.7%	-
Old Age Support Ratio	11.8	11.6	11.3	11.1	10.9	10.6	10.3	10.0	9.7	9.3	9.0	-
Old Dependency Ratio*	8.5%	8.6%	8.8%	9.0%	9.2%	9.5%	9.7%	10.0%	10.3%	10.8%	11.1%	
Fertility Rate	2.17	2.15	2.13	2.11	2.09	2.07	2.06	2.04	2.02	2.00	-	-
Total Life Expectancy at Birth	74.3	74.5	74.7	74.9	75.1	75.3	75.5	75.6	75.8	76.0	-	-
Male Life Expectancy at Age 65	-	14.3	14.4	14.5	14.6	14.7	14.8	14.9	15.0	15.0	14.8	-
Female Life Expectancy at Age 65	-	16.1	16.3	16.4	16.5	16.6	16.7	16.9	17.1	17.2	17.1	-
Median Age	-	26.3	-	-	-	27.3	27.6	28.0	28.3	28.6	28.9	-

Source: *Data from Malaysia's Total Life Expectancy at Birth from World Bank, Databank Database; Rest of the information in the above table from Department of Statistics of Malaysia, found in Population Quickinfo page at https://www.dosm.gov.my/v1/index.php?r=column/cone&menu_id=Nk1JZnJBMm1TdmRFS0xaTXZnanIrQT09 and https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=118&bul_id=Y3kwU2tSNVFDOWp1YmtZYnhUeVBEdz09&menu_id=L0pheU43NWJwRWVSZklWdzQ4TlhUUT09 last accessed on 25 November 2020.*

Notes: *The old age support ratio is calculated by the number of residents aged 20-64 per the number of residents aged 65 and over. The fertility rates refer to the average number of live births each female would have during her reproductive years (age 15-49) in the given year.*

Neither the Department of Statistics of Malaysia nor the World Bank has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions *based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.*

3.2 NURSING HOMES IN MALAYSIA

3.2.1 Market Overview

Overview of the nursing home industry in Malaysia

The model of elderly care has seen slow and gradual changes in the last few decades. Residing with family members was common practice. There was also a common perception that nursing homes were not well kept and living conditions were poor, which deterred the elderly from staying in nursing homes. In recent years, households with two working spouses have been on the rise. Families are becoming more financially able to support the elderly as a result, employing domestic helpers to look after the elderly at home or making use of long-term care facilities. The government has been taking steps to regulate and protect the standards of care for the elderly with the Aged Healthcare Act and Physical Planning Guidelines for the Elderly[74], which was gazetted in 2018 but has yet to be enforced.

Different types of elderly care facilities in Malaysia

Senior care centres are among the few types of elderly care facilities in Malaysia and the most popular option of stay-in accommodation. They are typically bungalow and family-style facilities situated in neighbourhoods, catering to the elderly residents who require a low level of care. They can care for up to 50 residents in a single location. While medical professionals may not be available on-site, medical care is offered, for instance in the form of doctors who visit once a week. The cost for senior care centres depends on the type of services required as well as the type of room selected.

The second type of elderly care facility in Malaysia is nursing homes. They provide stay-in accommodation as well as inpatient nursing and rehabilitation services, typically catering to dependent elderly people such as those with chronic illnesses or disabilities. Unlike senior care centres, nursing homes provide 24-hour care by registered nurses or professional caregivers, as well as frequent doctor visits. Both small and large nursing homes exist in the market, with the smaller homes operating in bungalows and the larger homes operating in purpose built facilities which may hold up to 200 residents. The cost to stay in a nursing home is more expensive than that of a senior care centre. Depending on the room type, the type of services and the level of care and attention required, it can go up to RM6,500 per month excluding ancillary products such as medication.

Besides senior care centres and nursing homes, there are also in-house nursing facilities, adult day care programmes and specialised day care centres in Malaysia. A few private nursing homes offer day care services for the elderly, providing working caregivers a convenient solution, as well as an opportunity for the elderly to socialise. The day care services offered by private nursing homes include supervision and assistance for the elderly during the day, as well as various activities to keep them occupied and alert. For example, a private nursing home in Petaling Jaya offers day care services for the elderly complete with daily activities such as group physiotherapy

[74] The Star Online, "Making life easier for seniors" at https://www.thestar.com.my/news/nation/2017/07/09/making-life-easier-for-seniors-govt-drafting-guidelines-on-living-facilities-for-the-elderly/ last accessed on 26 November 2020.

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in the morning, Sudoku and simple games sessions, and mini gardening activities in the afternoons[75]. Such day care services can cost anywhere from RM70 to RM180 a day[76].

A new type of elderly care facility is the retirement village, a modern-day approach to retirement communities that cater to independent elderly people while providing medical support services on-site. Retirement villages are self-contained facilities with amenities like spas and fitness centres, laundrettes, grocery stores and other personal care services. There are at least six retirement villages in Malaysia as of 2020[77]. Malaysia has been selected as one of the top 10 retirement destinations in the world, based on the Annual Global Retirement Index for the year 2020 published by travel company, International Living[78]. Under the "Malaysia My Second Home" programme, an international residency scheme was enacted by the government to allow foreigners to live in Malaysia on a long-term visa of up to 10 years[79]. Higher-end retirement communities are, hence, expected to enjoy strong growth in the next decade as more affluent foreigners are likely to opt to stay at such facilities if the need arises.

Types of nursing homes by ownership structure

Three main types of ownership model exist for nursing homes in Malaysia: public nursing homes offered by the government sector, private for-profit nursing homes and voluntary non-profit centres. Some of the nursing homes are publicly owned and managed by the Department of Social Welfare. Services offered by the government include the Home Help Service Programme, Senior Citizen Services, Activity Centres and Care Unit. To

[75] Free Malaysia Today "Elderly daycare: Keeping the elderly active and alert" at https://www.freemalaysiatoday.com/category/leisure/2019/10/15/elderly-daycare-keeping-the-elderly-active-and-alert/ last accessed on 27 November 2020.
Note: Free Malaysia Today has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[76] Jasper Lodge "Terms of Service" at https://d09dccf1-769c-43d9-85c6-93195a97fe7b.filesusr.com/ugd/504dc0_a96e69a94f444fcb9e24f34add8ea15f.pdf?index=true last accessed on 27 November 2020.
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[77] HomeCare, "Best 6 Retirement Homes in Malaysia for the Year 2020" at https://homecare.onedaymd.com/2017/09/best-retirement-homes-malaysia.html last accessed on 25 November 2020.
Note: HomeCare has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[78] International Living, "The World's Best Places to Retire in 2020 at https://internationalliving.com/the-best-places-to-retire/ last accessed on 25 November 2020.
Note: International Living has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company,the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[79] Ministry of Tourism and Culture of Malaysia, "About MM2H Programme" at http://www.mm2h.gov.my/index.php/en/home/programme/about-mm2h-programme last accessed on 25 November 2020.
Note: The Ministry of Tourism and Culture of Malaysia has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

determine if an elderly person is eligible, they must be a Malaysian citizen and have household income below the poverty line. Residents of these public nursing homes are typically poor, destitute or abandoned.

As of 2020, Malaysia has 15 government-run nursing homes. There are an additional 320 residential senior care centres registered under the Department of Social Welfare (Act 506) and 23 private nursing homes registered under the Ministry of Health (Act 586). In addition, there are over 1,000 unregistered long-term care facilities[80]. Most of the senior care centres and nursing homes in Malaysia are operated by non-governmental organisations (NGOs), religious organisations or private operators. NGOs tend only to operate senior care centres and lack the resources to care for those who require nursing-level care. Therefore, nursing homes which offer nursing-level care are primarily privately run. Most of these long-term residential care facilities are found on the west coast of Peninsular Malaysia, particularly in urban centres.

The supply of licenced private nursing homes in Malaysia has increased over the review period and has resulted in the increase of available private nursing home beds per 1,000 elderly aged 65 and above in Malaysia – from 0.30 in 2015 to 0.41 in 2019.

Table 11 Private Nursing Homes in Malaysia, Historical (2015-2019)

	2015	2016	2017	2018	2019
Number of Licensed Private Nursing Homes	16	17	22	21	23
Number of Private Beds	539	615	700	797	883

Source: Data for 2015 to 2018 from the Ministry of Health Malaysia, "Health Facts 2015-2018" found in http://www.moh.gov.my/english.php/pages/view/56 last accessed on 05 December 2020; Data for 2019 was referenced from Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in Malaysia.

Note: The Ministry of Health of Malaysia has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

Services offered by private nursing homes

Private nursing homes have the flexibility to determine their target customer segment, service offerings and pricing. There are a few homes which focus on servicing the elderly who need a high level of care and a few that cater to various customer segments, ranging from those who require basic care only to those who require intensive care. There is a basic category of services for residents who are relatively independent and require minimal assistance with daily activities. There is also an intermediate category for residents with chronic illnesses such as stroke and limited mobility, and thus require intermediate levels of attention. The last category, the intensive category, is for bedridden or wheelchair-bound residents who require 24-hour care and close monitoring. While licensed and unlicensed private nursing homes are available in Malaysia, the emerging private retirement

[80] International Long Term Care Policy Network, "The Long Term Care COVID-19 Situation in Malaysia" at https://ltccovid.org/wp-content/uploads/2020/05/Malaysia-LTC-COVID-situation-report-30-May.pdf last accessed on 25 November 2020
Note: International Long Term Care Policy Network has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

communities are expected to rise in popularity among the wealthier ageing population. The services offered are also expected to shift towards those of a high-end, high-quality nature that focus on the elderly's wellbeing.

Private nursing home industry growth was supported by local and foreign demand

Revenue receipts of private nursing homes grew by a CAGR of 17.0% over the review period to reach RM47.5 million in 2019. The strong growth was supported by an increase in the capacity of the number of beds from 539 beds in 2015 to 883 beds in 2019. Gains in revenue receipts were also supported by the increasing financial abilities of families, the willingness of caregivers to place their elderly in nursing homes, the focus on the quality of healthcare which private nursing homes offer, and the demand arising from neighbouring Singapore.

Table 12 Private Nursing Home Revenue Receipts in Malaysia, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Revenue Receipts of Private Nursing Homes in Malaysia (RM millions)	25.3	29.8	35.1	41.4	47.5	17.0%
Y-o-Y Growth (%)	-	17.6%	17.6%	18.0%	14.9%	-

Source: Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in Malaysia.

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3.2.2 Legislative and Regulatory Regimes

Different regulations governing nursing homes and senior care centres

There are currently 23 licensed private nursing homes and about 320 registered senior care centres in Malaysia. More than 1,000 unlicensed nursing homes also exist with varying degrees of quality. At present, there is no law that regulates both senior care centres and nursing homes. Senior care centres are regulated by the Care Centre Act 1993 under the Department of Welfare of the Ministry of Women, Family and Community Development. On the other hand, nursing homes are regulated by the Private Healthcare Facilities and Services Act 1998 under the purview of the Ministry of Health.

Regulations for nursing homes are more stringent than those for senior care centres, as the target customers of nursing homes are dependent elderly people who require a higher level of care and the quality of services must be maintained. For a nursing home to be licensed under the Ministry of Health, there are many regulations that it must comply with, such as the need for ratio of 1 care staff to 4 residents, as shared by industry players. However, there is a shortage of local nurses who are willing to work in nursing homes for reasons such as long hours, limited learning compared to hospitals, and pay. To mitigate this problem, nursing homes employ foreign workers. However, this also increases the labour costs of hiring foreigners as work permit applications are expensive and work permit quotas are limited. Industry players have also shared that the government does not currently provide waivers on foreign work permit costs to encourage local employment in this profession.

The presence of unlicensed private nursing homes in Malaysia, with varying degrees of quality in healthcare provision and levels of care, poses an issue for the government to ensure standardised care across all facilities. At present, all facilities are regulated under the Care Centre Act and the Private Facilities and Services Act.

Higher standards of elderly care expected under the Private Aged Healthcare Facilities and Services Act 2018

The Private Aged Healthcare Facilities and Services Act 2018 was gazetted on 29 March 2018 and is expected to come into force in the near future. The Act is intended to provide a more holistic regulatory environment for elderly care in Malaysia and ensure that all private healthcare centres and services are licensed and regulated. It will apply to day care facilities as well as residential facilities (such as nursing homes). This would be the first time a specific law has been introduced to regulate and protect the standards of care for the elderly in Malaysia. Under the Act, any person providing private aged healthcare facilities and services to four or more aged persons will require an operating licence from the Director General of the Ministry of Health[81]. In the event where any person has contravened the Act, the Director General may direct the person to close such private aged healthcare facilities and services whether or not a prosecution has been instituted.[82]

Government aid for private nursing homes and senior care centres through senior citizen allowance

There are no subsidies for private nursing homes. However, to assist the elderly in coping with the cost of long-term care, the government will be providing a senior citizen allowance of RM500 per person per month as stipulated in Budget 2021, an amount which was previously set at RM350[83].

Other than the financial relief provided by the government, the elderly may choose to pay for the cost of private nursing homes with their Employee Provident Fund (EPF) and with support from family members. Those who are unable to afford private care have the option to stay at government-run or non-profit nursing homes. However, these options are, at times, difficult to secure, given the limited number of government-run or non-profit homes and the lack of funding for them.

There are currently 15 government-run senior care centres with no immediate plans to expand despite a high demand for them. The centres currently house more than 1,500 residents. The government also provides free respite care, ranging from one to 30 days, for the elderly who live below the poverty line. Respite care services include accommodation, medication, physiotherapy and social activities.

[81] Zico Law "Higher standards of care under the private aged healthcare facilities and services act 2018" at https://www.zicolaw.com/resources/alerts/higher-standards-of-care-under-the-private-aged-healthcare-facilities-and-services-act-2018/ last accessed on 24 November 2020.
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[82] Cljlaw, "Private Aged Healthcare Facilities and Services Bill 2017" at https://www.cljlaw.com/files/bills/pdf/2017/MY_FS_BIL_2017_35.pdf last accessed on 25 November 2020.
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[83] Ministry of Finance Malaysia, "Budget 2021 Speech" at https://www.treasury.gov.my/pdf/budget/speech/bs21.pdf last accessed on 24 November 2020.
Note: Ministry of Finance Malaysia has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

3.2.3 Business Models

Private homes charge different fee levels depending on room type and level of care required

Most private nursing homes in Malaysia are bungalow-style homes, while larger nursing homes, such as Econ and Spring Valley, operate in large building complexes to accommodate a larger number of residents.

The services of private nursing homes included in the fees are 24-hour care and assistance, health check-ups, meals, reflexology and laundry. Diapers, medical supplies, medicines and physiotherapy are typically charged separately. The key difference between private nursing homes and senior care centres is the provision of on-site nurses and medical professionals. In recent times, private nursing homes have also begun to cater to the medically unwell, as well as providing emotional and mental support for the elderly.

There are different fee structures offered by private nursing homes, depending on the type of rooms and the level of care required. A private room is more expensive than a double-bedded room, which is in turn more expensive than a 4-bedded ward, a 6-bedded ward and an open ward with multiple beds. The cost is also higher for a resident with more intensive care requirements, such as a resident with bedridden conditions. It can cost as low as RM1,200 per month for a bed in an open ward and an average of about RM3,000 per month for a double-bedded room. On the other hand, private room rates vary widely across the licensed private nursing homes, with prices as low as RM2,850 per month and as high as RM6,600 per month. Private or trained, specialised medical caregivers can cost an additional RM15 to RM25 per hour.

3.2.4 Operational Costs

The key operational costs include licensing, the leasing of commercial land to house a facility, facility insurance, utilities, operational labour costs, lifestyle support in terms of daily activities, healthcare and food provision. The licence to operate a nursing home is expensive and tedious. In addition to the costly licensing fees, licensed private nursing homes are also required to pay annual licence renewal fees, which cost about RM2,500-3,000 per bungalow lot per year. Manpower also represents a major cost, as nursing homes are dependent on a team of doctors, registered nurses, physical therapists, occupational therapists, dieticians and cleaners to cater to the medical needs of the elderly residents. Other manpower costs include administrative staff and managers who assist with the day-to-day running of the nursing homes. Building and facility upkeep and maintenance are also major costs, as private nursing home operators must ensure that their facilities are clean and in good condition in order to attract elderly residents and caregivers.

3.2.5 Market Drivers

Rise of dual-income families and families' willingness to cover the costs of elderly care

An increase in the financial ability of families and families' willingness to cover the costs of elderly care in Malaysia drives demand for nursing homes. With rising costs of living and expenses in Malaysia, households with two working spouses are becoming prominent. As a result, the opportunity cost of giving up one's job to care for an ailing parent at home is high. While employing a domestic helper is a common option, there are concerns pertaining to the need for professional care, the need for the elderly parent to have more social interactions and activities and a lack of trust in a domestic helper's capability to care for the elderly. Nursing homes, thus, become an appealing alternative for families, as nursing homes can provide quality care and professional medical attention to their loved ones. Moreover, family members, in general, believe that the onus of paying for the cost of long-term elderly care should fall on them. Hence, the demand for nursing homes in Malaysia has increased over the years.

Increasing standards of care and focus on quality of life and emotional wellbeing of the elderly

Increasing expectations on the standards of care in Malaysia have driven private nursing homes to provide quality services and thus increase overall demand for these facilities. In the past, a nursing home was perceived as a place to leave the sick elderly. However, it is increasingly seen as a place for the elderly to receive professional daily care and treatment for chronic illnesses. Additional services such as reflexology, physiotherapy and social activities are also offered to improve standards of living. Higher-end nursing homes have thus invested in their facilities, services and manpower, to ensure that the residents are well taken care of with top-of-the-line amenities. Amenities and services offered include spas, swimming pools, tennis courts, gardens, concierge services and a good ratio of professional staff to residents.

There is also an increasing awareness of the need to keep the elderly emotionally fulfilled. Nursing homes are perceived to address this issue by providing opportunities for social interaction and daily activities. The awareness and positive perception of nursing homes has contributed to greater acceptance of nursing homes and, thus, the overall willingness to place an elderly person in a nursing home.

The location of private nursing homes in Johor Bahru increase the appeal to Singaporeans

Location is an important factor in driving the demand for private nursing homes. Small private nursing homes are typically located in neighbourhoods across Malaysia. In comparison, some private nursing homes located in the state of Johor Bahru have been able to attract Malaysians and Singaporeans, who choose to place their elderly parents there for the affordability and proximity to Singapore. These have contributed to the rising demand for private nursing homes in Malaysia.

3.2.6 Market Constraints

Shortage of care workers and qualified staff

Manpower shortage, particularly a lack of professional staff, has been a challenge reported by many private nursing homes. Many of them have difficulty employing qualified staff, including registered nurses and physical therapists. As a result, some private nursing homes are understaffed and do not have sufficient manpower to pay adequate attention to each elderly person or organise recreational activities for them.

An alternative that some nursing homes have opted for is to employ domestic helpers and foreign workers to replace the lack of professionally trained staff; however, this may affect the quality of care offered. Industry players have also reported the difficulty in applying for work permits for foreign workers, which is expensive and limited. The industry also faces high turnover. As a result, nursing home operators are required to invest in time and resources to train new staff.

Lack of clear regulations and standards on elderly care provision

A key challenge that the industry is facing is the lack of clear laws to enforce licensing and to regulate the standard of care that elderly care facilities ought to provide in Malaysia. The quality of elderly care thus varies significantly across both licensed and unlicensed private nursing homes. A study involving 240 residential long-term facilities[84]

[84] Monash University, "Pioneering research in long-term aged care facilities in Malaysia" at https://www.monash.edu.my/research/researchers-say/pioneering-research-in-long-term-aged-care-facilities-in-malaysia last accessed on 30 November 2020.

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has confirmed this phenomenon. Other issues have also emerged from the study, including accessibility, availability of health services, the staff's understanding of injury prevention, communications and resident engagement. The lack of licensing and regulations may lead to mistrust, and thus deter caregivers from placing the elderly in private nursing homes.

High admission fees due to high operating costs and lack of funding

Admission fees for private nursing homes are high due to high operating costs and a lack of funding. The high cost of operating a nursing home is a common challenge. The major cost items cited by industry players above, as well as the lack of government subsidies for private nursing homes, mean that such costs are passed on to the end-users of the services. The industry is also facing rising labour costs due to the rising demand coupled with the shortage of professional manpower.

Some elderly people in Malaysia may face financial difficulty when it comes to paying for nursing home accommodation and services. As insurance policies do not cover medical treatment once a patient leaves the hospital, senior citizens may struggle to pay for their daily medical support. Nursing homes and care centres with basic facilities in Kuala Lumpur and Selangor cost from RM1,200 to RM3,500 per month[85]. High-end nursing homes charge as much as RM6,500 per month for basic services which include meals, lodging and nursing care. In addition, they may charge additional fees for medical supplies and premium accommodation options, eg an additional fee for twin sharing rooms or single rooms. For the majority of the elderly, their retirement savings and EPF may not be sufficient to sustain a long-term stay in a private nursing home facility. As a result, despite the demand for nursing home services, the elderly may not be able to afford them. The constraint of high fees on consumers' choices is also reflected in the apparent popularity of low-tier and mid-tier packages, according to feedback from private nursing home operators. Low-tier packages or shared rooms in private nursing homes currently have occupancy rates of around 80-90%, while high-tier packages or single rooms usually have lower occupancy rates.

3.2.7 Market Outlook

Private nursing home industry expected to experience double-digit growth over the forecast period due to a growing silver population

The outlook for the private nursing home industry in Malaysia is positive. Revenue receipts of private nursing homes are expected to reach RM48.6 million in 2020, and to grow by a CAGR of 11.5% over 2020-2024. One factor driving this is that Malaysia's elderly population is expected to increase at a faster pace than other demographic groups. It is projected that the number of elderly aged 65 and older will increase from 2.18 million in 2019 to 3.61 million in 2030[86], making up 6.7% and 10.1% of the population respectively[87]. This represents a CAGR of 4.7% for the number of elderly aged 65 and older from 2019-2030[88], which is higher than the CAGR of the total population that is expected to have a CAGR of 0.9% from 2019-2030[89].

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[85] CodeBlue, "What Malaysia Needs For Healthy Ageing And Care" https://codeblue.galencentre.org/2020/11/17/what-malaysia-needs-for-healthy-ageing-and-care/ last accessed on 24 November 2020.
Note: CodeBlue has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[86] Euromonitor estimates.

[87] Euromonitor estimates.

[88] Euromonitor estimates.

[89] Euromonitor estimates.

Another factor is that the increasing number of dual-income families are expected to drive future demand for private nursing homes. Due to work and childcare commitments and the lack of time, families will be more willing to pay for nursing home care for their elderly. The perception of nursing homes, in general, is also expected to improve positively as families and the elderly become more aware of their service offerings, the benefits of staying in a nursing home and new nursing home concepts, such as retirement villages. As a result, the elderly may become more open to the idea of staying in a long-term nursing home. The government's willingness to impose stricter regulations in the future will also drive higher quality in care and thus raise the appeal of sending the elderly to private nursing homes. The private nursing home industry is expected to provide an estimated total of around 1,180 beds by 2024, representing a CAGR growth of 6.0% from 883 beds in 2019 for the private nursing home. Notwithstanding the addition of new beds by 2024, with the fast pace of growth for the population aged 65 and above in Malaysia, the availability of private nursing home beds per 1,000 elderly aged 65 and above in Malaysia will increase slightly to 0.42 beds in 2024 from 0.41 beds in 2019.

Table 13 Private Nursing Home Revenue Receipts in Malaysia, Forecast (2020-2024)

	2020	2021	2022	2023	2024	CAGR 2020-2024
Revenue Receipts of Private Nursing Homes in Malaysia (RM million)	48.6	58.1	62.8	68.3	75.0	11.5%
Y-o-Y Growth (%)	2.2%	19.6%	8.1%	8.9%	9.7%	-

Source: Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in Malaysia.

Note: The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

Rising costs of private nursing homes and their affordability will continue to limit growth

The cost of staying in a private nursing home is expected to increase alongside rising healthcare costs over the forecast period. According to the Ministry of Health, health spending per capita in Malaysia has increased 2.5 times in 17 years, from RM641 in 1997 to RM1,626 in 2014. The trend is expected to continue, with healthcare costs continuing to rise 10.0% annually due to inflation. Most industry players expect the costs of operating a nursing home to increase in the forecast period, with rising manpower costs being the largest contributor. This is because skilled nurses and medical staff are constantly in high demand and their wages have increased annually.

As of 2020, 54% of the members of the EPF aged 54 and above have RM50,000 or less in their accounts, and only 34% of EPF active contributors reached the level of basic savings of RM240,000 by the age of 55[90]. The lack of EPF savings suggests that a large number of elderly people may not have sufficient funds to last through their retirement. The lack of financial ability among retirees may constrain the growth of private nursing homes, as most will not have sufficient savings or funds to support the high costs of staying in a private nursing home, especially for a long period of time.

[90] Business Today, "Replace EPF withdrawals with long-term sustainable measures" at https://www.businesstoday.com.my/2020/11/24/replace-epf-withdrawals-with-long-term-sustainable-measures/ last accessed on 24 November 2020.
Note: Business Today has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

3.3 COMPETITIVE LANDSCAPE

3.3.1 Competitive Environment

Private nursing home industry is fragmented

As of October 2020, there are 23 licensed private nursing home operators registered with the Ministry of Health. The private nursing home industry in Malaysia is fragmented with a small number of licensed players and a large number of more than 1,000 unlicensed players. Competition is strong, especially among the smaller players which compete with a relative lack of differentiation. They typically offer similar services such as 24-hour care by registered nurses, doctors' visits, physical therapy rehabilitation and other minor medical services like post-surgical and wound care. They rely on word-of-mouth publicity to market their services, as well as having an online presence to reach out to a wider ranging audience. Larger nursing home players include Econ Medicare Centre and Nursing Home, City Heart Care Centre and Lecadia Primacare Centre.

Nursing home fees and quality of services are key competing factors

Nursing home fees are a key factor in driving competition in the private nursing home industry. Caregivers and the elderly are conscious of the nursing home fees and take that into consideration when making the decision. Location-related factors, such as the proximity to their homes or a hospital, and the comfort level of the nursing home are important considerations for caregivers and elderly patients. Other factors which are typically considered by wealthier families who expect a higher standard of care include top-of-the-line equipment for fitness and physiotherapy, and quality and availability of staff. For those requiring more intensive care, caregivers typically opt for facilities with round-the-clock care and doctors with reputable experience.

Demand for nursing homes with a home-like environment has been growing. Nursing homes with a more homely environment and caring approach attract both elderly people and their relatives, who seek out a positive, comforting atmosphere as opposed to a more clinical, hospital-like setting for the elderly to enhance their quality of life.

Most private nursing homes remain small in the foreseeable future

Most private nursing homes are small businesses with no plans to grow beyond a single centre. Some operators have put expansion plans on hold due to the uncertainties caused by the COVID-19 pandemic and the current focus on complying with regulatory requirements to minimise the risk of infections.

3.3.2 Barriers to Entry

Rising barriers to entry due to significant set up cost as standardised regulations are implemented

Barriers to entry are quite low for the private nursing home industry due to the relatively low degree of regulation by the government. However, in view of the ongoing revamp of long-term elderly care regulations to standardise care standards, regulations on private nursing homes are expected to become more stringent in the future and will raise barriers to entry. Potential entrants will increasingly need a good understanding of the regulatory and licensing requirements. Secondly, shortage of skilled staff remains a barrier to entry. Given the tight labour situation in the industry, it may be a challenge for new entrants to find enough skilled and compassionate nurses and other professional staff to care for the elderly. New entrants may also have to invest in professional training to ensure that the staff are knowledgeable in elderly care, particularly having a good understanding of hygiene practices. Thirdly, depending on the size and location of the proposed nursing home, new entrants may have to make significant upfront investment in a private nursing home business, such as setting up the facilities and technology which are appropriate for elderly care, as well as finding the right location.

3.3.3 Leading Private Nursing Home Operators

The private nursing home industry in Malaysia is led by Econ Healthcare Group with a 43.2% share in terms of revenue receipts in 2019. Opening its first nursing home in 2004[91], Econ has set the bar in Malaysia with its branding and high standard of quality, with no other players coming close in terms of market share. With more than 30 years' experience in elderly care, the company has developed a set of capabilities towards the design conceptualisation, development and management of nursing homes. For example, its nursing homes are located in modern facilities with landscaped grounds. It offers a wide range of care services and uses technology (such as an individual wireless nurse call system for emergencies) to improve the quality of care.

Table 14 Top Five Private Nursing Home Operators by Revenue Receipts in Malaysia (2019)

Ranking	Private Nursing Home Operators	Market Share, Revenue Receipts (%)	Number of Beds	Listed or Private
1	**Econ Healthcare Group**	43.2%	383	Private
2	Player 2	13.0%	220	Private
3	Player 3	8.6%	110	Private
4	Player 4	8.0%	140	Private
5	Player 5	4.1%	70	Private

Source: Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in Malaysia.

Note: Estimates above are based on private licensed operators registered with the Ministry of Health Malaysia only.
The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

Notes:

(1) Player 2 is an established private nursing home operator in Johor Bahru since 1993, and has been expanding since its beginning from one bungalow to 10 today. The company has plans to continue with its organic growth strategy.

(2) Player 3 is a private nursing home operator in Kuala Lumpur, offering care for various types of medical conditions, ranging from wheelchair-bound and bedridden to dementia. It also offers services such as short-term care, long-term care, palliative care and day care with therapy sessions.

(3) Player 4 is a private nursing home operator in Johor Bahru since 1997. Situated near a hospital, it offers 24-hour care and rehabilitative services in the form of physiotherapy to residents two or three times per week.

(4) Player 5 is a private nursing home operator in Sarawak in close proximity to a hospital, offering a range of services from low-level care to post-surgical and post-hospital care. It also offers tailor-made packages.

[91] China Healthcare Limited, "Annual Report 2007" at https://ir.zaobao.com/chinahealthcare/pages/char07.pdf last accessed on 4 January 2021.

Note: China Healthcare Limited has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

4. NURSING HOME INDUSTRY IN CHINA

4.1 MACROECONOMIC ENVIRONMENT IN CHINA

China's economy expects a quick recovery from COVID-19 pandemic

China is the second largest economy in the world. With a GDP of USD14.3 trillion in 2019, it makes up 16.4% of the global economy[92]. China's economic growth is mainly driven by the rising living standards and expenditure of consumers and the monetary easing policy of the government, which in turn lead to higher business investment in the country.

According to the National Bureau of Statistics of China, China's real GDP grew at a CAGR of 6.7% from RMB68.9 trillion in 2015 to RMB89.2 trillion in 2019, representing faster growth than that of the global economy which grew at a CAGR of 3.3%[93]. Although China's GDP recorded a decline of 6.8% in the first quarter of 2020 due to the outbreak of COVID-19, based on the data of the National Bureau of Statistics of China, the country's economy has rapidly rebounded in the second and third quarters with growth rates of 3.2% and 4.9%, respectively, compared to the same periods in the previous year. The impact of the outbreak of COVID-19 on China's economy is expected to be limited in the long run, because China's successful containment measures and quick economic recovery are capable of limiting the impact of COVID-19. In addition, the Chinese government has introduced various types of policies to support the recovery of the national economy, including a rescue package worth over RMB4 trillion that includes tax cuts, lower interest rates, reduced utility prices and employment support.

Table 15 Macroeconomic Indicators in China, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Nominal GDP (RMB million)	68,858.2	74,639.5	83,203.6	91,928.1	99,086.5	9.5%
Real GDP (RMB million)	68,858.2	73,603.7	78,717.0	84,030.3	89,164.6	6.7%
Consumer Price Index (CPI) on Healthcare	102.7	103.5	106.5	104.3	101.6	

Source: *National Bureau of Statistics of China, China Statistical Yearbook, 2015-2020, last accessed on 10 December 2020.*

Notes: *The National Bureau of Statistics of China has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.*

[92] World Bank, "World Bank National Accounts Data" at https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?most_recent_value_desc=true last accessed on 10 December 2020.
Note: World Bank has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[93] Index Mundi "GDP – real growth rate (%)" at https://www.indexmundi.com/g/g.aspx?c=xx&v=66 last accessed on 10 December 2020.
Note: Index Mundi has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Ageing population continues to speed up despite termination of the one-child policy

In 2019, the Chinese population amounted to 1.4 billion. China is the most populous country in the world and represents 18% of the world population.[94]

The one-child policy was introduced by the Chinese government in 1979 as a result of the rapid growth in population in the 1960s and 1970s. This family planning policy had considerable effects on the demographic pyramid in China. It resulted in a declining birth rate and a clear trend towards an ageing population.

The total fertility rate, which refers to the average number of live births each female has during her reproductive years (age 15-49) remained around 1.6-1.7 during 2009-2019, which is lower than the natural replacement rate of 2.1 children born per female.

At the same time, average life expectancy has been rising in China. According to the National Bureau of Statistics of China, life expectancy at birth was 73.6 years for men and 79.4 for women in 2015, up from 70.8 and 75.3, respectively, in 2005.

Both the declining birth rate and higher life expectancies have caused the elderly population in China to continuously increase at a faster rate than the rest of the population. Between 2009 and 2019, China's population grew at a CAGR of 0.5%, while the elderly population aged 65 or above grew at a CAGR of 4.5%.

By the end of 2019, China's elderly population aged 65 and above reached 176 million people. accounting for 12.6% of its total population.[95] According to OECD, it is projected that the elderly population aged 65 and above in China will reach almost 246 million, representing 17.1% of its total population by 2030.[96] By 2050, there will be almost 359 million elderly aged 65 and above, representing 26.3% of the population[97].

In order to address the issue of ageing population, the Chinese government abolished the one-child policy in 2015. However, the birth rate resumed its downward trend after seeing only a slight increase in 2016. Among the reasons most prominent for young couples not having more children are the rising living costs and costs for childcare, as is the case in most of the developed countries in the world.

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[94] OECD, "OECD Data" at https://data.oecd.org/gdp/real-gdp-forecast.htm last accessed on 10 December 2020.
Note: OECD has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[95] National Bureau of Statistics of China, China Statistical Yearbook, 2020, last accessed on 10 December 2020.
Note: National Bureau of Statistics of China has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[96] OECD, "OECD Data" at https://stats.oecd.org/Index.aspx?DataSetCode=POPPROJ last accessed on 4 January 2021.
Note: OECD has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[97] OECD, "OECD Data" at https://stats.oecd.org/Index.aspx?DataSetCode=POPPROJ last accessed on 4 January 2021.
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Table 16 Population Indicators in China, Historical (2009-2019)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2009-2019
Population (10,000 People)	133,450.0	134,091.0	134,735.0	135,404.0	136,072.0	136,782.0	137,462.0	138,271.0	139,008.0	139,538.0	140,005.0	0.5%
Population Aged 15-64 (10,000 People)	97,484.0	99,938.0	100,283.0	100,403.0	100,582.0	100,469.0	100,361.0	100,260.0	99,829.0	99,357.0	98,910.0	0.1%
Population Aged 65 and Over (10,000 People)	11,307.0	11,894.0	12,288.0	12,714.0	13,161.0	13,755.0	14,386.0	15,003.0	15,831.0	16,658.0	17,603.0	4.5%
Proportion of Population Aged 65 and Above	8.5%	8.9%	9.1%	9.4%	9.7%	10.1%	10.5%	10.9%	11.4%	11.9%	12.6%	-
Old Age Support Ratio	8.6	8.4	8.2	7.9	7.6	7.3	7.0	6.7	6.3	6.0	5.6	-
Fertility Rate	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	-
Total Life Expectancy at Birth	-	74.83	-	-	-	-	76.34	-	-	-	-	-
Male Life Expectancy at Age 65	-	72.38	-	-	-	-	73.64	-	-	-	-	-
Female Life Expectancy at Age 65	-	77.37	-	-	-	-	79.43	-	-	-	-	-
Median Age	-	35.20	-	-	-	-	37.00	-	-	-	-	-

Source: *All data except Fertility Rates at National Bureau of Statistics of China "China Statistical Yearbook, 2020" at http://www.stats.gov.cn/tjsj/ndsj/2020/indexeh.htm last accessed on 10 December 2020.*

Notes: *The old age support ratio is calculated by the number of residents aged 15-64 per the number of residents aged 65 and over. The National Bureau of Statistics of China has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.*

Source: *The Fertility Rates from OECD (2021) "Fertility rates (indicator)" at https://data.oecd.org/pop/fertility-rates.htm last accessed on 4 January 2021.*

Notes: *The fertility rates refer to the average number of live-births each female would have during her reproductive years (age 15-49) in the given year. The latest fertility rates published by OECD was available until 2018 data.*

OECD has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

4.2 NURSING HOMES IN CHINA

4.2.1 Market Overview

Overview of the nursing home industry in China

As the ageing population in China continues to grow, elderly care services are in increasing demand. According to the Ministry of Civil Affairs, as of 2019 there were more than 204,000 elderly care institutions and facilities in China, representing a year-on-year increase of 6.6%.

Among the elderly care institutions, 34,000 (approximately 16.7%) were attributable to residential care facilities for the elderly in 2019, representing a year-on-year increase in terms of number of almost 20%. Residential Care Facilities for the Elderly mainly include nursing homes, continuing care retirement communities (CCRC) and other types of residential institutions. Unlike nursing homes, CCRC usually offer independent living area, such as a suite for the elderly who can live independently. CCRC often charges a lumpsum membership fee or units are sold as a real estate targeting the wealthy elderly population.

Other types of elderly care institutions mainly consist of community-based elderly care facilities, which are also increasingly popular in China. These facilities offer day care for the elderly living in the neighbourhood but require a certain degree of support, from food preparation, to personal care, to rehabilitation. Some facilities may also provide a small number of beds. This enables the elderly to stay in the community with which they are already familiar whilst still able to receive services.

Sector	**Residential Capacity**	**Types of facilities**
Elderly Care Institutions and Facilities	**Non-residential** Elderly Care Institutions and Facilities	Mainly consists of community-based elderly care facilities
	Residential Care Facilities for the Elderly	Nursing homes
		Other types of residential care facilities for the elderly, such as CCRC

Types of nursing homes by ownership structure

The ownership model of nursing homes in China can be categorised into three types, namely, government-operated public nursing homes, Public-Private Partnership (PPP) nursing homes[98] and private nursing homes. Of the three types of nursing homes, public nursing homes currently have more than a 50% market share in terms of the number, whereas PPP nursing homes and private nursing homes represent around 30% and 20% of the market, respectively.

The proportion of private nursing homes and PPP nursing homes increased in the review period due to the Chinese government's support in encouraging private sector investment in the industry and the privatisation initiatives of public nursing homes.

In 2019, private nursing homes are estimated to total around 6,400 institutions and provide 8.4 beds per 1,000 elderly aged 65 or above in China comparing to 2,200 institutions and 3.8 beds per 1,000 elderly aged 65 or above in 2015.

PPP nursing homes in China are non-profit in nature. The capital works and expenditure are typically carried out and funded by the government before transferring the operation rights to the private sector. Given the requirement

[98] Note: Government-built-private-operated.

of no initial investment, PPP nursing homes continue to attract private operators to compete for the operation rights. As such, the market share of PPP nursing homes is expected to continue to have mild but consistent growth.

Table 17 Private Nursing Homes in China, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Number of Licensed Private Nursing Homes	2,168	3,369	4,438	5,335	6,427	31.2%
Number of Private Beds	433,598	673,811	887,634	1,066,933	1,285,401	-

Source: Euromonitor International estimates from desk research, public data of number of residential care facilities for the elderly, and trade interviews with leading nursing home providers and relevant trade associations in China.

Note: The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

Diversified models of residential care facilities for the elderly develop alongside private nursing homes

In addition to private nursing homes, alternative models of elderly living facilities have also seen rapid development in China. One of the most common alternative models is continuing care retirement communities (CCRCs), also known as Elderly Communities or Elderly Apartments.

Whilst CCRCs provide nursing care, they focus on offering a community living environment for elderly people who can live independently. The communities typically consist of independent living areas such as suites or 2-bedded rooms and a variety of amenities, such as a gym and a spa. The operators of these communities usually charge a lump sum membership fee or deposit in addition to the monthly fee, targeting seniors with higher net worth.

Another common alternative model is the holiday sanatorium. This model mainly targets wealthy and self-sufficient elderly people. A holiday sanatorium offers a membership service through which the subscriber can stay in a hotel of the service provider for an agreed duration every year during the membership period. For example, Golden Sojourn offers a holiday sanatorium in Hainan Province where consumers may subscribe to a 5-20-year package for holiday and elderly care services.

Technology application in nursing home industry is driven by government initiatives

Enabled by information technology, the nursing home industry is inclined to introduce smart technology for the integration of service offering and the improvement of service quality.

The Ministry of Industry and Information Technology (MIIT), the Ministry of Civil Affairs and the National Health and Family Planning Commission of China issued the Smart Elderly Health Care Industry Implementation Plan (the Implementation Plan) in 2017. In the Implementation Plan, it was proposed that over 100 smart elderly care pilot projects should be established by 2020.[99]

[99] China.org.cn, "China plans smart health and elderly care" at http://www.china.org.cn/china/2017-02/17/content_40304913.htm last accessed on 10 December 2020.
Note: China.org.cn has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Centred around the needs of the elderly, these smart pilot projects aim to achieve digitalisation, automation, modernisation and synergy of nursing home services through the integration of online and offline information and resources, the reflection of community characteristics and the use of the Internet of Things, AI technology, cloud computing, intelligent terminals and other information technologies. As of 2019, there were 238 pilot projects registered under the Implementation Plan.[100] These projects include 79 smart elderly care institutions, 130 smart elderly care communities and 29 smart elderly care bases.

Strong growth driven by government policy of supporting the private nursing home sector

To address the rapidly growing demand for elderly care services in the country, China's State Council announced the Opinions on Speeding up Development of Elderly Care Service Industry (the Opinions) in 2013. In the Opinions, one key target was to support the private sector, including foreign capital, entering the nursing home industry, which has been dominated by the public sector. Relevant policies and measures have been rolled out by both central and local government since then. With the government's strong push, private nursing homes started booming. Revenue receipts of private nursing homes in China were estimated to grow at an outstanding CAGR of 42.1% in the review period.

Table 18 Private Nursing Home Revenue Receipts in China, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Revenue Receipts of Private Nursing Homes in China (RMB million)	7,595.8	12,508.0	18,364.4	24,046.3	30,999.2	42.1%
Y-o-Y Growth (%)	-	64.7%	46.8%	30.9%	28.9%	-

Source: Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in China.
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4.2.2 Legislative and Regulatory Regimes

Simplification of elderly care institution establishment lowers the entry barrier

In May 2019, the State Council terminated the Measures for Licensing for Establishment of Elderly Care Institutions in the amendment of the Protection of the Rights and Interests of the Elderly. The Measures for Licensing for Establishment of Elderly Care Institutions, in effect since 2013, regulated multiple procedures and inspections involving different authorities for the establishment of elderly care institutions.

The termination has effectively turned the licensing system for the establishment of elderly care institutions into a recordal system, in which only filing with the Civil Affairs Department of the government at or above the county level is involved. This change is expected to significantly simplify and accelerate the establishment process whereas previously obtaining a licence to open and operate an elderly care institution in China was considered a complicated and drawn-out process that varied widely across provinces.

[100] Sina, "The Notice of the Commencement of the Third Batch of Smart Elderly and Health Care Pilot Projects" at https://k.sina.com.cn/article_1245286342_4a398fc600100lvlh.html last accessed on 10 December 2020.
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Regulations are being rolled out to standardise practices and measure the qualifications of elderly care institutions

Along with the rapid development of the nursing home industry and the market opening up to the private sector, the regulations concerning the industry have also evolved continuously.

In 2019, the General Office of the State Council released a Directional Guideline for the Promotion of the Elderly Care Service Development (the Guideline). The instructions include:

- Development of a complete supervisory system for the elderly care institution
- Nursing home firefighting system health check
- Further tax subsidies for non-profit elderly care institutions
- Support measures for the development of nursing home brands or chains to encourage competition in the industry
- Relaxation on certain financing restrictions, in particular for foreign enterprises

Later in the same year, the Private Nursing Home Firefighting Security Standardization Act (the Act) was introduced based on the Guideline. The Act standardises the inspection of firefighting systems to improve safety in all private nursing homes in China.

In April 2020, the Ministry of Civil Affairs also announced the Elderly Care Institutions Assessment Guideline (Trial) to set a clear standard and scale to provide a rating standard for nursing homes in China based on four assessment areas, namely, environment, facilities, operation and management as well as service.

Policy/Measures	Year Published	Impact
Amendment of the Protection of the Rights and Interests of the Elderly[101]	2019	Simplified the registration and establishment process of private homes
Directional Guideline for the Promotion of the Elderly Care Service Development[102]	2019	Pushed the development of private nursing home from different perspectives such as quality, safety and tax subsidies.
Private Nursing Home Firefighting Security Standardization Act[103]	2019	Regulated firefighting systems in nursing homes according to Directional Guideline for

[101] Ministry of Civil Affairs of the People's Republic of China, "The latest relevant news of the Ministry of Civil Affairs Document No.1 2019 at http://s.mca.gov.cn/so/s?qt=%E6%B0%91%E6%94%BF%E9%83%A82019%E5%B9%B41%E5%8F%B7%E6%96%87%E4%BB%B6&button=+&token=1248&siteCode=bm12000003 last accessed on 11 December 2020.
Note: Ministry of Civil Affairs of the People's Republic of China has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[102] General Office of the State Council of the People's Republic of China, "About the General Office of the State Council Opinions on promoting the development of elderly care services" at http://www.gov.cn/zhengce/content/2019-04/16/content_5383270.htm last accessed on 11 December 2020.
Note: General Office of the State Council of the People's Republic of China has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[103] Ministry of Civil Affairs of the People's Republic of China, "The Ministry of Civil Affairs and other four departments deployed and implemented the fire safety improvement project for private elderly care institutions" at http://www.mca.gov.cn/article/xw/mzyw/201912/20191200022418.shtml last accessed on 10 December 2020.
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		the Promotion of the Elderly Care Service Development
Elderly Care Institutions Assessment Guideline[104]	2020	Set a standard rating system to inspect the nursing homes in China and improve the quality

Government's partial tax exemptions provide support to private nursing homes

In May 2019, it was decided at the State Council's executive meeting that the earnings of China's elderly care industries (including both for-profit and non-for-profit institutions) will be exempt from value-added tax and will enjoy a 10% deduction in taxable income between June 2019 and December 2025. In addition, those providing real estate or land for the relevant services will be exempted from deed tax, property tax, urban land use tax, and six types of fees – including the urban infrastructure supporting fee and real estate registration fee.

This is seen as modest support for private nursing homes given that the operators still have to bear the large capital and operation cost.

In order to encourage the development of community-based elderly care facilities, China's State Council has also proposed the following financial measures:

- Elderly care facilities will be installed as required in new residential areas and will be offered to the local residents either for free or at a low cost.
- Preferential policies on rent, water, and electricity prices will be given to community institutions providing comprehensive services, including boarding, nursing, day care, and home-visit services.
- Training programmes for elderly care workers will be supported by government subsidies. The old age allowance and nursing allowance will be offered to support community service for the elderly.

4.2.3 Business Models

Typical business model of private nursing homes

Large private nursing homes in China are usually located in multistorey buildings which have a larger number of beds (over 300). Large private nursing homes also offer a wider range of facilities, such as a rehabilitation centre, multipurpose hall, communal dining areas and inpatient and outpatient clinics. They offer a range of room types, including suites, single rooms, 2-bedded rooms and multi-bedded rooms.

Smaller private nursing homes are located in a shop unit and may have a smaller capacity and fewer facilities due to their scale and space constraints.

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[104] General Office of the State Council of the People's Republic of China, "Grade classification and evolution of elderly care institutions" at http://www.gov.cn/xinwen/2020-04/28/content_5507024.htm last accessed on 10 December 2020.
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There are different fee structures offered by private nursing homes, depending on the types of rooms and the level of care required. The operators usually charge a monthly fee which includes the rent, nursing care and meals. Depending on the health condition of the elderly, an extra care service fee is charged additionally.

Costs of staying in a typical private nursing home

The fees may vary significantly among nursing homes and are subject to the tier of the city they are located in and their location within the city. More premium homes tend to charge more for better facilities, better environments and quality services.

In first-tier cities such as Beijing and Shanghai, the average monthly fees, including extra care services for the elderly with disabilities or dementia, charged by top-tier private nursing homes can be over RMB8,000, compared to RMB5,000-8,000 charged by mid-tier homes and below RMB5,000 charged by low-tier homes.

In second-tier cities such as Chongqing, the monthly fees charged by top-tier private nursing homes can be over RMB5,000, compared to RMB3,500-5,000 charged by mid-tier homes and below RMB3,500 charged by low-tier homes.

In general, top-tier private nursing homes tend to have more single-bed or double-bed rooms whilst mid- or low-tier private nursing homes offer more multi-bed rooms.

4.2.4 Operational Costs

Labour costs represent the key operational cost

The key operational costs include operational labour costs, the rental cost of the facility, utilities and food provision.

Labour costs represent 40% of the total cost, as nursing homes are dependent on a team of elderly care professionals and cleaners to cater to the needs of the elderly residents. Other manpower costs include administrative staff and managers who assist with the day-to-day running of the nursing homes.

Rental cost usually takes up 30-40% of the total cost. The proportion of rent cost is highly related to the location of the private nursing home. The closer to the city centre that the private nursing home is located, the higher the rental cost would be. In general, it would not exceed 50%. Utilities and food provision are each kept at 5% and 2-5%, respectively.

4.2.5 Market Drivers

Rapidly ageing population and changing family structure drive the demand for nursing homes

China's growing elderly population has been a key driver of the nursing home industry. At the end of 2019, there were 176 million people who were aged 65 or above, or 12.6% of the total population. It is projected that by 2030, China will have about 246 million people 65 or above and the old age support ratio will reach about 4.1 comparing to in 5.6 in 2019. As projected by OECD, by 2050, the population of elderly aged 65 and above will represent 26.3% of the total population in China[105].

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[105] OECD, "OECD Data" at https://stats.oecd.org/Index.aspx?DataSetCode=POPPROJ last accessed on 4 January 2021.
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In addition, there are socioeconomic changes rapidly taking place in China. Socioeconomic development and improvements in healthcare have resulted in low fertility rates and increased life expectancy. According to the Report on the Family Development in China, the family size has been shrinking in China. The average number of people in a household decreased from 4.0 people in 1990 to 3.0 in 2018. This problem is made worse by more than three decades of the one-child family policy, which compresses the old age support ratio in China. The group aged 65-75 years old now tend to have only one child due to the policy (assuming they were 25-35 years old while the implementation of the policy in 1979). This group of elderly people require elderly care services as they do not have the traditionally large families nor many children to depend on.

Also, there are more people living in the urban areas and more dual-income families in China. Modern families prefer to rely on elderly care services such as nursing homes to take care of their ageing parents.

Government encourages private sector to enter nursing home industry

The private nursing home industry has been boosted by the government's push to develop the nursing home industry. To cope with the ageing population, the government has been actively promoting the establishment of more nursing homes and retirement homes. It has, in recent years, raised subsidies for private nursing homes. The level of subsidies varies among different cities and provinces. However, they are usually of a considerable scale. For example, the local government of Zhangjiakou, a prefecture-level city in Hebei province in China, has more than doubled its subsidy payments in the past two years.

In 2016, the State Council announced the Opinions on Elderly Care Market Reform for Service Enhancement (the Opinions). In the Opinions, a number of measures to encourage private capital into the industry were proposed, including:

- Simplified approval and licensing procedures for the establishment of commercial elderly care institutions
- Non-profit elderly care institutions set up by foreign investors to enjoy the same treatment and policy support as the domestic investors
- Promotion of elderly care industry at provincial and municipal level with detailed planning and progress adjusted to the local needs

Conglomerates from different industries enter elderly care industry with various sources

The competitive landscape of the nursing home industry is also changing. Historically, nursing homes have been mainly run by the government as a public service or non-government organisations. This is gradually changing, thanks to the growing number of upscale commercial nursing home operators.

With the rising demand and government support, a year-on-year increase of 17% in the number of private residential care facilities for the elderly was reported by the Ministry of Civil Affairs in 2018.

Since 2015, a number of conglomerates from other industries have entered the nursing home industry through various means, including mergers and cooperation with established brands and enterprises. For example, Beijing Enterprises Group acquired Fujian Golden Sun in 2015, and China Everbright Holdings acquired Beijing Huichen Nursing Home Management Company in 2016. Other notable groups that have tapped into the elderly care industry include real estate developers such as Vanke and Sino-Ocean Group and insurance companies such as Taikang Insurance Group and China Life.

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Riding on their real estate development experience and strong capital investment, the entrance of these conglomerates is expected to increase the availability of elderly care services, including nursing homes, and improve the standards of the industry.

4.2.6 Market Constraints

Nursing homes are not received well by the elderly due to traditional Chinese values

The traditional Chinese mindset towards nursing homes has not been positive and the elder generation in China is typically less open to nursing homes compared other markets. Nursing homes have sometimes been perceived as the "dumping place" of the elderly and the quality of care provided in these homes has been falsely expected to be low.

This perception has stemmed from the traditional Chinese cultural value that looking after the elderly is the responsibility of the younger generation and should not be outsourced to other parties. In addition, the expectation of low quality of nursing homes is based on the historical memory of sparsely adorned rooms and run-down facilities of many state-run institutions. As such, some of the elderly people in China still prefer to stay at home and, if necessary, hire a caregiver for in-home care.

Challenges of profitability deter players from expanding

The development of a private nursing home requires a large amount of capital, especially on land and/or property acquisition. Operators of nursing homes have struggled with heavy upfront investment and rising labour costs. Operators of top-tier nursing homes also face the risk of not being able to attract enough residents due to the high fees they charge. Consumers in China tend to choose nursing homes of well-known brands. There are already a number of market participants with a good track record and recognised brand. Achieving profitability will remain a key challenge for nursing home operators, especially for new players.

In general, operational breakeven can only be achieved with an occupancy rate of 60-70%. If an operator of a new nursing home is unable to drive up and maintain the occupancy rate at or above this level shortly after the commencement of operation, it may experience cashflow shortfall.

Expensive cost and poor quality of nursing homes result in low occupancy rate

Limited affordability has been a major constraint for China's nursing home industry. In 2019, the average monthly disposable income for a Chinese resident was RMB2,561, according to the National Bureau of Statistics of China, while the average price for a bed in a mid-tier nursing home was RMB4,000-8,000 per month.

Whilst the low-tier nursing homes charge as low as RMB1,000 per month, the quality of living environment and services are observed to be of an unsatisfactory level. There is a shortage of affordable but quality nursing homes in the industry. The situation would be largely improved if the elderly could receive more sufficient funds from the government pension, their children or potentially from the long-term care insurance in the future.

Occupancy rates of nursing homes were impacted during COVID-19

In an effort to contain the COVID-19 outbreak, the Ministry of Civil Affairs announced, among others, a guideline relating to elderly care institutions in January 2020. The measures in the guideline included that:

- New residents who had already registered before the announcement of the guideline or existing residents who were returning from home need to be in quarantine for 14 days before being admitted to the nursing homes
- Admission of new residents was not allowed
- Visitors, including family and friends of the residents, were not allowed

These measures, which resulted in a stagnant occupancy rate in nursing homes across China during the period, have been gradually relaxed or cancelled since April 2020 in different cities and provinces. In general, the admission of new residents has now resumed to normal level. Yet the strict control on the elderly's travel history continues and a COVID-19 test is normally required for a newly admitted elderly person.

4.2.7 Market Outlook

The government pushes for elderly care and medical service integration to meet the demand from a growing silver population

According to the China National Working Commission on Ageing, it is estimated that by 2020 China will have more than 42 million disabled elderly and over 29 million aged over 80, together accounting for 30% of the total ageing population. This disabled elderly and super senior population has a high demand for intensive nursing services which will drive up the demand for nursing homes.

One common issue faced by the elderly care institutions is a lack of quality medical services. As such, the Chinese government has announced various guiding principles to develop integrated elderly care and medical services since 2013.

According to the National Health Commission, as of September 2019, there were almost 4,000 institutions providing integrated elderly care and medical services and over 20,000 medical institutions have established some form of partnership model with elderly care institutions. These models include:

- Admission of elderly with serious disability or illness in Level II or below hospitals and addition of geriatrics medicine in Level II or above hospitals
- Contractual collaboration between medical and elderly care institutions on provision of integrated services to the elderly
- Establishment of in-house or stand-alone medical institutions by existing elderly care institutions

In the forecast period of 2020-2024, the revenue receipts of private nursing homes in China are estimated to grow at a CAGR of 16.6%. The private nursing home industry is expected to be more mature in the forecast period when compared to the review period of 2015-2019, when the private nursing home industry was at its infancy in China. During the review period, many government policies and measures were introduced and attracted private capitals to enter the industry, which led to the higher growth rates from a smaller base in 2015.

On the other hand, the increasing population of disabled elderly and elderly aged 80 or above, who need an intensive care service in a nursing home, is expected to underpin strong growth of the private nursing home industry in the forecast period. In addition, China's elderly population is expected to increase at a faster pace than other demographic groups. It is projected that the number of elderly aged 65 and older will increase from 176 million in 2019[106] to 246 million in 2030[107], accounting for 12.6% and 17.1% of the total population respectively.

[106] National Bureau of Statistics of China, "China Statistical Yearbook, 2020" at http://www.stats.gov.cn/tjsj/ndsj/2020/indexeh.htm last accessed on 10 December 2020.
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[107] OECD, "OECD Data" at https://stats.oecd.org/Index.aspx?DataSetCode=POPPROJ last accessed on 4 January 2021.
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This represents a CAGR of 3.1% for the number of elderly aged 65 and older from 2019-2030[108], which is higher than growth of the total population that is expected grow from 1,400 million in 2019[109] to 1,441 million in 2030 and have a CAGR of 0.1% from 2019-2030[110].

Table 19 Private Nursing Home Revenue Receipts in China, Forecast (2020-2024)

	2020	2021	2022	2023	2024	CAGR 2020-2024
Revenue Receipts of Private Nursing Homes in China (RMB million)	35,111.0	42,765.2	49,751.8	57,427.1	64,938.5	16.6%
Y-o-Y Growth (%)	13.3%	21.8%	16.3%	15.4%	13.1%	-

Source: *Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in China.*

Note: *The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.*

The long-term care insurance scheme poses the positive outlook for nursing home industry

The long-term care insurance in China was first introduced in the 13th Five-Year Plan in 2016. This insurance provides funds for basic and medical care for people with long-term disabilities.

As of 2020, 49 pilot cities or regions, including Chongqing, Shanghai, Suzhou and Chengdu, have implemented the insurance policy, according to the National Healthcare Security Administration. The insurance fund covers 85% of nursing and medical expenses, including payments for the nursing homes.

There continues to be an opportunity for the nursing homes with a price range at the higher end of the price spectrum as they will become more affordable to the elderly thanks to the scheme.

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[108] OECD, "OECD Data" at https://stats.oecd.org/Index.aspx?DataSetCode=POPPROJ last accessed on 4 January 2021.
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[109] National Bureau of Statistics of China, "China Statistical Yearbook, 2020" at http://www.stats.gov.cn/tjsj/ndsj/2020/indexeh.htm last accessed on 10 December 2020.
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[110] OECD, "OECD Data" at https://stats.oecd.org/Index.aspx?DataSetCode=POPPROJ last accessed on 4 January 2021.
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Quality of nursing homes improves with toughened supervision and growing consumer expectation

The Chinese government has been actively promoting the establishment of more nursing homes and standardising the industry requirements. In late 2014, the Ministry of Civil Affairs and Ministry of Commerce jointly announced they had opened up the for-profit elderly care sector for investment, in hopes that private sector investment would deliver the elderly care services needed for the ageing population.

There are an increasing number of private nursing homes that offer high-quality facilities and services, such as professional care staff, customised meals, on-call staff, exercise and entertainment for the elderly. These nursing homes are typically found in the large cities and they cater to well-off retirees who demand a premium quality of services. Upscale nursing homes, such as Chun Xuan Mao owned by Sino-Ocean Group, started to enter second-tier cities such as Chongqing in 2019.

The entrance of new private sector operators is expected to increase the availability of elderly care services, including nursing homes, and improve the standards of the industry.

On the other hand, industry regulation and requirements are being updated proactively to promote transparency and uphold service standards. For example, the Elderly Care Institution Service and Safety Guideline and Elderly Care Institution Management Methodology were issued by the Civil Affairs Administration in December 2019 and September 2020, respectively. It is expected that the quality of service and facilities of the private nursing homes will continue to improve.

Hospitable investment environment is set for private and foreign capitals due to the government's support

Opening the nursing home market to the private sector and foreign capitals has been an important measure for the Chinese government to accelerate the development of its elderly care industry.

As early as 2013, the State Council announced the Opinions on Speeding up Development of Elderly Care Service Industry (The Opinions), which aimed to lower the entry barriers to the nursing home industry. The Opinions advised the local government and authorities to streamline the registration process and provide clear regulative information for private capitals to enter nursing home industry. It also encouraged the foreign capitals to invest in elderly care service industry in China.

To further encourage the foreign capitals' investment in nursing home industry in China, the State Council mentioned in the Directional Guideline for the Promotion of the Elderly Care Service Development in 2019 that the foreign capital should enjoy the same subsidies as the local capitals in nursing home industry.

4.3 COMPETITIVE LANDSCAPE

4.3.1 Competitive Environment

Private nursing home industry moves towards consolidation

The high initial investment and long payback period of the nursing home business imply that large corporates have a significant advantage over their smaller counterparts. Many of the leading players are conglomerates from real estate, insurance, and finance as well as the medical industry. These players leverage their advantage in capital deployment and value chain integration to expand in the elderly care industry.

For example, Vanke Corporation, the real estate developer, entered the elderly care industry in 2009. Vanke leverages its experience and resources in real estate development to enable it to identify premium locations and achieve capital cost savings. As of 2019, Vanke owned over 70 elderly care institutions and nursing homes.

China Everbright, the financial conglomerate, achieved rapid expansion in the industry by merger and acquisition using its internal funds. Between 2016 and 2019, China Everbright acquired three elderly care institutions in China and founded the China Everbright Elderly Care Company Limited, which owned three private nursing home companies including Everbright Bailingbang. As of 2019, the company owned almost 80 elderly care institutions and operated more than 21,000 beds.

Private nursing home players expand types of elderly care institutions on offer

In China, most of the leading players in the private nursing home industry offer multiple types of elderly care services in addition to nursing homes. This is to meet the increasingly diversified demand of the elderly based on their needs, facilitate cross-selling opportunities between different services and establish an economy of scale of the business in the industry.

For example, Everbright Bailingbang operates two continuing care retirement communities and over 10 community-based elderly care institutions in addition to the nursing homes, while Vanke Senior Care operates four continuing care retirement communities and more than 20 community-based elderly care institutions apart from dozens of nursing homes as of 2019.

4.3.2 Barriers to Entry

High initial investment and slow return on investment set a high barrier to market entry

Barriers to entry are relatively high for the private nursing home industry. Potential entrants need a good understanding of the regulatory requirements. Secondly, new entrants will have to recruit a team of qualified staff to manage the nursing home and care for the elderly. Thirdly, new entrants will have to make a significant upfront investment in a private nursing home business, such as purchasing the land and/or property and procuring equipment appropriate for elderly care.

The operators will also need to be financially strong enough to sustain the operation until the occupancy rate rises to an operational breakeven level and also collect a return only after a long payback period.

As such some private nursing home players would also bid for the operation rights of PPP nursing homes in which the facility is built and funded by the government.

Scarcity of suitable land resources for nursing homes

Whilst the location of nursing homes is essential in achieving a higher occupancy rate and pricing, it is subject to the identification of suitable locations and negotiation of commercially acceptable terms. The preferred locations are usually in proximity to the city centre and relevant medical institutions. However, the procurement of good locations is increasingly difficult or expensive in China.

4.3.3 Leading Private Nursing Home Operators

Despite the presence of large groups in the private nursing home industry, the market is still fragmented with thousands of small and independent private nursing home players in the country. Yet, with the high barriers to entry and the longer periods for return on investment, it is expected that the market will be more concentrated as larger players have abundant resources for expansion and to establish their trustworthy brand awareness among the elderly.

Table 20	Top Five Private Nursing Home Operators in China (2019)			
Ranking	**Private Nursing Home Operators**	**Market Share, Revenue Receipts (%)**	**Number of Beds**	**Listed or Private**
1	Player 1	0.8%	6,000	Private
2	Player 2	0.7%	5,900	Private
3	Player 3	0.4%	1,750	Private
4	Player 4	0.3%	1,890	Private
5	Player 5	0.3%	2,425	Private

Source: Euromonitor International estimates from desk research, private nursing home company websites as of December 2020, and trade interviews with leading nursing home providers and relevant trade associations in China.

Note: The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

Notes:

(1) Player 1 is a leading property developer in China and has established a senior care business unit that has developed elderly care facilities and institutions across China. The group operates over 70 elderly care facilities and institutions, including continuing care retirement communities and nursing homes as well as community-based elderly care facilities, as of 2020.

(2) Player 2, established in 2012, is a high-tier elderly care brand owned by a large investment holding company engaging in property investment and development. The company owns 30 elderly care facilities and institutions, as of December 2020.

(3) Player 3, established in 2007, was acquired by a large financial service group in China in May 2016. The company currently has 26 elderly care facilities and institutions in operation across the countries with focuses on Beijing and Shanghai city, according to the company's website, as of December 2020. Beyond nursing homes, the company also operates community-based elderly care facilities.

(4) Player 4 consists of a total of 21 elderly care facilities and institutions in Shanghai, as of December 2020. Its elderly care facilities and institutions include nursing homes, care-based nursing homes that specialise in professional medical care and care stations that provide in-home care services to the elderly.

(5) Player 5, founded in 2011, was acquired by a large financial service group in China in 2019. The company started in Chongqing and has expanded its business to three other provinces in China, namely Fujian, Zhejiang, and Guangxi Province. As of 2020, the company operates around 50 elderly care facilities and institutions in China.

5. NURSING HOMES IN CHONGQING

5.1 MACRO-ECONOMIC ENVIRONMENT IN CHONGQING

Chongqing recorded a stronger nominal GDP growth than the nation's average

Chongqing, one of the four directed-administered municipalities as well as a Tier 1.5 city[111] in China, recorded a nominal GDP CAGR of 10.7% in 2015-2019, above the nation's 9.5%. The strong economic performance of the city was underpinned by the development of the strategic emerging industries and high-end manufacturing in the recent years according to the Chongqing government. [112]

Table 21 Macroeconomic Indicators in Chongqing, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Nominal GDP (RMB '000 Million)	1,572.0	1,755.9	1,950.0	2,036.3	2,360.6	10.7%

Source: *Chongqing Municipal Bureau of Statistics, 2015-2019 Economics & Social Development Statistics Report, as available as of 5 January 2021.*

Notes: *Chongqing Municipal Bureau of Statistics has not provided its consent, for the purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information. The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion and surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.*

Chongqing city faced a more serious ageing population issue than the country as a whole

In 2019, Chongqing had a population of over 31 million people making it the most populous city in the China. In 2019, the population aged 65 and above reached about 4.7 million, accounting for 15.0% of the city's total population, which is above the nation's average of 12.6%.

The city is also facing the growing ageing problem. During the review period of 2015-2019, the elderly population grew at a CAGR of 6.2% while the population aged between 16-64 years old declined at a CAGR of 0.3%.[113]

[111] China Business Network, "2019 Official List of New Tier 1 Cities Roll-Out: Where Your City Ranks" at https://www.yicai.com/news/100200192.html last accessed on 5 January 2021.
Note: China Business Network has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[112] Chongqing Municipal People's Government, "Chongqing's economic performance in 2019" at http://www.cq.gov.cn/zqfz/gmjj/202002/t20200210_5030874.html last accessed on 5 January 2021.
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[113] Chongqing Municipal Bureau of Statistics, 2015-2019 Economics & Social Development Statistics Report at http://www.cq.gov.cn/zqfz/gmjj/tjgb/ last accessed on 5 January 2021.
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With the declining old age support ratio and the fast-increasing elderly population, Chongqing has experienced a rising demand for the elderly care services and institutions.

Table 22 Population Indicators in Chongqing, Historical (2009-2019)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2009-2019
Population (10,000 People)	2859.0	3303.5	2919.0	2945.0	2970.0	2991.4	3016.6	3048.4	3075.2	3101.8	3124.3	0.9%
Population Aged 16-64 (10,000 People)	-	-	-	-	-	-	2,118.8	2,128.2	2,117.1	2,102.2	2,090.2	-
Population Aged 65 and Over (10,000 People)	-	-	-	-	352.8	359.3	367.1	382.0	406.5	437.4	467.4	-
Proportion of Population Aged 65 and Above	-	-	-	-	11.9%	12.0%	12.2%	12.5%	13.2%	14.1%	15.0%	-
Old Age Support Ratio	-	-	-	-	-	-	5.77	5.57	5.21	4.81	4.47	-

Source: Chongqing Municipal Bureau of Statistics, 2009-2019 Economics & Social Development Statistics Report, as available as of 5 January 2021.

Notes: The old age support ratio for Chongqing is calculated by the number of residents aged 16-64 per the number of residents aged 65 and over.

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5.1.1 Market Overview

Higher ageing population in Chongqing

In 2019, Chongqing is the sixth most ageing city[114] in China. Its elderly population aged 65 and above reached 4.67 million people. This represents 15.0% of the total population in the city, which is higher when compared to the national average of 12.6%. During the review period of 2015-2019, the city's elderly population grew at a CAGR of 6.2% while the population aged 16-64 dropped at a CAGR of 0.3%. The fast-increasing proportion of the elderly population led to the rising demand for elderly care services and nursing homes in Chongqing city.

Types of nursing homes by ownership structure

As of 2019, there were over 900 residential care facilities for the elderly, and a total of 97,000 beds in Chongqing[115]. Public elderly care institutions currently represent the majority of the market in the city in terms of the number of institutions and beds. The private nursing home industry is estimated to comprise 250 institutions and provide 10.4 beds per 1,000 elderly aged 65 or above in Chongqing.

Table 23 Private Nursing Homes in Chongqing, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Number of Licensed Private Nursing Homes	98	137	175	219	250	26.0%
Number of Private Beds	19,580	27,412	35,088	43,860	50,000	-

Source: Euromonitor International estimates from desk research, public data of number of residential care facilities for the elderly, and trade interviews with leading nursing home providers and relevant trade associations in China.
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Annual China Senior Citizen Exposition held in Chongqing benefits the development of nursing home industry in the city

The China Senior Citizen Exposition (CSCE) is an annual exposition that provides a platform for industry collaboration and business opportunities for China's elderly care industry since 2005.

In November 2020, the CSCE took place in Chongqing. It hosted more than 400 exhibitors from different regions such as the US, the UK, Germany, Japan and over 20 cities of China. The event gathered multiple resources, carried out thematic forums, trade negotiations, roadshow promotions, interactive experiences and other business activities. More than 100,000 visitors and buyers were attracted to the exposition.

[114] China News, "Chongqing's population aging ranks sixth in the country" at https://www.chinanews.com/sh/2020/10-24/9321368.shtml last accessed on 11 December 2020.
Note: China News has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[115] Chongqing Civil Affair Bureau, "Chongqing Civil Affairs Statistics" at http://mzj.cq.gov.cn/zwgk_218/fdzdgknr/tjxx/202003/W020200318576829452849.pdf last accessed on 11 December 2020.
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As the largest event in the elderly care industry in China, hosting this event has positioned Chongqing as one of the advanced cities in this industry and strengthened it as the platform for ongoing trade and the business centre in the region and the world.

Private nursing homes' revenue receipts driven by the entrance of players and a growing elderly population

Driven by the rapid growing elderly population and booming number of private nursing homes in the city, the revenue receipts of private nursing homes were estimated to grow at a CAGR of 39.2% in the review period.

Table 24 Private Nursing Home Revenue Receipts in Chongqing, Historical (2015-2019)

	2015	2016	2017	2018	2019	CAGR 2015-2019
Revenue Receipts of Private Nursing Homes in Chongqing (RMB million)	481.2	750.8	1,078.4	1,453.6	1,807.8	39.2%
Y-o-Y Growth (%)	-	56.0%	43.6%	34.8%	24.4%	-

Source: Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in Chongqing.

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5.1.2 Legislative and Regulatory Regimes

Chongqing introduces tax exemption for nursing homes echoing State Taxation Administration's policy

In April 2019, the Chongqing Elderly Care Institution Management Guideline[116] was enacted by the government. In the guideline, a number of support policies and tax benefits were introduced, which include:

- Exemption of value-added tax on revenue generated from elderly care service
- Application of household utilities charge rate regime on elderly care business instead of the higher rate under the commercial regime
- Waiver of 100% and 50% of Administrative and Institutional Fees for non-profit and commercial nursing homes, respectively

These benefits are also applicable to the foreign enterprises that operate nursing homes in Chongqing city.

Clear targets set for elderly care institutions and facilities by Chongqing government

In order to address the emerging issue of an ageing population in Chongqing, the local government has introduced a number of policies and targets to guide the development of the elderly care industry in the city.

In November 2019, Chongqing's government introduced the Chongqing Community/In-home Elderly Care Services Full Coverage Implementation Plan (the Plan) to encourage the development of the elderly care industry

[116] Chongqing Municipal People's Government, "Chongqing Elderly Care Institution Management Guideline" at http://www.cq.gov.cn/zwgk/zfgb/2019/d3q/202001/t20200117_4765632.html last accessed on 10 December 2020
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with a focus on community-based and home-based elderly care services and facilities. The following objectives[117] were set in the Plan:

- Have at least one elderly care centre in each community in the city by 2020
- Increase the number of private elderly care institutions by 100 by 2022
- Increase the supply of beds for the elderly to 230,000, of which at least 50% are nursing beds, by 2022

5.1.3 Business Models

Typical business model of private nursing homes

The typical business model of private nursing homes is in line with the overall market in China. Similar to the overall China market, there are different fee structures offered by private nursing homes in the city, depending on the type of rooms and the level of care required. The operators usually charge a monthly fee which includes the rent, nursing care and meals.

Costs of staying in a typical private nursing home

In Chongqing, the fees are subject to the location and quality tier of the nursing homes. In general, the monthly fees charged by top-tier private nursing homes can be over RMB5,000, compared to RMB3,500-5,000 in mid-tier homes and below RMB3,500 in low-tier homes.

Similar to the overall China market, top-tier private nursing homes tend to have more single-bed or double-bed rooms whilst mid- or low-tier private nursing homes offer more multi-bed rooms.

5.1.4 Operational Costs

Labour costs represent the key operational cost

The key operational costs of private nursing homes in Chongqing include operational labour costs, the rental cost of the facility, utilities and food provision.

Labour costs usually represent 50% of the total cost, as nursing homes are dependent on a team of elderly care professionals and cleaners to cater to the needs of the elderly residents. Other manpower costs include administrative staff and managers who assist with the day-to-day running of the nursing homes.

Rental costs usually take up 30% of the total cost. The costs of provision of daily necessities and food are around 12% of the total cost whilst utilities are kept at around 2%.

[117] Chongqing Municipal People's Government, "Chongqing Community/In-home Elderly Care Services Full Coverage Implementation Plan" at http://www.cq.gov.cn/zwgk/zfgb/2019/d21q/202001/t20200117_4765987.html last accessed on 10 December 2020.
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5.1.5 Market Drivers

Chongqing's large ageing population base drives the demand for nursing homes

As of 2019, Chongqing is one of the most populous cities in China with a population of 31.2 million. There were 4.7 million population aged 65 or above, about 15.0% of the city population compared to the national average of 12.6%. The city's growing elderly population has been a key driver of the nursing home industry.

Local government's strong push for elderly care development benefits nursing home industry

Chongqing's private nursing home industry is relatively mature in the country driven by its rapidly ageing population and the local government's support. The government started promoting and planning the development of the nursing home industry as early as 2012 with the Opinions of the Chongqing Government on the Support of the Development of Private Elderly Care Institution.

In recent years, the Chongqing government has actively implemented a number of policies and guidelines to develop the industry in the city. In October 2017, the Chongqing Elderly Care Market Reform for Service Enhancement Implementation Guideline[118] was issued. The Guideline set the target that the number of beds in public elderly care institutions will decrease to 50% or below of the supply, and nursing beds with professional medical care for disabled elderly people will represent 30% or above of the total number of beds by 2020.

In April 2019, the Chongqing Elderly Care Institution Management Guideline[119] was implemented. This Guideline offered various tax benefits and preferential utilities rates for public and private nursing homes.

5.1.6 Market Constraints

Shortage of labour and young care workers is challenging for nursing homes

While Chongqing is ramping up elderly care services, there is a shortage of labour to care for the growing elderly population.

The industry has difficulty attracting the younger generation, who are reluctant to work as caregivers as it involves hard labour and is perceived as a less decent job. There is also a mismatch of salary expectations between how much the younger generation are expecting and how much the nursing homes are willing to pay. As a result, the labour force in nursing homes largely consists of middle-aged or senior workers.

[118] Chongqing Municipal People's Government, "Chongqing Elderly Care Market Reform for Service Enhancement Implementation Guideline" at http://www.cq.gov.cn/zwgk/fdzdgknr/lzyj/xzgfxwj/szfbgt_38656/202001/t20200115_4754129.html last accessed in 11 December 2020.
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[119] Chongqing Municipal People's Government, "Chongqing Elderly Care Institution Management Guideline" at http://www.cq.gov.cn/zwgk/zfgb/2019/d3q/202001/t20200117_4765632.html last accessed in 11 December 2020.
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Tightened regulations on quality and safety facilities increase operational cost of nursing homes

Along with the development of the nursing home industry in Chongqing, the city government also introduced a number of regulations to ensure the quality of services. The higher regulatory requirements and stricter standards have made it more challenging for private nursing homes to operate, due to the rising costs associated with compliance.

In June 2020, the Chongqing government announced the commission of third-party advisers to inspect the compliance of nursing homes in the city with the requirements specified in the national policy, Basic Specification of Service Quality for Senior Care Organization. Reviews of the elderly care institutions whose service quality was assessed as not up to standard in 2019 will also be undertaken. Chongqing's government aims to have at least 70% of the institutions in full compliance with the Basic Specification by 2020.[120]

COVID-19 results in a stagnant occupancy rate of nursing homes

In addition to the national measures imposed by the Ministry of Civil Affairs, the Chongqing Civil Affairs Bureau also announced a series of virus containment measures for nursing homes in the city from January 2020.

The measures included that:

- Existing residents who moved out temporarily for Chinese New Year were not allowed to return to their nursing homes until further notice, except those with serious disabilities that require full-time care services
- Admission of new residents was not allowed
- Visitors, including family and friends of the residents, were not allowed

These measures were relaxed in late April 2020 and resulted in a stagnant occupancy rate in nursing homes in the city during the period. Moreover, additional costs were incurred due to the higher usage of hygiene products and increased workloads to implement infection prevention measures.

5.1.7 Market Outlook

Bright prospects in nursing home industry due to growing silver population and government's support

The private nursing home industry is expected to enjoy increasing demand, driven mainly by the large and growing ageing population in Chongqing and the city government's support.

The government has introduced various tax benefits and preferential utilities rates for public and private nursing homes. For example, value-added tax on revenue generated from elderly care services is exempted. Higher regulatory requirements and industry standardisation have also improved the level of trust among consumers towards the industry. In addition, Chongqing was selected to be one of the pilot cities for the long-term care

[120] Chongqing Civil Affair Bureau, "Chongqing launches special action for the construction of nursing home service quality in 2020" at http://www.mca.gov.cn/article/xw/dfdt/202006/20200600028386.shtml last accessed on 10 December 2020.
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insurance scheme since 2017. Since then, the insurance scheme has been implemented in a number of districts in the city including Banan, Dadukou and Dianjiang[121].

Whilst the insurance scheme currently covers a fixed amount of the daily cost of care services for citizens with disabilities, its scope and scale are expected to expand to cover more elderly care services in the future.

Chongqing government deepens the effort in elderly care and medical service integration

Based on the central government's promotion of elderly care and medical service integration, Chongqing's government has further deepened the effort in this initiative.

In December 2019, the city government announced the following targets in its Chongqing Promotion of Elderly Care Service Development Implementation Plan:

- Elderly care beds of at least 230,000 by 2022, in which at least 60% are run by the private sector and 50% are nursing beds for disabled elderly people
- At least half of the Level II or above hospitals to have a geriatrics department
- The licence and approval are interchangeable between elderly care institutions and Level II or below hospitals

According to the Chongqing Health Commission, as of March 2020, there are 133 institutions providing integrated elderly care and medical services and 1,118 elderly care institutions have established contractual partnership with hospitals. Going forward, the integration between the two services is expected to be deepened further.[122]

Increasing investment funds drive the industry's upgrade and expansion

The promising future of the nursing home industry in Chongqing has attracted investors from different sectors to enter the market. Notable examples include Everbright, which acquired Chongqing Bailingbang in 2019 and renamed it as Everbright Bailingbang, and China Resources, which acquired a 50% share of Chongqing Hezhan Elder Care.

The inflow of investments and business will present both opportunities and competition for the nursing home industry, which in turn will lead to enhancement of facilities, services and supply.

It is expected that the total revenue receipts by the private nursing homes in Chongqing will grow at a CAGR of 18.6% in the forecast period mainly driven by the rising demand for nursing care in the city. The forecast CAGR is also expect to surpass national average due the growing ageing issue in Chongqing, which had a higher percentage of population aged 65 and above comparing to the country's average. In addition, with the stricter

[121] Chongqing Daily, "Long-term care insurance brings new hope to the families of the disabled" at https://www.cqrb.cn/html/cqrb/2019-09/30/D32/content_243405.htm last accessed on 10 December 2020.
Note: Chongqing Daily has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[122] Director of Chinese Hospital, "In order to comprehensively promote the integrated medical and elderly services, what indicators has Chongqing set for medical institutions?" at https://www.sohu.com/a/406262401_374886?_trans_=000014_bdss_dkjhl last accessed on 24 November 2020.
Note: Director of Chinese Hospital has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

regulations on quality by the local governments, the quality of private nursing homes in Chongqing is expected to grow and attract more elderly tenants in the forecast period.

Table 25 Private Nursing Home Revenue Receipts in Chongqing, Forecast (2020-2024)

	2020	2021	2022	2023	2024	CAGR 2020-2024
Revenue Receipts of Private Nursing Homes in Chongqing (RMB million)	1,973.5	2,237.2	2,654.4	3,207.6	3,899.0	18.6%
Y-o-Y Growth (%)	9.2%	13.4%	18.7%	20.8%	21.6%	-

Source: Euromonitor International estimates from desk research and trade interviews with leading nursing home providers and relevant trade associations in Chongqing.

Note: The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.

5.2 COMPETITIVE LANDSCAPE

5.2.1 Competitive Environment

Large elderly care groups' competition intensifies in Chongqing's elderly care industry

The elderly care industry in Chongqing is a growing industry. Coupled with the city's favourable business and policy environment, a number of large elderly care groups in the country have been attracted to Chongqing.

For example, Chongqing China Railway Renzhi Senior Industry Co started its China Railway Healthy City Project which featured elderly community residential units in 2018. China Everbright acquired local nursing home operator Chongqing Bailingbang in 2019. Taikang, the insurance company, started to invest in its second Continuing Care Retirement Community in August 2020. The project is expected to have 1,500 rooms and commence operation in 2023.

The market moves towards concentration and expects to see more chained and branded private nursing homes in Chongqing

Due to the immense potential of the elderly care industry in Chongqing, a large amount of capital has been rapidly deployed by investors to acquire market share by way of acquisition or funding new projects. For example, China Resources Verlinvest Health Investment Ltd acquired a 50% share of Chongqing Hezhan Nursing Home in 2019.

On the other hand, the support of the Chongqing government in the development of large-scale and branded elderly care institutions is also expected to result in consolidation among players. In the Chongqing Promotion of Elderly Care Service Development Implementation Plan[123] issued in December 2019, the city government simplified the registration process of multiple service sites of an elderly care institution in the same district and also requested the district or county government to reach out to elderly care institutions proactively for community planning.

[123] Chongqing Municipal People's Government, "Notice of implementation plan" at http://www.cq.gov.cn/zwgk/zfgb/2019/d24q/202001/t20200117_4766003.html last accessed on 11 December 2020.
Note: Chongqing Municipal People's Government has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

Foreign capitals investment in Chinese elderly care industry and Econ Healthcare Group's collaboration with Chongqing Government

Currently, a common market entry strategy of foreign operators to develop in the Chinese elderly care industry is through a partnership with local companies. One of the earliest foreign capitals entering nursing home industry in China was the American investment company, Columbia Pacific Management Inc, and the nursing home operator Emeritus Corp, which collaborated with the Chinese real estate group Sino-Ocean Group. The three parties together funded and established a high-end private nursing home in Beijing in 2013. Foreign operators also tend to development high end nursing homes in top tier cities such as Beijing and Shanghai.

In 2015, the Chinese and Singaporean governments signed the intergovernmental cooperation project, China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (CCI) focusing on financial service, aviation industry, transportation logistics and information and communication[124].

In 2018, the leading private nursing home operator in Singapore, Econ Healthcare Group, signed the Memorandum of Understanding (MOU) with Chongqing Civil Affairs Bureau and became the first eldercare provider under CCI. Under the MOU, Econ Healthcare Group worked closely with Chongqing government and aimed to share its experience in nursing home industry to enhance the elderly care services in Chongqing. Later in 2020, Econ Healthcare Group partnered with Everbright Bailingbang group to establish the first Chinese-Singaporean private nursing home in Chongqing, and it is currently the only Singapore-based operator among the leading private nursing home operators in Singapore to have operations in China.

5.2.2 Barriers to Entry

Shortage of professional care workers

The labour shortage is a well-known challenge for the industry. Nursing homes, especially in the private sector, have a high demand of quality care workers to order to compete in the market. The existing players have found it difficult to hire professional, trained staff, as well as grapple with high turnover. This issue is worsened by the fact that there is general reluctance among the younger generation to enter the industry.

It is also difficult for new players to build up a new team of medical professionals and caregivers. Strong competition from larger players, which are able to provide more and better services and better pay for the staff, may also be a potential barrier. This is particularly relevant for smaller new entrants which may not have the financial muscle to compete.

Land sourcing is particularly challenging in Chongqing

The location of nursing homes typically requires a considerable size of flat space and proximity to the city centre and hospitals. Identification and procurement of a site to house nursing homes is increasingly difficult in Chongqing given the density of buildings and the mountainous landscape of the city. Even if an appropriate location is identified, the establishment of nursing homes is still subject to negotiation of commercially acceptable terms.

[124] Chongqing International Communication Center, "China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (CCI)" at https://www.ichongqing.info/business/opening-up-platforms/cci/ last accessed on 10 December 2020.
Note: Chongqing International Communication Center has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

5.2.3 Leading Private Nursing Home Operators

Private nursing home in Chongqing is more concentrated compared to the nation

Compared to China as a whole, the private nursing home industry in Chongqing is more concentrated given that the top 5 players account for a larger market share of total revenue receipt by private nursing homes.

Table 26 Top Five Private Nursing Home Operators by Revenue Receipts in Chongqing (2019)

Ranking	Private Nursing Home Operators	Market Share, Revenue Receipts (%)	Number of Beds	Listed or Private
1	Player 1	4.3%	1,482	Private
2	Player 2	3.1%	1,310	Private
3	Player 3	3.0%	1,000	Private
4	Player 4	2.2%	980	Private
5	Player 5	1.2%	632	Private

Source: *Euromonitor International estimates from desk research, private nursing home company websites as of December 2020, and trade interviews with leading nursing home providers and relevant trade associations in China.*

Note: *The information prepared by Euromonitor International is intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys and has been prepared primarily as a market research tool. References to Euromonitor International should not be considered as the opinion of Euromonitor International as to the value of any security or the advisability of investing in the Company.*

Notes:

(1) Player 1, founded in 2012, operates six private nursing homes in Chongqing in addition to community-based elderly care facilities. In May 2019, a leading Chinese holding company made a strategic investment in the company by acquiring 50% of its share.

(2) Player 2 was established in 2014 and owns 10 elderly care facilities and institutions as of December 2020. The company focuses on providing integrated medical care and nursing services for elderly people with disabilities or dementia.

(3) Player 3, founded in 2013, owns over a dozen elderly care facilities and institutions including nursing homes and community-based elderly care facilities in Chongqing.

(4) Player 4, founded in 2011, was acquired by a large financial service group in China in 2019. The company started in Chongqing and has expanded its business to three other provinces in China, namely Fujian, Zhejiang, and Guangxi Province. The company operates three private nursing homes in Chongqing with several other types of elderly care facilities, such as community-based elderly care facilities.

(5) Player 5, established in 2012, is a high-tier elderly care brand owned by a large investment holding company engaging in property investment and development. The company owns three private nursing homes in Chongqing, as of December 2020.

6. ECON HEALTHCARE GROUP

6.1 BUSINESS OVERVIEW & OBJECTIVE

Established in 1987 with only a 17-bedded nursing home[125], Econ has since expanded its services and reach to seven nursing homes in Singapore and three nursing homes in Malaysia. It is currently the only Singapore-based operator among the leading private nursing home operators in Singapore to have operations overseas. In addition, Econ is the only operator among the leading Singapore-based private nursing home operators that has successfully entered China's eldercare industry and established working relationships with relevant government ministries, state-owned enterprises and private operators[126]. Known for its focus on the medical, social and psychological needs of an elderly, it offers both short and long-term care, integrating both western and eastern medicine in its services. Econ has also built a reputation for itself in the industry over the years as a leader in providing quality care and services, winning multiple awards in the region, including Best Geriatric Healthcare Operator and Best Rehabilitation Operator Awards at the 5th Asia Pacific Eldercare Innovation Awards in 2017[127], and 46 awards at the silver, gold and star award category at the Singapore Health Quality Service Awards in 2020. Econ was also the first in the nursing home industry to be awarded the Singapore Service Class Certification in recognition of commendable performance in service excellence[128]. The awards honour healthcare professionals who have demonstrated exceptional commitment to deliver quality care and excellent service.

6.2 KEY SERVICES OFFERED

Econ's key services are:

- Operating Medicare Centres and nursing homes in Singapore, Malaysia and China;

[125] Econ Healthcare, "Where it all began" at https://www.econhealthcare.com/about/leadership-organisation last accessed on 26 February 2021.
Note: Econ Healthcare has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[126] Econ Healthcare, "First Eldercare Provider under the Chongqing Connectivity Initiative" at https://www.econhealthcare.com/news/first-eldercare-provider-under-the-chongqing-connectivity-initiative last accessed on 11 January 2021.
Note: Econ Healthcare has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[127] Econ Healthcare, "Double Win at the 5th APAC Eldercare Innovation Awards" at https://www.econhealthcare.com/news/double-win-for-econ-healthcare-group-at-the-5th-apac-eldercare-innovation-awards last accessed on 4 January 2021.
Note: Econ Healthcare has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

[128] Econ Healthcare, "First organisation in the elder care sector to be certified Service Class" at https://www.econhealthcare.com/news/first-organisation-in-the-elder-care-sector-to-be-certified-service-class last accessed on 8 January 2021.
Note: Econ Healthcare has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Sponsor, the Issue Manager, the Underwriter and the Placement Agent or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

- Managing ECONLIFE! Hubs, senior activity centres in Singapore, as appointed by the Ministry of Health Singapore
- Offering East-West medicine, such as eastern Traditional Chinese Medicine and western treatments like physiotherapy and rehabilitation;
- Providing healthcare training services to caregivers, healthcare personnel and nurses;
- Providing home care services to care for the elderly with special needs at the comfort of their home.

6.3 KEY STRENGTHS

Econ's key strength lies in its commitment to uphold quality standards. Service quality is high, with in-house doctors, nurses and therapists to care for the residents. The management is dedicated, ensuring that all staff, including administrative personnel, upholds a high standard of customer service and care. Econ also prides itself on creating an inviting, peaceful and welcoming environment for the residents. This promotes a positive setting for them, creating a positive impact on their emotional well-being and outlook towards life. Overall, its service quality puts it in a good place to maintain its market leadership, setting the bar and raising industry standards which smaller players ought to follow.

7. APPENDIX

7.1 DEFINITIONS

Terms	Definitions
Nominal GDP	A measure that reflects the aggregate value of the goods and services produced in an economic territory in a given year, expressed at current market prices.
Real GDP	A measure that reflects the aggregate value of the goods and services produced in an economic territory in a given year, expressed at constant base-year prices, to adjust for inflation.
Consumer Price Index (CPI)	A measure that reflects the weighted average of a basket of consumer goods and services by calculating the change in prices.
Old age support ratio	Old age support ratio is calculated by the number of residents aged 20-64 per the number of residents aged 65 years and above.
Old dependency ratio (China)	Old dependency ratio in China is calculated by the number of residents aged 65 years and above per the number of residents aged 15-64, and is expressed as a percentage.
Elderly/Seniors	Resident population with ages 65 years and over.
Nursing homes	Nursing home is a type of residential care facility for the elderly, where they can be admitted if they require daily skilled nursing care and assistance and if they have no caregiver at home to look after them. Services provided in nursing homes include medical, dental and nursing care, physiotherapy and activities.

APPENDIX D – SUMMARY OF OUR CONSTITUTION

The discussion below provides information about certain provisions of our Constitution and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Constitution.

The instrument that constitutes and defines our Company is the Constitution of our Company.

The following summarises certain articles of our Constitution relating to:

(a) power of a Director to vote on a proposal, arrangement or contract in which he is interested:

Article 105

A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(b) the remuneration of our Directors:

Article 82

The ordinary remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

Article 83

(A) Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

(B) The remuneration (including any remuneration under Article 83(A) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or a percentage of turnover.

Article 85

The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

Article 86

A Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

Article 91

The remuneration of a Chief Executive Officer (or person holding an equivalent position) shall from time to time be fixed by the Directors and may subject to this Constitution be by way of *salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.*

Article 101(D)

An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as Alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct.

(c) the borrowing powers exercisable by our Directors and how such borrowing powers may be varied:

Article 112

Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The borrowing powers exercisable by our Directors under Article 112 of our Constitution may be varied by special resolution passed at a general meeting of shareholders of our Company.

(d) the retirement or non-retirement of a Director under an age limit requirement:

There are no specific provisions in our Constitution relating to the retirement or non-retirement of a Director under an age limit requirement.

(e) the shareholding qualification of a Director:

Article 81

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

(f) the rights, preferences and restrictions attaching to each class of shares:

Article 54

Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of this Constitution and the Act entitled to receive such notices from the Company; Provided always that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting,

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. So long as the shares in the Company are listed on the Stock Exchange, at least 14 days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Stock Exchange.

Article 68

Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 13(C), each member entitled to vote may vote in person or by proxy. Every member who is present in person or by proxy shall:

(a) *on a poll, have one vote for every share which he holds or represents; and*

(b) *on a show of hands, have one vote, Provided always that:*

(i) *in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and*

(ii) *in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.*

For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

Article 13(C)

The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

Article 126

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

(a) *all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*

(b) *all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.*

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

Article 150

If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(g) any change in capital:

Article 7

Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 11, and *to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:*

(a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 11(A) with such adaptations as are necessary shall apply; and

(b) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 11(B), shall be subject to the approval of the Company in General Meeting.

Article 11

(A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 11(A).

(B) Notwithstanding Article 11(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:

(a) (i) issue shares of 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 but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

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

Provided always that:

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;

(2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the listing rules of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and this Constitution; and

(3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the

conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

(C) Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of the Statutes and of this Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Article 12

(A) The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its shares;

(b) subdivide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes and this Constitution), and so that the resolution whereby any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and

(c) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.

(B) The Company may by Special Resolution, subject to and in accordance with the Statutes, convert one class of shares into another class of shares.

Articles 13(A) and (B)

(A) The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

(B) The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

(h) any change in the respective rights of the various classes of shares including the action necessary to change the rights, indicating where the conditions are different from those required by the applicable law:

Article 9

Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of this Constitution relating to General

Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

Article 10

The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

(i) any dividend restriction, the date on which the entitlement to dividends arises, any procedure for our Shareholders to claim dividends, any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates:

Article 124

The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

Article 125

If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

Article 126

Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

Article 127

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

Article 131

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the

Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable shall be forfeited and shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date such dividend or other moneys are first payable.

Article 134

Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Article 137

Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

APPENDIX E – LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF OUR DIRECTORS AND EXECUTIVE OFFICERS

The present and past principal directorships held by our Directors and Executive Officers in the last five years preceding the Latest Practicable Date (excluding those held in our Company) are as follows:

(A) DIRECTORS

(1) Mr Ong Chu Poh

Present Directorships	Past Directorships
Group corporations	***Group corporations***
Caleb Care (Singapore) Pte. Ltd.	Nil
Econ Ambulance Services Pte Ltd	
Econ Careskill Training Centre (ECTC) Pte. Ltd.	
Econ Health & Wellness Centre Pte. Ltd.	
Econ Healthcare (China) Pte. Ltd.	
Econ Healthcare (M) Pte. Ltd.	
Econ Healthcare (M) Sdn Bhd	
Econ Medicare Centre And Nursing Home Sdn Bhd	
Econ Medicare Centre Pte Ltd	
Econ Nursing Home Services (1987) Pte Ltd	
Econ TCM Services Pte. Ltd.	
Sunnyville Nursing Home (1996) Pte Ltd	
重庆宜康百龄帮养老服务有限公司 (Chongqing Yikang Bailingbang Eldercare Co. Ltd.)	
Other corporations	***Other corporations***
Econ Medicare Centre Holdings Pte Ltd	Air Ambulance Asia Pte. Ltd.
Ekang International Holdings Pte. Ltd.	Century Health Products Pte. Ltd.
	Econ Advance Renal Care Pte. Ltd.
Econ Healthcare & Tourism Development Pte. Ltd.	Econ (Ho Chi Minh City) Pte. Ltd.
Hanoi Investment Holding Pte. Ltd.	Econ Healthcare Investment Pte. Ltd.
Iroyallife International Pte. Ltd.	Econ Healthcare Management & Services (Tianjin) Pte. Ltd.
Econ Healthcare Management & Services Pte. Ltd.	Econ Hospitality Consultancy Services Pte. Ltd.
Econ Healthcare Pte. Ltd.	Econ Investment Pte Ltd
	Hung Thinh Singapore Pte. Ltd.
Econ International Healthcare Management Services Pte. Ltd.	Tat Ming Management Services Pte Ltd
Econ Investment Holdings Pte. Ltd.	TMI Environmental Technologies Pte. Ltd.
FMS Tech Pte Ltd	TMI Realty Pte Ltd

Mike & Ong Investments Pte. Ltd.

Pei Hwa Foundation Limited

TMI Holdings (1997) Pte Ltd

TMI Technologies Pte Ltd

VC Medi Project Pte. Ltd.

West Point Hospital (Singapore) Pte. Ltd.

West Point Hospital Pte. Ltd.

Chengdu Tianli Group Co., Ltd

Econ (Suzhou) Healthcare Management Co. Ltd

China Healthcare Pte. Ltd.

Econ Elderly Mgmt & Consultancy (Beijing) Co., Ltd

Victoria Healthcare Vietnam Ltd

Medical Services & Healthcare Investment LLC

(2) Ms Ong Hui Ming

Present Directorships

Group corporations

Nil

Other corporations

Nil

Past Directorships

Group corporations

Nil

Other corporations

Econ Advance Renal Care Pte. Ltd.

Econ Healthcare Pte. Ltd.

Econ Investment Pte Ltd

VC Medi Project Pte. Ltd.

(3) Mr Siau Kai Bing

Present Directorships

Group corporations

Nil

Other corporations

Nordic Group Limited

Union Steel Holdings Ltd

Past Directorships

Group corporations

Nil

Other corporations

QAF Limited

(4) Mr Lim Yian Poh

Present Directorships

Group corporations

Nil

Other corporations

CASA Holdings Limited

CASA Property Holdings Pte. Ltd.

Past Directorships

Group corporations

Nil

Other corporations

Anerji Pte. Ltd.

Kinderworld International Group Ltd.

T T J Holdings Limited

V-Campus Pte. Ltd.

VMD Development Sdn Bhd

Zicom Group Limited

Zicom Holdings Private Limited

(5) Dr Ong Seh Hong

Present Directorships	**Past Directorships**
Group corporations	***Group corporations***
Nil	Nil
Other corporations	***Other corporations***
Zhongmin Baihui Retail Group Ltd.	MoneyMax Financial Services Ltd.
Dyna-Mac Holdings Ltd.	
Hock Lian Seng Holdings Limited	
SC3H Holding Pte. Ltd.	

(B) EXECUTIVE OFFICERS

(1) Mr Ong Chu Poh

See above.

(2) Ms Ong Hui Ming

See above.

(3) Ms Kang Shwu Huey

Present Directorships	**Past Directorships**
Group corporations	***Group corporations***
Nil	Nil
Other corporations	***Other corporations***
Nil	Nil

(4) Dr Ong Xin De

Present Directorships	**Past Directorships**
Group corporations	***Group corporations***
Caleb Care (Singapore) Pte. Ltd.	Nil
Other corporations	***Other corporations***
Nil	Heart Ignition Pte. Ltd.

Applications are invited for the subscription for the Offering Shares at the Offering Price, on the terms and conditions set out below and in the printed application forms to be used for the purpose of the Offering and which forms part of this Offer Document (the "**Application Forms**") or, as the case may be, the Electronic Applications (as defined herein).

Investors applying for the Offering Shares by way of Application Forms or Electronic Applications are required to pay, in Singapore dollars, the Offering Price of S$0.28 per Share, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against us or the Sponsor, Issue Manager, Underwriter and Placement Agent) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

1. **THE MINIMUM INITIAL APPLICATION IS FOR 1,000 OFFERING SHARES. YOU MAY SUBSCRIBE FOR A LARGER NUMBER OF OFFERING SHARES IN INTEGRAL MULTIPLES OF 100. YOUR APPLICATION FOR ANY OTHER NUMBER OF OFFERING SHARES WILL BE REJECTED.**

2. You may apply for the Offering Shares only during the period commencing at 7.00 a.m. on 10 April 2021 and expiring at 12.00 noon on 15 April 2021. The Offering period may be extended or shortened to such date and/or time as our Company may agree with the Sponsor, Issue Manager, Underwriter and Placement Agent, subject to all applicable laws and regulations and the Catalist Rules of the SGX-ST.

3. Your application for:-

   (a) Public Offer Shares may be made by way of the printed **WHITE** Application Forms for Public Offer Shares or by way of Automated Teller Machines ("**ATM**") belonging to the Participating Banks ("**ATM Electronic Applications**"), the internet banking ("**IB**") websites of the relevant Participating Banks, where available, ("**Internet Electronic Applications**") or through the mobile banking interfaces of DBS Bank Ltd. ("**DBS Bank**") and United Overseas Bank Limited ("**UOB**") ("**mBanking Applications**", which together with the ATM Electronic Applications and Internet Electronic Applications, shall be referred to as "**Electronic Applications**"); and

   (b) Placement Shares may be made by way of the printed **BLUE** Application Forms for Placement Shares (or in such other manner as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in its absolute discretion, deem appropriate).

4. **UNLESS PERMISSIBLE IN SUCH OTHER JURISDICTION, YOU MUST BE IN SINGAPORE AT THE TIME OF THE MAKING OF THE APPLICATION FOR THE OFFERING SHARES. YOU MAY NOT USE YOUR CENTRAL PROVIDENT FUND ("CPF") OR CPF INVESTIBLE SAVINGS TO APPLY FOR THE OFFERING SHARES.**

5. **Only one application may be made for the benefit of one person for the Public Offer Shares in his own name. Multiple applications for the Public Offer Shares will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.**

   You may not submit multiple applications for the Public Offer Shares whether by way of an Application Form for Public Offer Shares, or an Electronic Application. A person who is submitting an application for the Public Offer Shares by way of an Application Form for Public Offer Shares may not submit another application for the Public Offer Shares by way of an Electronic Application and vice versa.

   A person, other than an approved nominee company, who is submitting an application for the Public Offer Shares in his own name should not submit any other applications for the Public Offer Shares, whether by way of an Application Form for Public Offer Shares or an Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

   Joint or multiple applications for the Public Offer Shares shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer

Shares may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore, and the SFA, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at our discretion.

6. **Multiple applications may be made in the case of applications by any person for (i) the Placement Shares only (by way of Application Forms for Placement Shares or such other form of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may in its absolute discretion deem appropriate) or (ii) the Placement Shares together with a single application for the Public Offer Shares whether by way of an Application Form for Public Offer Shares or an Electronic Application.**

7. Applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP will be rejected. Applications may be made by any joint Securities Account holders of CDP for the Placement Shares.

8. Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of the application.

9. The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 10 below.

10. **Nominee applications may only be made by approved nominee companies.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.

11. **If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application.** If you do not have an existing Securities Account with CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your CDP Securities Account number or provide an incorrect CDP Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.

12. Subject to paragraphs 14 to 16 below, your application is liable to be rejected if your particulars such as name, National Registration Identity Card ("**NRIC**") number or passport number or company registration number, nationality or permanent residence status and Securities Account number, provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.

13. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address that was last registered with CDP.**

14. Our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent, reserve the right to reject any application which does not conform strictly to the instructions or with the terms and conditions set out in this Offer Document (including the instructions set out in the accompanying Application Forms, the ATMs and IB websites of the relevant Participating Banks and the mobile banking interfaces ("**mBanking Interface**") of DBS Bank and UOB) or,

in the case of an application by way of an Application Form, the contents of which are illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance or a remittance which is not honoured upon its first presentation.

15. Our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent, further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions and terms and conditions set out in this Offer Document (including the instructions set out in the accompanying Application Forms and in the ATMs and IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank and UOB), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof. Without prejudice to the rights of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent, as agents of our Company, has been authorised to accept, for and on behalf of our Company, such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may deem appropriate.

16. Our Company (in consultation with the Sponsor, Issue Manager, Underwriter, and Placement Agent) reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and none of our Company and/or the Sponsor, Issue Manager, Underwriter and Placement Agent will entertain any enquiry and/or correspondence on the decision of our Company. This right applies to applications made by way of Application Forms and Electronic Applications and by such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in consultation with our Company, deem appropriate. In deciding the basis of allocation, our Company, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, will give due consideration to the desirability of allocating the Offering Shares to a reasonable number of applicants with a view to establishing an adequate market for the Offering Shares.

17. Subject to your provision of a valid and correct CDP Securities Account number, share certificates in respect of the Offering Shares will be registered in the name of CDP or its nominee and will be forwarded only to CDP. If your application is successful, it is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the Offering Shares, a statement of account stating that your Securities Account has been credited with the number of Offering Shares allocated to you. This will be the only acknowledgment of application monies received and is not an acknowledgment by our Company. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue or transfer of the Offering Shares allocated to you. This authorisation applies to applications made by way of printed Application Forms and Electronic Applications, or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may deem appropriate.

18. In the event that our Company lodges a supplementary or replacement document ("**Relevant Document**") pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Offering, and the Offering Shares have not been issued, our Company will (as required by law), at our Company's sole and absolute discretion, either:

    (a) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application; and (B) take all reasonable steps to make the Relevant Document available to you within a reasonable period of time if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

    (b) within seven (7) days from the date of lodgement of the Relevant Document, provide you with a copy of the Relevant Document and provide you with an option to withdraw your application; or

    (c) treat your application as withdrawn and cancelled and refund all monies paid in respect of your application (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent) to you within seven (7) days from the date of lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 18(a) and 18(b) above to withdraw his application shall, within fourteen (14) days from the date of lodgement of the Relevant Document, notify our Company of this whereupon our Company shall, within seven (7) days from the receipt of such notification, return to the applicant all monies paid by such applicant in respect of such application (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent) to the applicant.

19. In the event that the Offering Shares have already been issued at the time of the lodgement of the Relevant Document but trading has not commenced, our Company will (as required by law) either:

    (a) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to our Company the Offering Shares which you do not wish to retain title in; and (B) take all reasonable steps to make the Relevant Document available to you within a reasonable period of time if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

    (b) within seven (7) days from the date of lodgement of the Relevant Document, provide you with a copy of the Relevant Document and provide you with an option to return to our Company those Offering Shares which you do not wish to retain title in; or

    (c) subject to compliance with the Companies Act and the Constitution of our Company, (A) treat the issue of the Offering Shares as void; and (B) shall, within seven (7) days from the lodgement of the Relevant Document, return all monies paid in respect of your application (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent).

    Any applicant who wishes to exercise his option under paragraphs 19(a) and 19(b) above to return the Offering Shares issued to him shall, within fourteen (14) days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those Offering Shares to our Company, whereupon our Company shall, within seven (7) days from the receipt of such notification and documents, if any, return to the applicant all monies paid by such applicant for the Offering Shares (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent), and the Offering Shares issued to him shall be treated as void.

    Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

20. The Offering Shares may be re-allocated between the Placement and the Public Offering for any reason, including in the event of excess applications in one and a deficit of applications in the other, at the discretion of the Sponsor, Issue Manager, Underwriter and Placement Agent (in consultation with our Company), subject to any applicable laws, regulations and rules, including the minimum distribution and shareholding spread requirements of the SGX-ST.

21. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Offering Shares allocated to you pursuant to your application, to our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and any other parties so authorised by CDP, our Company and/or the Sponsor, Issue Manager, Underwriter and Placement Agent.

22. Any reference to "you" or the "Applicant" in this Appendix shall include an individual, a corporation, an approved nominee company and trustee applying for the Offering Shares by way of an Application Form or by way of an Electronic Application or by such other manner as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in its absolute discretion, deem appropriate.

23. By completing and delivering an Application Form and, in the case of (i) an ATM Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key or any other relevant key on the ATM, and (ii) an Internet Electronic Application or mBanking Application, by clicking "Submit" or "OK" or "Continue" or "Yes" or "Confirm" or any other relevant button on the IB website screen of the relevant Participating Bank or the mBanking Interface of DBS Bank and UOB in accordance with the provisions therein, you:

(a) irrevocably agree and undertake to subscribe for the number of Offering Shares specified in your application (or such smaller number for which the application is accepted) at the Offering Price and agree that you will accept such number of Offering Shares as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, this Offer Document and its accompanying documents (including the Application Forms), as well as the Constitution of our Company;

(b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Offer Document and its accompanying documents (including the Application Forms) and those set out in the IB websites or ATMs of the relevant Participating Banks or the mBanking Interface of DBS Bank and UOB, the terms and conditions set out in this Offer Document and its accompanying documents (including the Application Forms) shall prevail;

(c) in the case of an application by way of an Application Form for Public Offer Shares or an Electronic Application, agree that the Offering Price for the Public Offer Shares applied for is due and payable to our Company upon application;

(d) in the case of an application by way of an Application Form for Placement Shares or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in its absolute discretion, deem appropriate, agree that the aggregate Offering Price for the Placement Shares applied for is due and payable to our Company upon application;

(e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent in determining whether to accept your application and/or whether to allocate any Offering Shares to you;

(f) (i) consent to the collection, use, processing and disclosure of your name, NRIC or passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, share application details (including share application amount), the outcome of your application (including the number of Offering Shares allocated to you pursuant to your application) and other personal data ("**Personal Data**") by the Share Registrar, CDP, Securities Clearing and Computer Services (Pte) Limited ("**SCCS**"), the SGX-ST, the Participating Banks, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or other authorised operators (the "**Relevant Parties**") for the purpose of facilitating your application for the Offering Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**") and warrant that such Personal Data is true, accurate and correct;

(ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Parties of the Personal Data of such beneficial owner(s) for the Purposes;

(iii) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if the Sponsor, Issue Manager, Underwriter and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and

(iv) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the "**Personal Data Privacy Terms**");

(g) agree and warrant that if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company nor the Sponsor, Issue Manager, Underwriter and Placement Agent will infringe any such laws as a result of the acceptance of your application; and

(h) agree and confirm that, for the purposes of Rule 422(3) of the Catalist Rules, you are not connected to the Sponsor, Issue Manager, Underwriter and Placement Agent.

24. Acceptance of applications will be conditional upon, among others, our Company being satisfied that:

(a) permission has been granted by the SGX-ST to deal in and for the listing and quotation of all our issued Shares and the Offering Shares on the Catalist Board of the SGX-ST;

(b) the Continuing Sponsorship Agreement and the Management and Underwriting Agreement referred to in the section titled "Plan of Distribution" of this Offer Document have become unconditional and have not been terminated; and

(c) the Monetary Authority of Singapore (the "**Authority**") has not served a stop order pursuant to Section 242 of the SFA directing that no or no further Offering Shares to which this Offer Document relates be allotted, issued or sold ("**Stop Order**"). The SFA provides that the Authority shall not serve a Stop Order if all the Offering Shares have been issued or sold, and listed for quotation on the SGX-ST and trading in them has commenced.

25. In the event that a Stop Order in respect of the Offering Shares is issued by the Authority or other competent authority, and subject to the laws of Singapore:

(a) where the Offering Shares have not been issued to the applicant, all applications for the Offering Shares shall be deemed to be withdrawn and cancelled and our Company shall, within fourteen (14) days from the date of the Stop Order, return to all applicants all monies paid by the applicants on account of their applications for the Offering Shares (without interest or any share of revenue or other benefit arising therefrom, at their own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent); or

(b) where the Offering Shares have been issued to the applicants but trading has not commenced, the issue of the Offering Shares shall be deemed to be void and our Company shall, within seven (7) days of the date of the Stop Order, return to the applicants all monies paid by the applicants on account of their applications for the Offering Shares (without interest or any share of revenue or other benefit arising therefrom, at their own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent).

The above shall not apply where only an interim Stop Order has been served.

26. In the event that an interim Stop Order in respect of the Shares is served by the Authority or other competent authority, no Offering Shares shall be issued to you until the Authority revokes the interim Stop Order. The Authority is not able to serve a Stop Order in respect of the Offering Shares if the Offering Shares have been issued and listed on the SGX-ST and trading in them has commenced.

27. No application will be held in reserve.

28. This Offer Document is dated 9 April 2021. No Offering Shares shall be allotted and/or allocated on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

29. Additional terms and conditions for applications by way of Application Forms are set out in the section titled "*Additional Terms and Conditions for Applications Using Printed Application Forms*" on pages F-7 to F-10 of this Appendix.

30. Additional terms and conditions for applications by way of Electronic Applications are set out in the section titled "*Additional Terms and Conditions for Electronic Applications*" on pages F-11 to F-22 of this Appendix.

31. All payments in respect of any application for the Public Offer Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

32. All payments in respect of any application for the Placement Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING PRINTED APPLICATION FORMS

Applications by way of an Application Form shall be made on the terms and subject to the conditions of this Offer Document, including but not limited to, the terms and conditions set out below and elsewhere in this Appendix, as well as the Constitution of our Company.

1. Applications for the Public Offer Shares must be made using the printed **WHITE** Application Forms for Public Offer Shares and printed **WHITE** official envelopes "**A**" and "**B**", both of which accompany and form part of this Offer Document.

   Applications for the Placement Shares must be made using the printed **BLUE** Application Forms for Placement Shares (or in such manner as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in its absolute discretion, deem appropriate), accompanying and forming part of this Offer Document.

   Without prejudice to the rights of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent, as agent of our Company, has been authorised to accept, for and on behalf of our Company, such other forms of applications as the Sponsor, Issue Manager, Underwriter and Placement Agent may (in consultation with our Company) deem appropriate.

   Your attention is drawn to the detailed instructions contained in the Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by an improperly drawn up or improper form of remittance or a remittance which is not honoured upon its first presentation.**

2. You must complete your Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.

3. You must complete all spaces in your Application Forms except those under the heading "**FOR OFFICIAL USE ONLY**" and you must write the words "**NOT APPLICABLE**" or "**N.A.**" in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your NRIC (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your constitution or equivalent constitutive documents must be lodged with our Share Registrar. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.

5. (a) You must complete Sections A and B and sign page 1 of the Application Form.

   (b) You are required to delete either paragraph 8(a) or 8(b) on page 1 of the Application Form for Public Offer Shares and the Application Form for Placement Shares. Where paragraph 8(a) on Page 1 of the Application Form for Public Offer Shares and the Application Form for Placement Shares is deleted, you must also complete Section C of the Application Form with the particulars of the beneficial owner(s).

(c) If you fail to make the required declaration in paragraph 8(a) or 8(b), as the case may be, on page 1 of the Application Form for Public Offer Shares and the Application Form for Placement Shares, your application is liable to be rejected.

6. You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated, established or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Offering Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated, established or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

7. You may apply and make payment for your application for the Public Offer Shares in Singapore currency using only cash. Each application must be accompanied by a cash remittance in Singapore currency for the full amount payable in Singapore dollars of the Offering Price, in respect of the number of Public Offer Shares applied for. The remittance must be in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**ECON SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**" with your name, Securities Account number and address written clearly on the reverse side.

Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker's Draft or Cashier's Order for different Securities Accounts shall be accepted.

Remittances bearing "NOT TRANSFERABLE" or "NON-TRANSFERABLE" crossings will be rejected.

No acknowledgement of receipt will be issued for applications and application monies received.

The manner and method for applications and acceptances of payment under the Placement will be determined by the Sponsor, Issue Manager, Underwriter and Placement Agent in its sole discretion.

8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent) to you by ordinary post, in the event of over-subscription for the Public Offer Shares, within 24 hours of the balloting (or such shorter period as the SGX-ST may require, **PROVIDED THAT** the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account).

Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent) to you by ordinary post within fourteen (14) Market Days after the close of the Offering, **PROVIDED THAT** the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and

Placement Agent) will be returned to you within three (3) Market Days after the Offering is discontinued, **PROVIDED THAT** the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account.

9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.

10. By completing and delivering the Application Form, you agree that:

    (a) in consideration of our Company having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:

        (i) your application is irrevocable; and

        (ii) your remittance will be honoured upon its first presentation and that any monies returnable may be held pending clearance of your payment (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent);

    (b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

    (c) in respect of the Public Offer Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;

    (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

    (e) reliance is placed solely on information contained in this Offer Document and that none of our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person involved in the Offering shall have any liability for any information not contained therein;

    (f) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;

    (g) for the purpose of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of our Company , of your Personal Data to the Relevant Persons in accordance with the Personal Data Privacy Terms;

    (h) you irrevocably agree and undertake to subscribe for the number of Public Offer Shares applied for as stated in the Application Form or any smaller number of such Public Offer Shares that may be allocated to you in respect of your application. In the event that our Company decides to allocate any smaller number of Public Offer Shares or not to allocate any Public Offer Shares to you, you agree to accept such decision as final; and

    (i) you irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue of the Offering Shares that may be allocated to you.

Procedures Relating to Applications for the Public Offer Shares by Way of Printed Application Forms

1. Your application for the Public Offer Shares by way of printed Application Forms **MUST** be made using the printed **WHITE** Application Form for Public Offer Shares and the printed **WHITE** official envelopes "**A**" and "**B**".

2. You must:

    (a) enclose the **WHITE** Application Form for Public Offer Shares, duly completed and signed, together with the correct remittance for the full amount payable based on the

Offering Price and the number of Public Offer Shares applied for in Singapore currency in accordance with the terms and conditions of this Offer Document and its accompanying documents, in the **WHITE** official envelope "**A**" provided;

(b) in appropriate spaces on the **WHITE** official envelope "**A**":

(i) write your name and address;

(ii) state the number of Public Offer Shares applied for; and

(iii) tick the relevant box to indicate the form of payment;

(c) **SEAL THE WHITE OFFICIAL ENVELOPE** "**A**";

(d) write, in the special box provided on the larger **WHITE** official envelope "**B**" addressed to **Econ Healthcare (Asia) Limited c/o In.Corp Corporate Services Pte. Ltd., 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712**, the number of Public Offer Shares you have applied for;

(e) insert the **WHITE** official envelope "**A**" into the **WHITE** official envelope "**B**" and seal the **WHITE** official envelope "**B**"; and

(f) affix adequate Singapore postage on the **WHITE** official envelope "**B**" (if despatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** the documents, at your own risk, to **Econ Healthcare (Asia) Limited c/o In.Corp Corporate Services Pte. Ltd., 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712**, so as to arrive by **12.00 noon on 15 April 2021** or such other date(s) and time(s) as our Company may agree with the Sponsor, Issue Manager, Underwriter and Placement Agent. **Courier services or Registered Post must NOT be used.**

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by an improperly drawn up or improper form of remittance or a remittance which is not honoured upon its first presentation are liable to be rejected. Except for applications for the Placement Shares where remittance is permitted to be submitted separately, applications for the Public Offer Shares not accompanied by any form of payment will not be accepted.

4. **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Placement Shares by Way of Printed Application Forms

1. Your application for the Placement Shares by way of printed Application Forms must be made using the **BLUE** Application Form for Placement Shares (or in such other manner as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in its absolute discretion, deem appropriate).

2. You must enclose the **BLUE** Application Form for Placement Shares, duly completed and signed, together with the correct remittance for the full amount payable based on the Offering Price and the number of Placement Shares applied for, in Singapore currency in accordance with the terms and conditions of this Offer Document and its accompanying documents with your name, Securities Account number and address clearly written on the reverse side of the Application Form, in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **Econ Healthcare (Asia) Limited c/o In.Corp Corporate Services Pte. Ltd., 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712** so as to arrive by **12.00 noon** on **15 April 2021** or such other date(s) and/or time(s) as our Company may agree with the Sponsor, Issue Manager, Underwriter and Placement Agent. **Courier services or Registered Post must NOT be used.**

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by an improperly drawn up or improper form of remittance or a remittance which is not honoured upon its first presentation are liable to be rejected.

4. **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

Electronic Applications shall be made on and subject to the terms and conditions of this Offer Document, including but not limited to the terms and conditions set out below and elsewhere in this Appendix, as well as the Constitution of our Company.

1. The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the mBanking Interface of DBS Bank and UOB (in the case of mBanking Applications). Currently, DBS Bank (including POSB), Oversea-Chinese Banking Corporation Limited ("**OCBC**") and UOB (each as defined below) are the Participating Banks through which Internet Electronic Applications may be made and DBS Bank and UOB are the only Participating Banks through which mBanking Applications may be made.

2. For illustration purposes, the procedures for Electronic Applications for Public Offer Shares through ATMs, the IB website and the mBanking Interface of DBS Bank (together the "**Steps**") are set out in the sections titled "***Steps for ATM Electronic Applications for Public Offer Shares through ATMs of DBS Bank (including POSB ATMs)***", "***Steps for Internet Electronic Applications for Public Offer Shares through the IB website of DBS Bank***" and "***Steps for mBanking Applications for Public Offer Shares through the mBanking interface of DBS Bank***" appearing on pages F-16 to F-22 of this Appendix.

   The Steps set out the actions that you must take at the ATMs, the IB website or the mBanking Interface of DBS Bank to complete an Electronic Application. The actions that you must take at the ATMs, the IB websites, or the mBanking Interface of the other Participating Banks are set out on the ATM and IB website screens of the respective Participating Banks or the mBanking Interface of UOB. Please read carefully the terms and conditions of this Offer Document and its accompanying documents (including the Application Forms), the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

3. Any reference to "you" or the "Applicant" in the "Additional Terms and Conditions for Electronic Applications", and in the Steps shall refer to you making an application for the Public Offer Shares through an ATM of one of the relevant Participating Banks or the IB website of a relevant Participating Bank or the mBanking Interface of DBS Bank and UOB.

4. If you are making an ATM Electronic Application:

   (a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Shares at an ATM belonging to other Participating Banks.

   (b) **You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.**

   (c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

5. If you are making an Internet Electronic Application or an mBanking Application:

   (a) You must have an existing bank account with, and a User Identification ("**User ID**") as well as a Personal Identification Number ("**PIN**") given by the relevant Participating Bank.

   (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore.

Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.

(c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or your mBanking Application through the mBanking Interface of DBS Bank and UOB, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which can be printed out or screen captured by you for your record. This printed record or screen capture of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

6. In connection with your Electronic Application for the Public Offer Shares, you are required to confirm statements to the following effect in the course of activating the Electronic Application:

(a) that you have received a copy of this Offer Document (in the case of ATM Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Public Offer Shares and this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;

(b) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;

(c) that, for the purposes of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of our Company, of your Personal Data from your records with the relevant Participating Bank to the Relevant Parties in accordance with the Personal Data Privacy Terms; and

(d) where you are applying for the Public Offer Shares, that this is your only application for the Public Offer Shares and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key on the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website screen or the mBanking Interface of DBS Bank and UOB. By doing so, you shall be treated as signifying your confirmation of each of the four statements above. In respect of statement 6(b) above, your confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key on the ATM or clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website screen or the mBanking Interface of DBS Bank and UOB, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Personal Data relating to your account(s) with that Participating Bank to the Relevant Parties.

7. **By making an Electronic Application you confirm that you are not applying for the Public Offer Shares as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application for the Public Offer Shares and shall not make any other application for the Public Offer Shares whether at the ATMs of any Participating Bank, the IB websites of any of the Participating Banks or the mBanking Interface of DBS Bank and UOB, as the case may be, or by way of an Application Form. Where you have made an application for the Public Offer Shares by way of an Application Form, you shall not make an Electronic Application for the Public Offer Shares and vice versa.**

8. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which such Electronic Application will not be completed. Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATMs or the IB website of the relevant Participating Bank or the mBanking Interface of DBS Bank and UOB, as the case may be, through which your Electronic Application is being made shall be rejected.

You may apply and make payment for your application for the Public Offer Shares in Singapore currency in cash only. You may apply and make payment for your application in Singapore currency through any ATM or IB website of your Participating Bank or the mBanking

Interface of DBS Bank and UOB (as the case may be) by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.

9. You irrevocably agree and undertake to subscribe for and to accept the number of Public Offer Shares, applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Public Offer Shares that may be allocated to you in respect of your Electronic Application. In the event that our Company decides to allocate any lesser number of such Public Offer Shares or not to allocate any Public Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mBanking Interface of DBS Bank and UOB) of the number of Public Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Public Offer Shares that may be allocated to you and your agreement to be bound by the Constitution of our Company. You also irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue and/or transfer of the Public Offer Shares that may be allocated to you.

10. Our Company will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent) to you by being automatically credited to your account with your Participating Bank, within 24 hours of the balloting (or such shorter period as the SGX-ST may require), **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

Where your Electronic Application is accepted or rejected in part only, the balance of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent) to you by being automatically credited to your account with your Participating Bank within 14 Market Days after the close of the Offering, **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent) will be returned to you by being automatically credited to your account with your Participating Bank within three Market Days after the Offering is discontinued, **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Shares, if any, allocated to you before trading the Shares on the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.

11. Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS Bank Ltd. (including POSB) ("**DBS Bank**")	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	IB https://www.dbs.com(1)	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited ("**OCBC**")	1800 363 3333	Phone Banking / ATM / Internet Banking https://www.ocbc.com/Phone Banking(2)	24 hours a day	Evening of the balloting day
United Overseas Bank Limited ("**UOB**")	1800 222 2121	ATM – ("Other Transactions – IPO Results Enquiry")/ IB – https://pib.uob.com.sg/ Phone Banking/UOB Mighty mobile application(3)	24 hours a day	Evening of the balloting day

Note:

(1) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank or mBanking Applications through the mBanking Interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.

(2) Applicants who have made Electronic Applications through the ATMs or the IB website of OCBC may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking Services.

(3) Applicants who have made Electronic Applications through the ATMs, IB website or mBanking Applications through the mBanking Interface of UOB may check the results of their applications through any of the channels listed in the table above.

12. ATM Electronic Applications shall close at 12.00 noon on 15 April 2021, or such other date(s) and time(s) as our Company may agree with the Sponsor, Issue Manager, Underwriter and Placement Agent. All Internet Electronic Applications and mBanking Applications must be received by 12.00 noon on 15 April 2021, or such other date(s) and time(s) as our Company may agree with the Sponsor, Issue Manager, Underwriter and Placement Agent. Internet Electronic Applications and mBanking Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.

13. You are deemed to have irrevocably requested and authorised our Company to:

(a) register the Public Offer Shares allocated to you in the name of CDP for deposit into your Securities Account;

(b) send the relevant Share certificate(s) to CDP;

(c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent) the full amount of the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of the balloting (or such shorter period as the SGX-ST may require), **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated share issue account;

(d) return or refund (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the

Sponsor, Issue Manager, Underwriter and Placement Agent) the balance of the application monies, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 Market Days after the close of the Offering **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated share issue account; and

(e) return or refund (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company or the Sponsor, Issue Manager, Underwriter and Placement Agent) the full amount of the application monies, should the Offering not proceed for any reason, by automatically crediting your bank account with your Participating Bank with the relevant amount within three (3) Market Days after the Offering is discontinued, **PROVIDED THAT** the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated share issue account.

14. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, our Company and the Sponsor, Issue Manager, Underwriter and Placement Agent, and if, in any such event, our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank do or does not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank for any Public Offer Shares applied for or for any compensation, loss or damage.

15. The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. Our Company shall reject any application by any person acting as nominee (other than approved nominee companies).

16. All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.

17. You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in your address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.

18. By making and completing an Electronic Application, you are deemed to have agreed that:

(a) in consideration of our Company making available the Electronic Application facility through the Participating Banks, acting as agents of our Company, at the ATMs and the IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank and UOB (as the case may be):

(i) your Electronic Application is irrevocable; and

(ii) your Electronic Application, the acceptance by our Company, and the contract resulting therefrom under the Public Offering shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(b) none of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent, the Participating Banks nor CDP shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company, CDP or SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 14 above or to any cause beyond their respective controls;

(c) in respect of the Public Offer Shares, for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;

(d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in this Offer Document and that none of our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other person involved in the Offering shall have any liability for any information not contained therein; and

(f) you irrevocably agree and undertake to subscribe for the number of Public Offer Shares applied for as stated in your Electronic Application or any smaller number of such Public Offer Shares that may be allocated to you in respect of your Electronic Application. In the event our Company decides to allocate any smaller number of Public Offer Shares or not to allocate any Public Offer Shares to you, you agree to accept such decision as final.

Steps for ATM Electronic Applications for Public Offer Shares through ATMs of DBS Bank (including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "amt", "appln", "&", "I/C", "No.", "SGX" and "Max" refer to "Account", "amount", "application", "and", "NRIC", "Number", "SGX-ST" and "Maximum", respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS Bank (including POSB)), may differ slightly from those represented below.

Step 1: Insert your personal DBS Bank or POSB ATM Card.

2: Enter your Personal Identification Number.

3: Select "MORE SERVICES".

4: Select language (for customers using multi-language card).

5: Select "ESA-IPO/Rights Appln/Bonds/SGS/INVESTMENTS".

6: Select "ELECTRONIC SECURITIES APPLN (IPOS/BONDS/SECURITIES)".

7: Read, understand and acknowledge the following statements which will appear on the screen accordingly:

WARNING

(i) All investments come with risks.

(ii) You can lose money on your investment.

(iii) Invest only if you understand and can monitor your investment.

(Press "I acknowledge, press >" to continue)

You agree that this transaction is entered in totally on your own accord and at your own risk. The availability of this application service shall not be construed as recommendation or advise from DBS/POSB to enter into this transaction. You may wish to seek prior advice from a qualified adviser as to the transaction suitability.

(Press "To continue, press >" to continue)

8: Select "ECON".

9: Read, understand and acknowledge the following statements which will appear on the screen accordingly:

IMPORTANT

- Read the Offer Documents* before subscribing for the securities.
- Obtain the Offer Documents from our bank branches[#], website or via the following QR Code.

https://go.dbs.com/sg-esa

Subject to availability

(Press “I acknowledge, press >” to continue)

RISK WARNING FOR EQUITIES

(i) The issuer may not always pay you dividends.

(ii) You will likely lose money if the issuer gets into financial difficulties.

(iii) If the issuer is wound up, shareholders will be the last to be paid off.

(Press “To continue, press >” to continue)

10: Check the security name, closing date and offering price displayed on the screen, and press “To continue, press >” to continue.

11: Read and understand the following statements which will appear on the screen:

FOR SECURITY APPLNS, PROSPECTUS/DOCUMENTS ARE AVAILABLE AT BRANCHES OF THE VARIOUS PARTICIPATING BANKS, WHERE AVAILABLE

(Press “To continue, press >” to continue)

For purpose of facilitating your application, you consent to the bank collecting and using your name, NRIC/passport number, address, nationality, securities a/c number, application details and personal data and disclosing the same to share registrars, CDP, SGX-ST and issuers/vendors/managers.

(Press “To continue, press >” to continue)

For fixed and maximum price securities application, this is your only application and is made in your own name.

The maximum price for each security is payable in full on application and subject to refund if the final price is lower.

For tender price securities application, this is your only application at the selected tender price and is made in your own name.

You are not a US Person as referred to in (where applicable) the Offer Documents.

There may be a limit on the maximum number of securities that you can apply for. Subject to availability, you may be allotted/allocated a smaller number of securities than you applied for.

(Press “To continue, press >” to continue)

12: Select your nationality.

13: Select the DBS account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.

14: Read and understand the following statements which will appear on the screen:

WARNING

- Diversify your investments.
- Avoid investing a large portion of your money in a single issuer.

(Press "To continue, press >" to continue)

15: Enter the number of securities you wish to apply for using cash.

(Press "ENTER" to continue)

16: Enter or confirm (if your CDP Securities Account number has already been stored in DBS Bank's records) your own 12-digit CDP Securities Account number.

(Press "ENTER" to continue)

17: Check the details of your securities application, your CDP Securities Account number, the number of securities applied and application amount on the screen, and press the "TO CONFIRM" key to confirm your application. Do note that the application cannot be cancelled upon confirmation.

18: Remove the ATM Transaction Record for your reference and retention only.

Steps for Internet Electronic Applications for Public Offer Shares through the IB Website of DBS Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "&", "amt", "I/C" and "No." refer to "Account", "and", "Amount", "NRIC" and "Number", respectively).

Step 1: Click on DBS Bank at https://www.dbs.com.

2: Login to Internet banking.

3: Enter your User ID and PIN.

4: Enter your DBS Bank iB Secure PIN.

5: Select "Invest", followed by "Electronic Securities Application (ESA)".

6: Click "Yes" to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended or acting for the account or benefit of a U.S. person).

7: Select your country of residence and click "Next".

8: Click on "ECON" and click "Next".

9: Read, understand and acknowledge the following statements which will appear on the screen:

Warning

All investments come with risks, including the risk that you may lose all or part of your investment. By continuing, you understand that you are responsible for your own investment decisions.

RISK WARNING FOR EQUITIES

(i) The issuer may not always pay you dividends.

(ii) You will likely lose money if the issuer gets into financial difficulties.

(iii) If the issuer is wound up, shareholders will be the last to be paid off.

(Press "I Acknowledge" to continue)

10: Read and understand the following statements which will appear on the screen:

Important

Read the Offer Documents before subscribing for the securities.

Click on the logo(s) to download the Offer Documents.

Before committing to an investment, please seek advice from a financial adviser regarding the suitability of the product. If you do not wish to seek financial advice, by continuing the application, you confirm that you have independently assessed that this product is suitable for you. You have not relied on any previous advice or recommendation given by DBS Bank in making your investment decision and you accept that should you wish to proceed with the transaction, you will not be able to rely on Section 27 of the Financial Advisers Act (Cap 110) to file any civil claim against DBS Bank.

By proceeding, I have read, understood, and agree to the following:

Agreement

- For the purposes of facilitating my application, consent to the Bank collecting and using my name, NRIC/passport number, address, nationality, CDP securities account number, CPF investment account number, application details and other personal data and disclosing the same from the Bank's records to registrars of securities of the issuer, SGX, CDP, CPF, issuer/ vendor(s) and issue manager(s).
- I am not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) the "U.S. Securities Act").
- The securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities law.
- That this application will be made in my own name and subject to the conditions on securities application.

(Press "Next" to continue)

11: Click on "U.S. person" to read the following:

"U.S. Person" means:

- any natural person resident in the United States;
- any partnership or corporation organised or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a U.S. person;
- any trust of which any trustee is a U.S. person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

- any partnership of corporation if:
  - a. organised or incorporated under the laws of any foreign jurisdiction; and
  - b. formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the United States Securities Act of 1933) who are not natural persons, estates or trusts.

(Press "OK" to continue)

12: Click on "conditions on securities application" to read the following:

- For **FIXED/MAXIMUM price securities** application, this is your only application. For **TENDER** price securities application, this is your only application at the selected tender price.
- For **FOREIGN CURRENCY securities**, subject to the terms of the issue, please note the following:
  - a. The application monies will be debited from your bank account in S$, based on the Bank's prevailing board rates at time of application. Any refund monies will be credited in S$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S$ at the same exchange rate.
  - b. For **FIRST-COME-FIRST-SERVE securities**, the number of securities applied for may be reduced, subject to availability at the point of application.

13: Check the security details, select the DBS account or POSB account from which to debit your application monies and enter the number of securities you wish to apply for using cash. Read and understand the following statements displayed on the screen:

Warning

- Diversify your investments.
- Avoid investing a large portion of your money in a single issuer.

(Press "Next" to continue)

14: Verify the details of your securities application and click "Confirm" to confirm your application.

15: You may print a copy of the IB Confirmation Screen for your reference and retention.

Steps for mBanking Applications for Public Offer Shares through the mBanking Interface of DBS Bank

For illustrative purposes, the steps for making an mBanking Application are shown below. Certain words appearing on the screen are in abbreviated from ("A/C", "&", "amt", "I/C", "SGX" and "No." refer to "Account", "and", "Amount", "NRIC", "SGX-ST" and "Number", respectively).

Step 1: Click on DBS Bank mBanking application and login using your User ID and PIN

2: Select "Invest".

3: Select "ESA".

4: Select "Yes" to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations, your mailing address for DBS Internet Banking is in Singapore and that you are a U.S.

person (as such term is defined in Regulation S under the Securities Act of 1933, as amended).

5: Select your country of residence and click "Next".

6: Select "ECON" and click "Next".

7: Read, understand and acknowledge the following statements which will appear on the screen:

Warning

All investments come with risk, including the risk that you may lose all or part of your investment. By continuing, you understand that you are responsible for your own investment decisions.

RISK WARNING FOR EQUITIES

(i) The issuer may not always pay you dividends.

(ii) You will likely lose money if the issuer gets into financial difficulties.

(iii) If the issuer is wound up, shareholders will be the last to be paid off.

(Press "I Acknowledge" to continue)

8: Please read and acknowledge:

IMPORTANT

Read the Offer Documents before subscribing for the securities.

Click on the respective link to view the Prospectus and Product Highlights Sheet.

Before committing to an investment, please seek advice from a financial adviser regarding the suitability of the product. If you do not wish to seek financial advice, by continuing the application, you confirm that you have independently assessed that this product is suitable for you. You have not relied on any previous advice or recommendation given by DBS Bank in making your investment decision and you accept that should you wish to proceed with the transaction, you will not be able to rely on Section 27 of the Financial Advisers Act (Cap 110) to file any civil claim against DBS Bank.

By proceeding, I have read, understood, and agree to the following:

AGREEMENT

- For the purposes of facilitating my application, consent to the Bank collecting and using my name, NRIC/passport number, address, nationality, CDP securities account number, CPF investment account number, application details and other personal data and disclosing the same from the Bank's records to registrars of securities of the issuer, SGX, CDP, CPF, issuer/vendor(s) and issue manager(s).
- I am not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) the "U.S. Securities Act").
- The securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities law.
- That this application will be made in my own name and subject to the conditions on securities application.

(Press "I Agree" to continue)

9: Click on “U.S. person” to read the following:

“U.S. Person” means:

- any natural person resident in the United States;
- any partnership or corporation organised or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a U.S. person;
- any trust of which any trustee is a U.S. person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- any partnership of corporation if:

  a. organised or incorporated under the laws of any foreign jurisdiction; and

  b. formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the United States Securities Act of 1933) who are not natural persons, estates or trusts.

10: Click on “conditions on securities application” to read the following:

- For **FIXED/MAXIMUM price securities** application, this is your only application. For **TENDER** price securities application, this is your only application at the selected tender price.
- For **FOREIGN CURRENCY securities**, subject to the terms of the issue, please note the following:

  a. The application monies will be debited from your bank account in S$, based on the Bank’s prevailing board rates at time of application. Any refund monies will be credited in S$ based on the Bank’s prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S$ at the same exchange rate.

  b. For **FIRST-COME-FIRST-SERVE securities**, the number of securities applied for may be reduced, subject to availability at the point of application.

11: Select your nationality, enter or confirm your Securities Account number (if your Securities Account number has already been stored in DBS’ records) and check the security details. Select the DBS account or POSB account from which to debit your application monies and enter the number of securities you wish to apply for using cash. Read and understand the following statements displayed on the screen:

<u>WARNING</u>

- Diversify your investments.
- Avoid investing a large portion of your money in a single issuer.

(Press “Next” to continue)

12: Verify the details of your securities application and click "Confirm" to confirm your application.

13: Where applicable, capture Confirmation Screen (optional) for your reference and retention only.

ECON HEALTHCARE (ASIA) LIMITED'S AWARDS

Singapore Health Quality Service Award	Singapore Promising Brand Award – ASME Lianhe Zaobao Winner	Eldercare Innovation Awards	Singapore Quality Class	TÜV SÜD ISO 9001

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