TRANSFORMING THE FUTURE OF CARE

ECON HEALTHCARE (ASIA) LIMITED

ANNUAL REPORT 2022

Our Philosophy

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

Our Vision

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

Our Mission

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

Customer Needs:
Being sensitive to our customers' needs

Research & Development:
Improving our services through constant research and skills development

People Development:
Caring and grooming our people to set and achieve higher goals

Quality System:
Continuing to be highly systematic and organised in our service delivery and quality control

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

CONTENTS

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

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

TRANSFORMING THE FUTURE OF CARE

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

Chairman's Message

"We continue to be steadfast in our vision of being the leading premium nursing home and senior care services provider, delivering quality care to families in the region."

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of Econ Healthcare (Asia) Limited ("Econ Healthcare" or the "Group") for the financial year ended 31 March 2022 ("FY2022").

FY2022 was a transformative year for Econ Healthcare. The year began with the Group receiving strong investor support for its Initial Public Offering on 19 April 2021. I was heartened by the robust response, reflecting the investing public's confidence in the Group's growth potential underpinned by its resilient business model and increasing demand for quality eldercare services by the rapidly ageing populations in the region.

SIGNIFICANT BRAND MILESTONE

Caring for seniors since 1987, ECON is a pioneer in senior care. Our passion for care and the strong support by our customers and partners have led us to where we are today. Earlier this year, we were awarded Winner of the Singapore Heritage Brand by the Association of Small & Medium Enterprises (ASME) and Lianhe Zaobao. A significant milestone for the ECON Brand, this is a testament of ECON's growth journey thus far, and a recognition of the value we bring to the community we serve. We continue to be steadfast in our vision of being the leading premium nursing home and senior care services provider, delivering quality care to families in the region.

DELIVERING A RESILIENT PERFORMANCE

In FY2022, the pandemic challenges were exacerbated by the emergence of the highly transmissible COVID-19 Delta and Omicron variants. I am grateful that the whole of Econ Healthcare family responded to the challenging environment with unity and agility, always putting the health and safety of our elderly clients first.

Against this challenging backdrop, the Group was able to deliver a resilient performance in the year under review. Total revenue grew 3.3% to reach S$38.9 million in FY2022 from S$37.7 million in the previous year. The increase in income is largely due to improvement in top line performance in Singapore and contributions from new nursing homes in Malaysia and China. The Group remains in a healthy financial position with cash and short-term deposits amounting to S$26.1 million as at 31 March 2022 compared to S$16.1 million a year ago.

DEEPENING PRESENCE, EXPANDING FOOTPRINTS

We are on course with our growth strategy by deepening our presence in Singapore and capitalising on opportunities to expand our footprints in overseas markets.

In May 2021, we commenced operations for our maiden nursing home in Chongqing. This marked the beginning of our overseas expansion plans in China. Located in the prime Jiefangbei area, also known to be one of the most prominent "CBD" in Chongqing, ECON Medicare Centre and Nursing Home – Chongqing, a 44-bed capacity nursing home, was awarded the Top Ten Innovation Project in Yuzhong Free-Trade-Zone (FTZ).

In this nursing home, we implemented a sustainable "SMART" nursing home concept, leveraging technology such as automation and big data to enhance the experience of seniors, providing them a higher level of security, comfort and care.

Econ Healthcare is the first eldercare service provider from Singapore to sign with Chongqing Civil Affairs Bureau under the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (CCI). ECON Medicare Centre and Nursing Home – Chongqing is the first of the Group's project to commence operations under the Joint Venture with local partner – Chongqing Guangda Bailingbang Eldercare Industry.

We are on track to operate our second nursing home in China, the ECON Medicare Centre and Nursing Home – Changshou. This 280-bed eldercare facility is expected to commence operations in the second half of FY2023. Located at Yucai Road, Changshou District, Chongqing, this project has a built-up area of close to 7200 square metres and will serve the middle to affluent elder market.

In Singapore, April 2022, we opened the Group's eighth nursing home, Econ Care Residence, Henderson with a capacity of 236 beds, strengthening our position as the leading premium private nursing home operator in the city.

GOING FORWARD

Although shoots of recovery are sprouting in many regional economies as a result of the lifting of COVID-19 measures and easing of travel restrictions, uncertainties continue to linger. The macro-economic outlook for Singapore and the region is mixed. Headwinds including rising inflation, supply chain disruptions and Russia-Ukraine conflict will pose significant risks which the Group will monitor and manage adroitly.

Over the past 35 years, we have built a resilient business model, with proven capability of turning adversity into opportunity. We have established a premium brand, recognised for its excellence in providing holistic and best-of-class senior care expertise. Building on our strengths, we will capitalise on opportunities in the region provided by increasing demand for nursing home and elder care services, spurred by rapidly ageing populations. Reports by the World Health Organisation ("WHO") show that the proportion of people aged 60 and above in Southeast Asia will increase from 9.8 per cent in 2017 to 13.7 per cent and 20.3 per cent by 2030 and 2050 respectively.[1] The WHO report also indicates that the proportion of people over 60 years old in China is projected to reach 28 per cent or 402 million by 2040.[2]

The huge demographic changes in Asia are presenting great opportunities for integrated care service providers like Econ Healthcare. The success of our two projects in China will provide the impetus for us to explore opportunities in this huge market. We will continue with our proven strategy of working with local strategic partners whose local business knowledge and expertise can synergistically complement the Group's rich experience in operating nursing homes.

In Singapore, we are on track to launch our largest nursing home, a 732-bed facility co-located with the Jurong Polyclinic, in 2025.

With our core competencies and a strong pipeline of upcoming projects, the Group is well placed to meet increasing demand for high quality senior care. Our presence in three countries in Asia enhances our business resilience and provides a strong foundation for the next phase of our development.

We are confident that Econ Healthcare will continue on the path to steady growth.

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

[1] World Health Organisation, "Ageing and health in the Southeast Asia Region;
[2] World Health Organisation, "Ageing and health in China"

Year in Review

CONTINUED VIGILANCE AND OPERATIONAL RESILIENCE

FY2022 was a year of resilience for Econ Healthcare. In the 3rd year now, the COVID-19 pandemic tested the Group's mettle. Driven by our commitment to always deliver the best care and attention. We rose to the challenge together as one ECON family. Prioritising the safety and well-being of our clients, we adapted our operations to the evolving pandemic situations to continue delivering quality senior care.

During the year, while we saw Singapore transiting towards endemic stage, we continued to move with caution and calibrated our operations and safe management practices as we introduced a hybrid approach of both in-person visits and virtual family video calls for residents in the nursing homes. We continued to facilitate the vaccination of our residents with the support of the mobile vaccination teams. To date, more than 95% of our residents have received their COVID-19 vaccinations.

AWARDS & ACCOLADES

During the year under review, the Group's contributions to the national efforts to fight the COVID-19 pandemic and our dedication towards service quality and excellent care were recognised. We received awards and accolades from the Association of Small and Medium Enterprise (ASME), Lianhe Zaobao and the SingHealth Group. The awards are a testament to the dedication and professionalism of the Econ Healthcare team who continued to care for and protect the health and safety of our clients under difficult operating conditions during the pandemic.

Singhealth Quality Service Award 2022

The Singapore Health Quality Service Awards, organised by the SingHealth Duke-NUS Academic Medical Centre, Singhealth Group, since 2011, honours outstanding healthcare professionals from public and private healthcare institutions, community hospitals as well as organisations from the Community Care sector for their indomitable spirit and their outstanding contributions to healthcare. The Singapore Health Quality Service Awards is Singapore's first dedicated platform to honour outstanding healthcare professionals who have delivered quality care and excellent service to patients.

In 2022, there was a total of 72 award recipients from the Econ Healthcare team, comprising 6 Star awards, 8 Gold awards and 58 Silver awards, an increase from the 32 awards received the previous year.

Singapore Heritage Brand

Over 35 years (since 1987), Econ Healthcare has established itself as the premium brand provider for eldercare services in Singapore and the region. The Group's brand journey reached a significant milestone when it won the Singapore Prestige Brand Award and was the overall winner in the Heritage Brands category. The award is an affirmation of the efforts and commitment of all our professionals to always provide the best care and services to our customers. Mr Ong Chu Poh, Executive Chairman and Group CEO, received the award from Guest-of-honour, Minister for Manpower & Second Minister for Trade and Industry, Dr Tan See Leng on 4 May 2022.

Mr Ong Chu Poh, Executive Chairman and Group CEO of ECON Healthcare, receiving the Overall Winner for the Singapore Heritage Brand Award from Minister for Manpower & Second Minister for Trade and Industry, Dr Tan See Leng, at the Singapore Prestige Brand Award Ceremony 2022.

Our 72 awardees of the Singapore Health Quality Service Awards 2022

The above photos were taken in May 2022 with mask-off for photo-taking purposes only

GROWING OUR PRESENCE

Singapore

The 732-bed nursing home in Jurong will be co-located with Jurong Polyclinic, and is expected to be operational in 2025. It will be Econ Healthcare's largest facility in the Region and will ramp up the Group's capacity significantly when it opens in 2025.

We commenced operations for our 236-bed Econ Care Residence, Henderson in April 2022. Located within an integrated space for childcare, healthcare and urban farming at the former Henderson Secondary School, the proximity will boost collaboration opportunities with our community partners for cross-generational and therapeutic programmes. We aim to offer an enabling environment and introduce programmes to help seniors live and age well. The facilities at Econ Care Residence, Henderson support household community living and a well-equipped rehabilitation gym with modern and elder-friendly equipment to improve their physical health under the guidance of therapists. Residents can also enjoy the dementia-friendly outdoor garden areas for therapeutic gardening activities or just a relaxing day out with nature.

ECON Care Residence (Henderson), a place to live and live well.

Year in Review

Malaysia

Our operations in Malaysia continued to grow steadily. We provide assisted living, nursing care and rehabilitation programmes coupled with stimulating social activities, enabling our residents to rest and recover in a home-away-from-home environment. Each home is equipped with facilities for daily physical and therapeutic activities and lush green spaces where they can relax and improve their physical, mental and emotional health.

Accredited Training Centre and Practical Placement Company
As an accredited Training Centre and Practical Placement company under the Malaysia's Ministry of Human Resource National Dual Training System (NDTS) for the healthcare sector, our Medicare Centre and Nursing Home in Taman Perling is well positioned to build capabilities and develop more care professionals to support the Group's growth strategy in the vibrant eldercare market in Malaysia.

The accreditation has enhanced the Group's brand image and visibility in Malaysia, providing the opportunity to build on our successes and experiences to further grow our presence in Malaysia through expansion of services.

Since the opening of our new medicare centre and nursing home in Puchong during the pandemic in December 2020, the nursing home has achieved steady growth in its occupancy. We are also expanding the nursing home's facilities to cater to the growing needs for rehabilitation care.


The Cloud Room

Residents at ECON Medicare Centre and Nursing Home, Puchong, were able to benefit from therapy programmes introduced in the newly minted multi-functional sensory room, named the Cloud Room. These therapy programmes enable better quality of life through pain management, cognitive and sensory stimulation. Our Cloud Room, designed for geriatric care, provides gentle multisensory stimulation in a controlled environment while residents are undergoing therapy to meet their specific therapeutic needs for chronic health conditions such as stroke, dementia among others. The therapy programmes include:

- **Sensory Therapy**
  The Cloud Room provides sensory stimulations to enable residents to improve their quality of life, including:

  Smell: Aromatherapy uses aromatic essential oils such as lemongrass, lavender and rosemary to improve the health of the body, mind, and spirit and helps to reduce pain and stress.

  Sight: Interactive lights give residents a sense of joy and wonder and help to improve sleep patterns and mood.

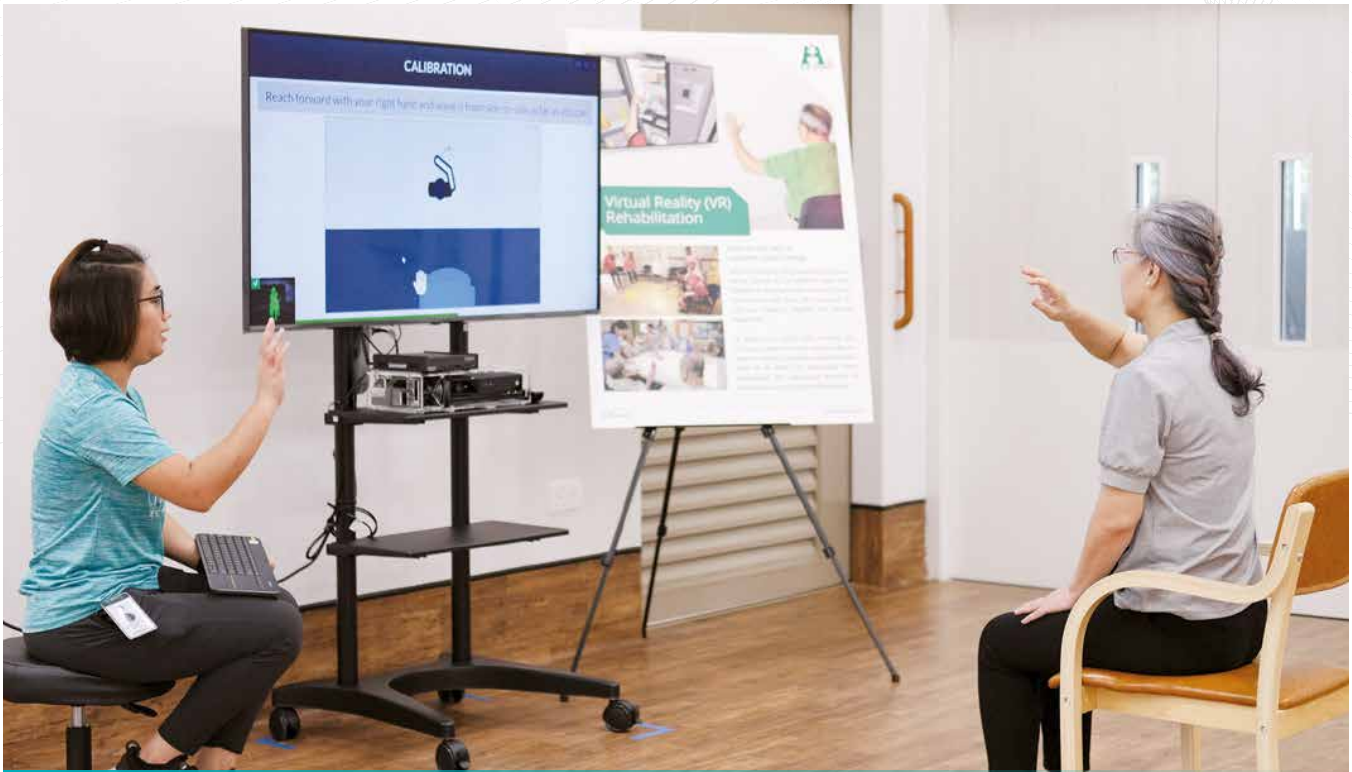
  Touch: Through the sense of touch with objects and textures, residents may start to explore and connect with a familiar experience. This encourages them to further express their feelings through conversations, a therapy positive for their overall well-being.

  Sounds: Residents can listen to the calming sounds of nature, music and poems which can trigger positive and relaxing memories and emotions.

- **Electrotherapy**
  Our thermotherapy, cryotherapy and electrotherapy modalities such as Transcutaneous Nerve Stimulation (TENS) and Neuromuscular Electrical Stimulation (NMES) help residents with acute and chronic pain caused by arthritis, fracture, stroke, Parkinson's disease, cardiopulmonary conditions, among others.

China

First nursing home in May 2021
The Group's first nursing home in China began operations in May 2021 as the Econ Medicare Centre and Nursing Home – Chongqing under a joint venture with Chongqing Guangda Bailingbang Eldercare Industry. Located in the prime Jiefangbei area, the CBD of Chongqing city, the award-winning 44-bed nursing home is housed within a 4-storey development on a land area of more than 3,000 square metres. The response to the project was encouraging with average occupancy exceeding 50% for FY2022.



Harnessing technology, transforming care

Second Nursing Home in 2H of FY2023

Econ Healthcare has signed a joint venture agreement with Chongqing Guangda Bailingbang Eldercare Industry and Chongqing Mengxiangjia Technology Co., Ltd. to operate its second nursing home in China. The 280-bed ECON Medicare Centre and Nursing Home – Changshou will be operated by the joint venture company, Changshou Yikang Bailingbangyanjia, in which Econ Healthcare holds a 70% majority stake. The home is located at Yucai Road, Changshou District, Chongqing and stands on a built-up area of close to 7,200 square metres. This project is expected to commence operations during the second half of FY2023.

HARNESSING TECHNOLOGY TO TRANSFORM CARE

Technology will increasingly transform the way we care for the seniors in the home and community settings.

At Econ Medicare Centre and Nursing Home – Chongqing, we are harnessing sustainable "SMART" home technology to enhance the experience, comfort and security of residents. The "SMART" home concept comprises four application modules:

SMART Energy

The ambient of the rooms such as room temperature and humidity can be adjusted to suit the physical condition of the elderly and indoor living environment. This also indirectly manages the energy consumption level sustainably.

SMART CARE

Leverage on big data information obtained through the residents' participation in daily activities, to intuitively make adjustments to enhance the care delivery and experience for the elderly.

SMART Nursing

Use advanced auto-sensing equipment to support a multi-level proliferation call-alert system in real-time to provide intelligent protection for the elderly.

SMART Management

Use intelligent access control system with facial and body temperature recognition to enhance the security of both elderly and visitors exiting and entering the premises.

During the pandemic, we were able to adopt digital technology to automate our processes, improving the productivity and efficiency of our operations as well as protecting our residents and staff.

Visitor Management System

We developed a visitor management system which automated the visit appointment booking system, enabling family members to book appointments via our website to visit their loved ones in our nursing homes. The booking information would automatically be communicated to the respective nursing homes and confirmation relayed to the family members. It also helped to manage the number of visitors and was useful for contact tracing by collating contact information of visitors.

During the outbreak surges when some of our residents were unable to have in person medical consultations, we provided tele-medicine services to enable our clients access immediate, timely medical attention when needed.

Awards & Accolades

2022

Singapore Health Quality Service Awards

6 Star Awards, 8 Gold Awards and 58 Silver Awards

SingHealth Duke-NUS Academic Medical Centre

Singapore Prestige Brand Award (SPBA)

Winner and Overall Winner of SPBA – Heritage Brands

ASME and Lianhe Zaobao

2021

Singapore Health Quality Service Awards

32 Hero Awards

SingHealth Duke-NUS Academic Medical Centre

2020

Top 10 Innovation

China (Chongqing) Pilot Yuzhong Free Trade Zone

十大创新案例

中国(重庆)自由贸易试验区渝中板块

Singapore Health Quality Service Awards

46 awards from the Silver, Gold and Star award categories

SingHealth Duke-NUS Academic Medical Centre

ISO 9001 Standard

Productivity and Standards Board

2019

Singapore Health Quality Service Awards

41 Silver Awards and 8 Gold Awards

SingHealth Duke-NUS Academic Medical Centre

2018

Singapore Health Quality Service Awards

31 Silver Awards and 2 Gold Awards

SingHealth Duke-NUS Academic Medical Centre

2017

5th Asia Pacific Eldercare Innovation Awards

Best Geriatric Healthcare Operator Award and Best Rehabilitation Operator Award

Ageing Asia Innovation Forum

Singapore Service Class Certification

SPRING Singapore

Singapore Health Quality Service Awards

28 Silver Awards

SingHealth Duke-NUS Academic Medical Centre

Healthcare Humanity Award

The Courage Fund administered by the National Healthcare Group

2016

ILTC Excellence Awards

6 Service Quality Improvement Team Awards and 4 Silver Individual Service Quality Awards

AIC

Singapore Health Quality Service Awards

17 Silver Awards

SingHealth Duke-NUS Academic Medical Centre

2015

3rd Asia Pacific Eldercare Innovation Awards

Best Wellness Programme Award

Ageing Asia Investment Forum

Singapore Health Quality Service Awards

1 Gold Award and 16 Silver Awards

SingHealth Duke-NUS Academic Medical Centre

2014

Certificate of Appreciation

Performance and Management Delivery Unit of Malaysia

Singapore Health Quality Service Awards

8 Silver Awards

SingHealth Duke-NUS Academic Medical Centre

2013

1st Asia Pacific Eldercare Innovation Awards

Best Facility Assisted Living Award

Ageing Asia Investment Forum

Singapore Health Quality Service Awards

8 Silver Individual Awards

SingHealth Duke-NUS Academic Medical Centre

2012

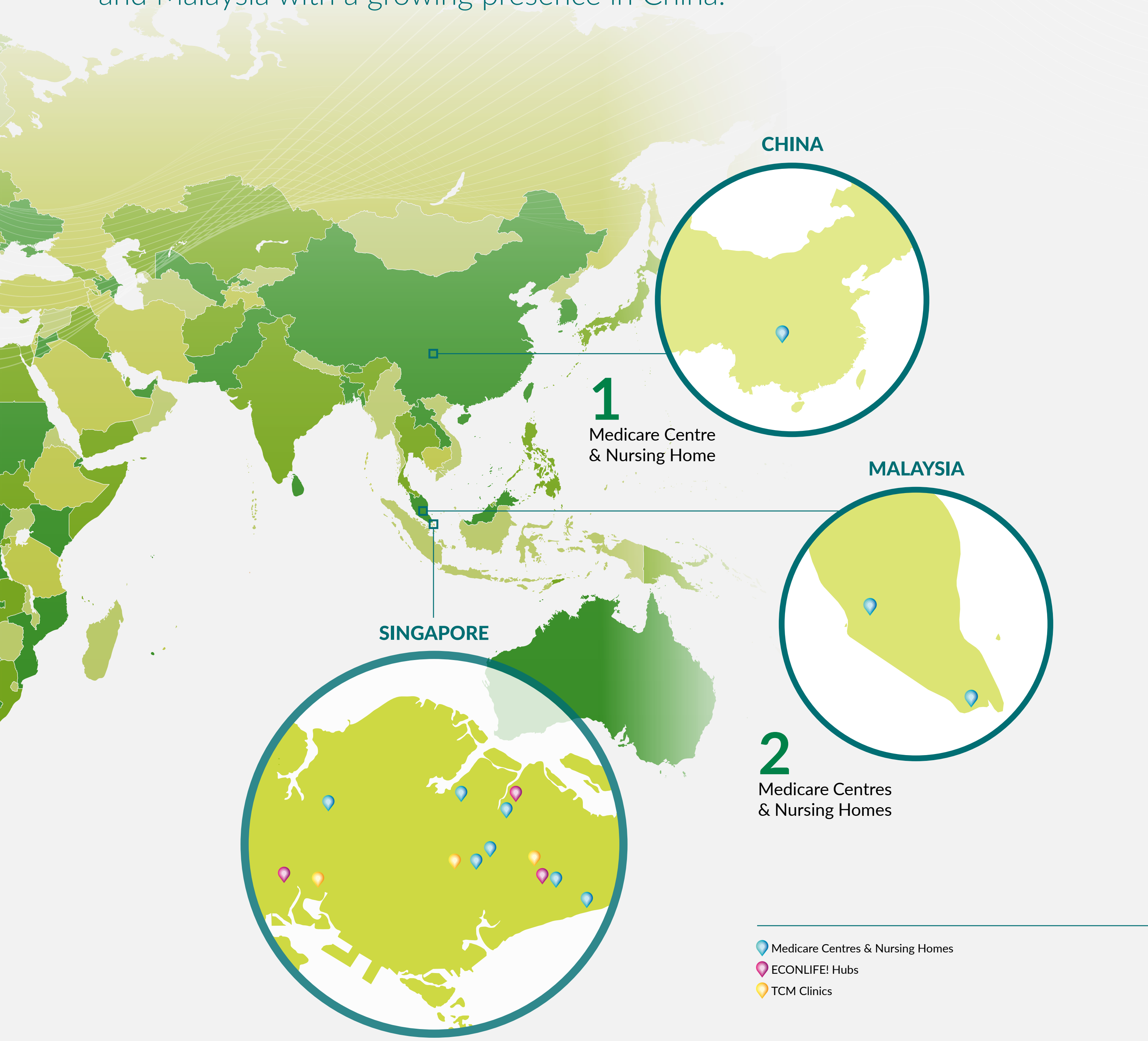
Singapore Health Quality Service Awards

3 Silver Individual Awards

SingHealth Duke-NUS Academic Medical Centre

Geographical Presence

We are the leading private nursing home operator in Singapore and Malaysia with a growing presence in China.

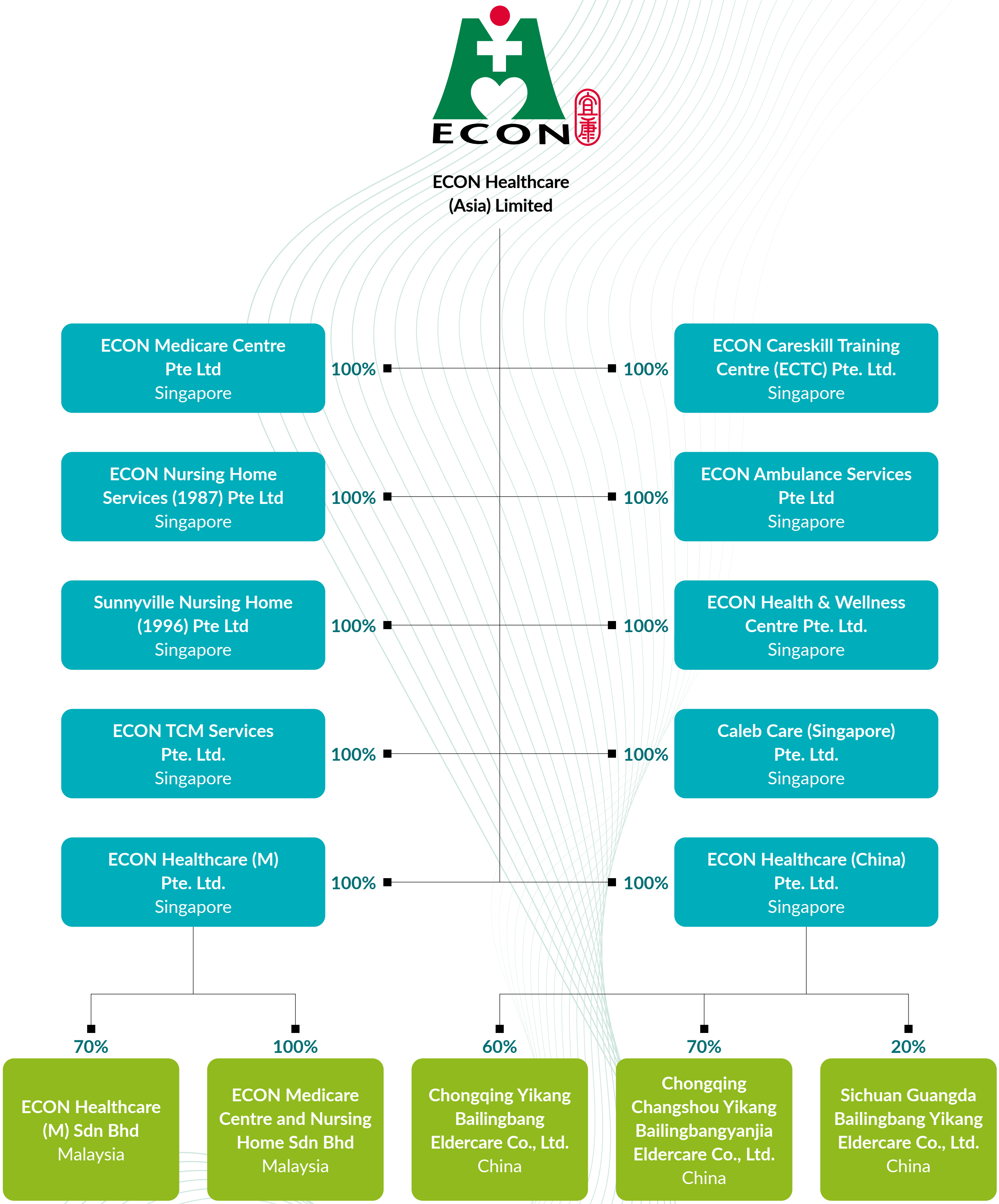


8 Medicare Centres & Nursing Homes

3 ECONLIFE! Hubs

3 TCM Clinics

Organisation Chart



Key Highlights

Caring for Elderly

11 Nursing Homes

1,463 Beds

10,000+ Seniors Served

Protecting Our People

VACCINATION AGAINST COVID-19

95% of Residents
Vaccinated against COVID-19

100% of Staff
Vaccinated against COVID-19

Growing Our Presence

SINGAPORE

8 Medicare Centres & Nursing Homes

3 TCM Clinics

3 ECONLIFE! Hubs

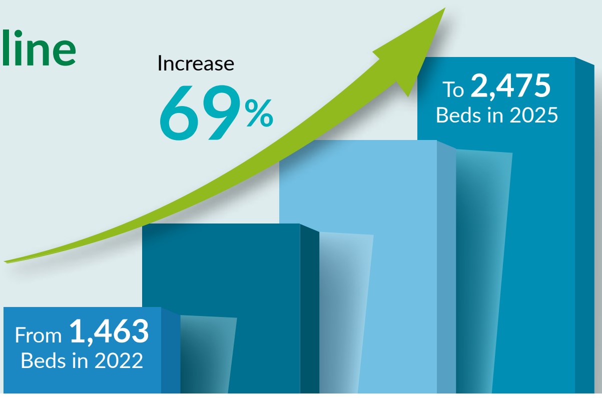
CHINA

1 Medicare Centre & Nursing Home

MALAYSIA

2 Medicare Centres & Nursing Homes

Pipeline



CHINA

+280 Nursing Home beds by second half of FY2023

SINGAPORE

+732 Nursing Home beds by 2025

Information updated as at June 2022.

Financial Performance Summary

Financial year ended 31 March

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

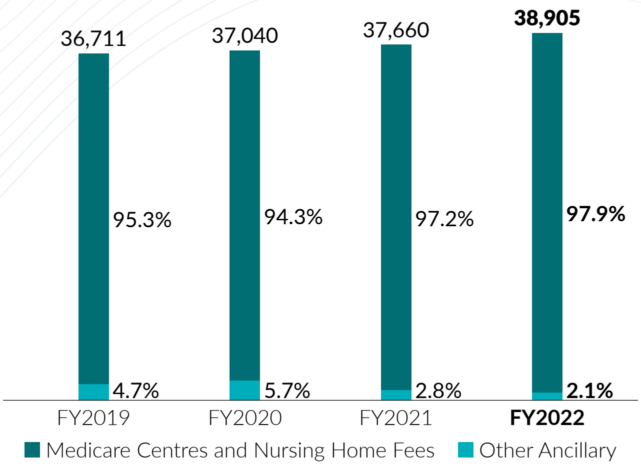
@ Certain amounts in the financial have been reclassified for FY2019, FY2020 and FY2021
* Return on equity is defined as PATMI divided by shareholder equity for the year
\# Dividend payout ratio is defined as dividend declare divided by PATMI
^ Gearing is defined as total loan and borrowings divided by net asset
~ For illustrative purposes, the issued and paid-up share capital of the Company of 207,000,000 shares as at 31 March 2021 is assumed to have been issued as at FY2020 and FY2019. The ordinary shares of 254,397,260 for FY2022 was derived from the weightage of its number of shares since the Company listed on 19 April 2021. The total number of ordinary shares of the Company is 257,000,000 subsequent to its listing.

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

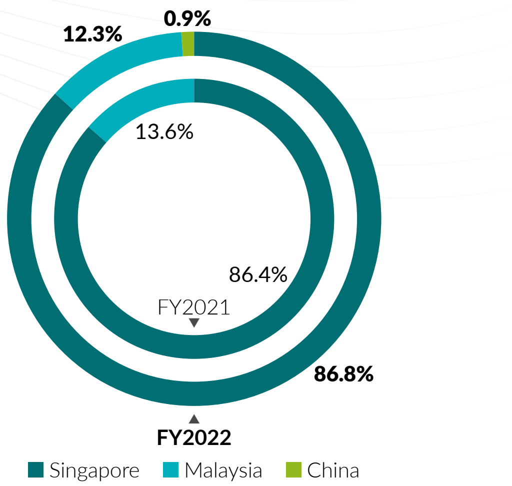
Financial Highlights

REVENUE CONTRIBUTION BY BUSINESS SEGMENT[@]

(S$'000)

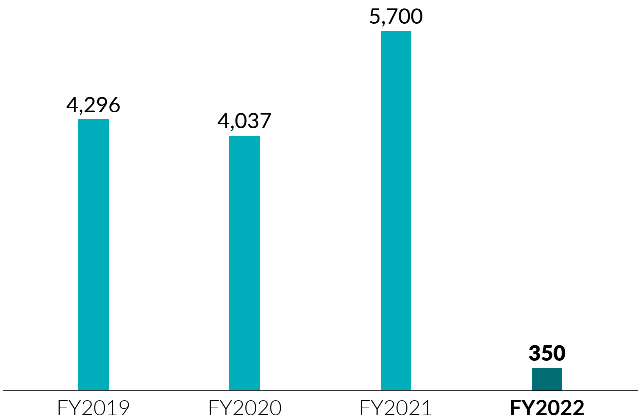


REVENUE BY GEOGRAPHICAL SEGMENT



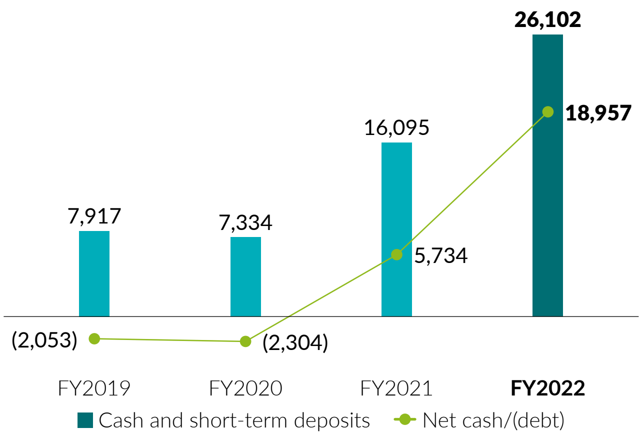
PATMI

(S$'000)



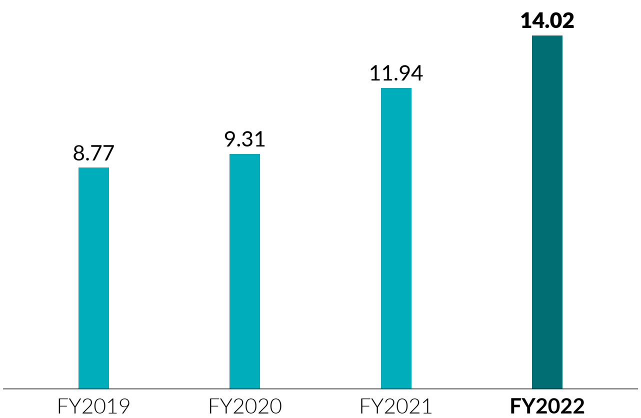
CASH AND SHORT-TERM DEPOSITS vs NET CASH/(DEBT)

(S$'000)

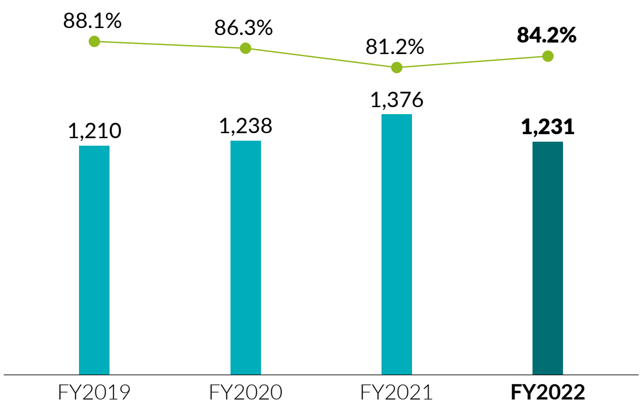


NET ASSET PER SHARE

(S$'cents)



BED CAPACITY AND % OCCUPANCY



[@] Certain amounts in the financial have been reclassified for FY2019, FY2020 and FY2021

Board of Directors

Mr Ong Chu Poh PBM, BBM
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 PBM
Independent Director

Board of Directors

MR ONG CHU POH PBM, BBM

Executive Chairman and Group Chief Executive Officer

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. Mr Ong received the Entrepreneur of The Year Award by Rotary-ASME in 2002. Mr Ong also received the Public Service Medal (PBM – Pingat Bakti 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 for his contributions to communities in Singapore.

MS ONG HUI MING

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 in Singapore. 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

Lead Independent Director

Mr Siau Kai Bing is our Lead Independent Director. He has more than 40 years of experience in the accounting and audit industry, having held various senior appointments in finance in the past, including as chief financial officer of a company listed on the SGX-ST. Prior to his retirement in September 2020, he was the chief financial officer of DP Architects Pte. Ltd. Mr Siau is currently the nonexecutive, independent director of Nordic Group Ltd and Union Steel Holdings Ltd, both of which are companies listed on the SGX-ST.

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

MR LIM YIAN POH

Independent Director

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

Mr Lim possesses a wealth of experience and an extensive network of contacts both in Singapore and the region. In 1993, he left as General Manager of Arab Banking Corporation, Singapore Branch to set up Yian Poh Associates, a financial advisory firm in 1994. Mr Lim is currently the lead independent director of T T J Holdings Limited (a company listed on the SGX-ST) and an independent director of Zicom Group Limited (a company listed on the Australian Stock Exchange.

DR ONG SEH HONG PBM

Independent Director

Dr Ong Seh Hong is our Independent Director. Dr Ong Seh Hong is currently a practising senior consultant psychiatrist at Khoo Teck Puat Hospital in Singapore. Prior to this, Dr Ong was with the Ren Ci Hospital & Medicare Centre and Ren Ci Community Hospital from 2000 to 2009, with his last held position being clinical director and chief operating officer. He was also with the Government of Singapore Investment Corporation Pte Ltd (now known as GIC Private Limited) from 1997 to 1999, with his last held position being Vice President (Corporate Services) of GIC Special Investments Pte Ltd (a direct investment and private equity arm of GIC Private Limited). He was a Member of Parliament from 2001 to 2011.

Dr Ong is currently serving as the independent non-executive chairman of Hock Lian Seng Holdings Ltd, a company listed on the SGX-ST. Dr Ong was awarded the Public Service Medal (PBM – Pingat Bakti Masyarakat) conferred by the Prime Minister's Office of the Republic of Singapore in 2001.

Key Management

MR ONG CHU POH PBM, BBM

Group Chief Executive Officer

As the Founder and Group CEO of Econ Healthcare, Mr Ong provides the overall direction for the Group's long-term growth. He is responsible for the overall management, and the charting of corporate directions and strategies of our Group, and spearheaded our expansion into Malaysia and China. He leads the strategic development initiatives to drive the Group forward towards its vision of becoming the premier elder care solutions provider in Asia.

A trailblazer, Mr Ong is constantly blazing new trails in enhancing the quality of elder care and in expanding the Group's footprints in Asia. With a sharp focus on the future, he is constantly exploring opportunities in regional markets created by increasing demand for elder care brought about by aging populations.

He leads the Group's expansion in China and management consultancy for the concept planning and development of retirement living communities. In 2014, The Group launched its first retirement village with a local partner in Suzhou Industrial Park, China. The project has since concluded. With his leadership, the Group operated our first nursing home in Chongqing in April 2021, and will be launching our second nursing home in China in the second half of FY2023.

Mr Ong's accomplishments and contributions have been recognised by the industry and community as attested by the numerous awards and accolades that he has received. Mr Ong received the Entrepreneur of The Year Award by Rotary-ASME in 2002. He also received the Public Service Medal (PBM – Pingat Bakti 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.

True to his passion, Mr Ong will continue to lead the team to improve the quality of care through adoption of technology and enhancement of expertise and core competency. He remains steadfast in his commitment to deliver the best quality of care to seniors in Singapore and the region.

MS ONG HUI MING

Deputy Chief Executive Officer, Singapore

Ms Ong Hui Ming has with her over 15 years of experience in ECON Healthcare and the Community Care Sector. She began her career in the banking industry before she joined ECON in 2006. Hui Ming contributed in areas of marketing, community partnerships and engagement, before moving into business development, operations and management positions. She was appointed as Executive Director in 2014, before progressing into her current role in 2021.

As DY CEO, Singapore, Hui Ming is responsible for overseeing and managing the daily operations of our Group's business in Singapore. She also supports the Group CEO in the development and execution of strategic plans for the Group. Together with the Group CFO, she supports the Group CEO in the development and execution of strategic plans for the Group.

Hui Ming's key accomplishments and contributions include leading the team for successful bids to expand ECON's senior care services in the community. In 2011, ECON was the first private nursing home operator appointed for the provision of nursing home services under a government tender scheme. She has also successful led the team to win the tender for provision of nursing home services for a 236-bed capacity nursing home in Henderson, and a 732-bed capacity nursing home in Jurong East, expected to be operational in 2025.

A second-generation leadership, Hui Ming is dedicated to ECON's mission of being a "Family caring for Families"; supporting families in their journey of care for their senior loved ones. She believes in developing a sustainable model for senior care that continues to be relevant and future-ready for the evolving needs of Singapore and the Region. Mostly importantly, Hui Ming is a firm believer of being purpose-driven in all that we do, and by caring from the heart, seniors will flourish as they age and live their fullest potential.

MS KANG SHWU HUEY (AGNES)

Group Chief Financial Officer

Ms Agnes Kang was appointed as Group CFO on 1 January 2021. As Group CFO, she is responsible for the corporate finance and treasury, accounting shared services, reporting, tax, legal and risk management functions across our businesses. She also concurrently heads the Procurement function of the Group. Agnes works alongside the Group CEO, Dy CEO, Singapore and regional heads on all Group and regional level investments, mergers and acquisitions, and joint ventures. She also fronts the investor relations efforts of the Group. She was Finance Director of the Group from 19 November 2020 until her appointment as Group CFO.

Prior to joining our Group, Agnes was the group financial controller in Breadtalk Group Pte. Ltd. Agnes come along with more than 17 years of experience in financial management and audit. She 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, Agnes served as the group assistant finance manager of Excelpoint System (Pte) Ltd, a whollyowned subsidiary of Excelpoint Technology Ltd. which is listed on the Mainboard of the SGX-ST.

In 2012, Agnes 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.

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

Corporate Information

DIRECTORS

Mr Ong Chu Poh PBM, BBM
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 PBM
Independent Director

COMPANY SECRETARY

Ms Shirley Tan Sey Liy
FCS, FCG

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

160 Changi Road
#05-01-13
Hexacube
Singapore 419728
Tel: +65 6447 8788
Website: econhealthcare.com/contact/

COMPANY REGISTRATION NUMBER

200400965N

CATALIST SPONSOR

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

SHARE REGISTRAR

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

INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge: Adrian Koh Hian Yan
(since financial year ended 31 March 2022)

BANKERS

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

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

Corporate Governance Report

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

The Company endeavours to align its corporate governance framework with the principles and provisions of the Code of Corporate Governance 2018 ("**Code**"). This corporate governance report outlines the Company's corporate governance structures and practices that were in place since its listing on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 19 April 2021 (the "**IPO**") and the financial year ended 31 March 2022 ("**FY2022**") with specific reference made to the principles and the provisions of the Code pursuant to Rule 710 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

The Board is pleased to report that since the Company's IPO and for FY2022, the Company has adhered to the principles of the Code, and the provisions of the Code except where otherwise explained. In areas where the Company's practices vary from any provisions of the Code, the Company has stated herein the provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Company will continue to assess its needs and implement appropriate measures accordingly.

1. BOARD MATTERS

<u>The Board's Conduct of Affairs</u>

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

The Board's primary role is to protect and enhance long-term shareholder value. Its responsibilities are distinct from the management of the Group ("**Management**"). It sets the overall strategy and policies for the Group and supervises Management. To fulfil this role, the Board sets strategic direction, establishes goals for Management and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group.

The role of the Board includes the following:

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

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

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

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

Corporate Governance Report

The Company will also arrange for first-time Directors, if any, to attend training in relation to the roles and responsibilities of a director of a listed company and in areas such as accounting, legal and industry specific knowledge, as appropriate, as well as the courses organised by the Singapore Institute of Directors ("**SID**") as prescribed by the SGX-ST under Practice Note 4D of the Catalist Rules. The Company has not appointed any new Director in FY2022.

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

Ms Ong Hui Ming does not have prior experience as a director of a public listed company in Singapore but has been briefed on the roles and responsibilities of a director of a public listed company in Singapore. During FY2022, Ms Ong Hui Ming has completed the following prescribed mandatory training as specified under Practice Note 4D of the Catalist Rules:

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

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

The Company encourages existing Directors to attend training courses organised by the SID or other training institutions which are aimed at providing them with the latest updates on changes in relevant regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST that affect the Group and/or the Directors in connection with their duties and responsibilities as a Director of a public-listed company in Singapore, and such training will be funded by the Company.

On an ongoing basis, the Directors are also updated regularly on changes to the Catalist Rules, risk management, corporate governance, insider trading, as well as the key changes in the relevant regulatory requirements, financial reporting standards and the relevant laws and regulations, to facilitate effective discharge of their fiduciary duties as the member of the Board or Board Committees.

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

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

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

Corporate Governance Report

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

(1) major investments/divestments and funding decisions;
(2) announcements or press releases on SGXNet, including financial result announcements;
(3) transactions which are not in the ordinary course of business of the Company;
(4) major borrowings or corporate guarantees in relation to borrowings;
(5) new banking facilities and corporate guarantees;
(6) profit-sharing arrangements;
(7) incorporation or dissolution of any subsidiary;
(8) allotment and issuance of shares or declaration of dividends;
(9) operating budgets, annual report, Directors' statement and audited financial statements;
(10) change in corporate business strategy, direction, budget and forecasts;
(11) material acquisitions and disposal of assets; and
(12) matters which require Board's approval as specified in the Company's Interested Person Transactions policy.

To assist in the execution of its responsibilities, the Board has delegated specific responsibilities to the three (3) Board Committees, namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively "**Board Committees**"). The Board Committees operate within clearly defined terms of reference (as detailed under Principle 4, 6 and 10 of this report) which are reviewed on a regular basis to ensure their continued relevance and efficacy. The composition and description of each Board Committee are also set out in other sections of this report. While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board.

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

		Board Committee Membership		
Name of Director	**Designation**	**AC**	**NC**	**RC**
Mr Ong Chu Poh	Executive Chairman and Group Chief Executive Officer ("**Group CEO**")	-	-	-
Ms Ong Hui Ming	Executive Director and Deputy Chief Executive Officer, Singapore ("**Deputy CEO**")	-	Member	-
Mr Siau Kai Bing	Lead Independent Director	Chairman	Member	Member
Mr Lim Yian Poh	Independent Director	Member	Chairman	Member
Dr Ong Seh Hong	Independent Director	Member	Member	Chairman

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

The table below sets out the number of Board and Board Committees meetings held during FY2022 and the attendance of each Director at these meetings:

	Board	AC	NC	RC	AGM
Number of meetings held	11	2	1	1	1
Directors			**Attendance**		
Mr Ong Chu Poh	11	2*	1*	1*	1
Ms Ong Hui Ming	11	2*	1	0	1
Mr Siau Kai Bing	11	2	1	1	1
Mr Lim Yian Poh	11	2	1	1	1
Dr Ong Seh Hong	10	2	1	1	1

* By invitation

Corporate Governance Report

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

The Board is assisted by an experienced and qualified team of "**Key Management Personnel**" which is defined in the Code to mean "the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company". For the purposes of this annual report, the term Key Management Personnel is used interchangeably with the term "**Management**". The particulars of each member of the Management are set out on pages 18 and 19 of this annual report.

The Company Secretary and/or her representative administers, attends and prepares minutes of the Board and Board Committees meetings, and assists the Chairman and/or Board Committees in ensuring that proceedings are conducted according to meeting procedures so that the Board and/or Board Committees can function effectively and the relevant requirements of the Companies Act 1967 ("**Companies Act**") and the Catalist Rules are complied with. Under the direction of the Chairman, the Company Secretary's responsibilities also include ensuring good information flows within the Board and the Board Committees and between the Management and Independent Directors, advising the Board on all governance matters. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

All Directors have separate and independent access to Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. During FY2022, the Company did not engage any external advisers.

Board Composition and Guidance

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

The criterion for independence is based on the definition set out in the Code, and taking into consideration whether the Directors falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Board considers an "independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

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

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

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

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

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

Corporate Governance Report

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

The Board comprises Directors who, as a whole, have the core competencies and experience necessary to discharge their duties as Directors, lead and manage the Group's businesses and operations. The current composition of the Board comprises Directors with diversity of skills, experience and knowledge to the Company. With the introduction of Rule 710A of the Catalist Rules effective from 1 January 2022, the Board endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity, and describe such policy in its Annual Report for the financial year ending 31 March 2023.

The Board noted that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance of diversity. The Board comprises a female director, Ms Ong Hui Ming, as Executive Director and Deputy CEO, Singapore in recognition of the importance and value of gender diversity.

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

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

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

The Company co-ordinates informal meetings for the Independent Directors, led by the Lead Independent Director ("**Lead ID**"), on a regular basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Directors (if any). The Lead ID will provide feedbacks and recommendations to the Chairman as appropriate.

Chairman and Chief Executive Officer

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

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

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

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

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

Corporate Governance Report

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

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

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

Board Membership

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance Report

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

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

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

There is no alternate director being appointed to the Board.

The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In selecting new Directors, the NC will seek to identify the competencies required as well as evaluate the profession, knowledge, experience, commitment ability of the candidate to contribute to the Board process and such other qualities and attributes that may be required by the Board of the candidate to enable the Board to fulfil its responsibilities.

The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. Recommendations for new Directors are put to the Board for its consideration and/or approval. New Directors are appointed by way of a Board resolution following which they are subject to re-election at the next Annual General Meeting of the Company ("**AGM**").

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

At the forthcoming AGM of the Company, Ms Ong Hui Ming and Mr Lim Yian Poh will be retiring pursuant to Regulation 94 of the Company's Constitution (the aforesaid Directors are referred herein as, the "**Retiring Directors**"). The NC has recommended and the Board has agreed that the Retiring Directors be nominated for re-election at the forthcoming AGM. In making the recommendations, the NC takes into consideration, amongst others, the Retiring Directors' attendance record at meetings of the Board and Board Committees, preparedness, participation and candour at such meetings as well as quality of input and contributions.

Each member of the NC shall abstain from voting, approving or making a recommendation on any resolution of the NC in which he/she has a conflict of interest in the subject matter under consideration.

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

The Company has put in place a process to ensure the continuous monitoring of the independence of the Directors whereby the Directors must immediately report any changes in their external appointments that could affect their independence on the Board.

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

Corporate Governance Report

Other than the key information regarding the Directors set out below, information pertaining to the Directors' interests in shares, options and other convertible securities are set out in the "Directors' Statement" section of this Annual Report, and information in relation to the background and principal commitments of the Directors are set out in the "Board of Directors" section of this Annual Report.

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

Board Performance

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

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

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

Corporate Governance Report

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

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

Each Director is required to complete the Evaluation Forms adopted by the NC, which would then be collated by the Company Secretary and shared with the NC for review or discussion. Following the review for FY2022, the Board is of the view that the Board and Board Committees operate effectively and each Director is contributing to the effectiveness of the Board and the Board Committees in view of the active participation of each member during each meeting. The NC has not engaged any external facilitator in FY2022 to assist in the assessment of the performance of the Board and Board Committees.

2. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

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

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

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

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

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

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

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

(3) considering all aspects of remuneration (including but not limited to, Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments) and termination terms, to ensure they are fair and that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of our Group, taking into account our strategic objectives;

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

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

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

Corporate Governance Report

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

The service agreement of each of the Company's Executive Chairman and Group CEO, Mr Ong Chu Poh, and the Executive Director and Deputy CEO, Singapore, Ms Ong Hui Ming, provides for compensation in the form of a fixed monthly salary and an annual wage supplement, with any annual increment as may be recommended by the RC and approved by the Board.

Each of Mr Ong Chu Poh and Ms Ong Hui Ming is also entitled to participate in our Company's profit sharing scheme ("**Profit Sharing Scheme**"), pursuant to which he/she is entitled to receive a sum equal to the higher of (a) a stipulated percentage of the audited profit of our Group before tax and extraordinary items and after minority interests and exceptional items and (b) a stipulated number of months' bonus. Please refer to "- Remuneration of Directors and Executive Officers" of the Company's Offer Document dated 9 April 2021 for further details on the Profit-Sharing Scheme.

No Director will be involved in determining his own remuneration. The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. For FY2022, the Board has not engaged any external remuneration consultants to advice on remuneration matters.

<u>Level and Mix of Remuneration</u>

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

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

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors (if any) and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors (if any) owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors (if any) in the event of such breach of fiduciary duties.

The Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Directors shall not be over-compensated to the extent that their independence may be compromised. There were no share-based compensation schemes in place for the Directors.

Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. The RC has recommended to the Board the Directors' fees of S$161,000 for the financial year ending 31 March 2023 ("**FY2023**") to be paid semi-annually in arrears. The recommendations would be tabled at the forthcoming AGM for Shareholders' approval.

No member of the RC is involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him. The Board concurred with the RC that the proposed Directors' fees for FY2023 is appropriate and not excessive, taking into consideration the level of contributions by the directors and factors such as effort and time spent for serving on the Board and Board Committees as well as the responsibilities and obligations of the directors.

Corporate Governance Report

Disclosure on Remuneration

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

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

The details of the level and mix of remuneration of the Directors and key management personnel for the FY2022 are as follows:

Director	Remuneration Band[1]	Breakdown in Percentage (%)				
		Director Fees	Fixed Salary	Bonus	Others[2]	Total
Mr Ong Chu Poh	C	–	88.1	7.4	4.5	100.00
Ms Ong Hui Ming[3]	A	–	82.9	7.0	10.1	100.00
Mr Siau Kai Bing	A	100.0	–	–	–	100.00
Mr Lim Yian Poh	A	100.0	–	–	–	100.00
Dr Ong Seh Hong	A	100.0	–	–	–	100.00

The Group has only two (2) key management personnel who is not a Director or the CEO during FY2022. The details of the remuneration of key management personnel of the Group (who are not Directors or the CEO) for FY2022 are as follows:

Key Management Personnel	Remuneration Band[1]	Breakdown in Percentage			
		Fixed Salary	Bonus	Others[2]	Total
Ms Kang Shwu Huey	A	82.0	10.0	8.0	100.00
Dr Ong Xin De[4]	A	81.0	8.4	10.6	100.00

Immediate Family Members of Directors or CEO or Substantial Shareholder

Save as disclosed above, the remuneration paid to the immediate family members of Directors or CEO or a substantial shareholder of the Company for FY2022, whose exceeded S$100,000 are set out below:

Key Management Personnel	Designation	Remuneration Band[1]	Breakdown in Percentage			
			Fixed Salary	Bonus	Others[2]	Total
Koh Hin Ling[5]	Director TCM	A	81.7	13.1	5.2	100.00

Note:

(1) Remuneration bands:
"A" refers to remuneration of up to S$250,000 per annum.
"B" refers to remuneration from S$250,001 and up to S$500,000 per annum.
"C" refers to remuneration from S$500,001 and up to S$750,000 per annum.

(2) Others include employer's CPF contribution and non-monetary benefits.

(3) Ms Ong Hui Ming is the daughter of the Executive Chairman and Group CEO, Mr Ong Chu Poh.

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

(5) Dr Koh Hin Ling is the wife of the Executive Chairman and Group CEO, Mr Ong Chu Poh.

For FY2022 the aggregate total remuneration paid/payable to the relevant key management personnel (who are not Directors or the CEO) amounted to S$330,077.

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

For FY2022, there were no terminations, retirement or post-employment benefits granted to Directors and relevant key management personnel other than the standard contractual notice period termination payment in lieu of service.

Corporate Governance Report

3. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Board acknowledges its responsibility for the governance of risk and ensures that the Management maintains a sound system of internal controls and effective risk management policies to safeguard the Shareholders' investment and the Company's assets. The Board and the AC note that all internal control systems contain inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities. The system is designed to manage rather than eliminate risks of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

Management is responsible for designing, implementing and monitoring the risk management and internal control systems within the Group. Management regularly reviews the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Any significant matters are highlighted to the Board and the AC for their deliberation. To further review the adequacy and effectiveness of internal controls, the AC is assisted by various independent professional service providers.

The Board has outsourced its internal audit function to RSM Risk Advisory Pte Ltd ("**RSM**") to carry out the review of the Group's internal control system to ensure the adequacy and effectiveness of the internal control within the Group. The recommendation arising from weaknesses in the internal controls and Management's action plans undertaken to address the weakness were reported to the AC.

On 26 January 2022, the Board appointed RSM to perform a comprehensive review of the Group's investment policy and related controls and safeguards, including to strengthen the due diligence to be undertaken prior to an investment in listed equity securities and to impose requirements regarding asset mix and portfolio diversification. The recommendation arising from weaknesses in the internal controls and Management's action plans undertaken to address the weakness were reported to the AC. As at the date of this report, the Management is in the process of implementing the recommendations and will be reporting to the AC and the Board on the implementation status.

Save as the above mentioned, in FY2022, there were no material weakness in internal controls highlighted by both the internal auditors and external auditors. Based on the review by RSM and internal reviews performed by the Management, the Board with the concurrence of the AC, is of the opinion that the risk management and internal control systems maintained by the Group, addressing the financial, operational, compliance and information technology risks of the Group, indicate no material weaknesses in the Group's internal controls as at 31 March 2022. The Board will adopt the recommendations of RSM and will continue its risk assessment process, which is an on-going process, with a view to improve the Group's internal control system.

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

The Directors have received and considered the representation letters from the Group CEO, Deputy CEO, Singapore and Group CFO in relation to the financial information for FY2022. The Group CEO, Deputy CEO, Singapore and Group CFO have also assured the Board that:

(1) the financial records have been properly maintained and the financial statements for FY2022 give a true and fair view in all material respects, of the Company's operations and finances; and

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

Corporate Governance Report

Audit Committee

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

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

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

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

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

(2) reviewing with our Group CFO and the external 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;

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

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

(5) discussing with the external 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;

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

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

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

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

(10) assessing whether appropriate legal advice should be sought if the New Equity Policy and/or the MOH Guidelines are enacted into law; reviewing any interested person transactions as defined in the Catalist Rules.

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

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

Corporate Governance Report

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

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

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

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

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

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

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

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

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

The AC members, including the AC Chairman, possess experience in finance, legal and business management which are appropriately qualified, having the relevant accounting or related financial management expertise to discharge their responsibilities.

External Audit Function

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The significant matter impacting the financial statements has been identified and included in the Independent Auditor's Report to the members of the Company under "Key Audit Matters". The Key Audit Matters was discussed with the Management and the auditors, and was reviewed by the AC. The Board had approved the audited financial statements for FY2022.

Annually, the AC conducts a review of all non-audit services provided by the external auditors. The AC will receive an audit report from the external auditors setting out the non-audit services provided and fees charged, and review the nature and extent of such services, to ensure that the non-audit services will not prejudice the independence and objectivity of the external auditors.

The AC is given the task of commissioning investigation into matters where there is suspected fraud or irregularity, or failure of internal control or infringement of any law, rule or regulation which has or likely to have a material impact on the Company's operating results or financial position, and to review its findings.

Corporate Governance Report

In October 2015, the ACRA introduced the Audit Quality Indicators ("**AQIs**") Disclosure Framework ("**Framework**"), which aims, to equip the AC with information that allows the AC to exercise their professional judgements on elements that contribute to or are indicative of audit quality. The AQIs were further enhanced in August 2016 which ACRA introduced six targets on selected AQIs to provide the AC with a common yardstick for comparison and to facilitate meaningful audit quality conversations with the auditors. As part of ongoing efforts to raise audit quality, ACRA has on 7 February 2020 introduced the AQIs Disclosure Framework that revised in January 2020 ("**Revised AQIs Framework**"). The Revised AQIs Framework comprises audit quality indicators to provide relevant and useful information to help the AC in their evaluation of statutory auditors. Accordingly, the AC had evaluated the performance of the external auditors as well as the resolution for reappointment of the external auditors based on the AQIs set out in the Revised AQIs Framework.

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. The AC also recommends to the Board the appointment, re-appointment and removal of external auditors, and approves the remuneration and terms of engagement of the external auditors. The re-appointment of the external auditors is always subject to Shareholders' approval at the AGM.

In reviewing the nomination of external auditors for re-appointment for the financial year ending 31 March 2023, the AC has considered the adequacy of the resources, experience and competence of the external auditors, and has taken into account the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members handling the audit. The Board also considered the audit team's ability to work in a cooperative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

The aggregate amount of fees paid and payable to the External Auditors and a breakdown of the fees paid in total for audit and non-audit services respectively are stated below:

External audit fee FY2022	S$
Audit Fees	210,000
Non-Audit Fees	59,000
Total Fees	**269,000**

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

For the audit of the current financial year ending 31 March 2023, the AC has recommended to the Board, and the Board has accepted the re-appointment of Ernst & Young LLP at the forthcoming AGM.

For FY2022, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group. The AC and the Board are satisfied with the standards and the effectiveness of the audits performed by the external auditors of the significant subsidiaries of the Group.

No former partner or director of the Company's existing auditing firm has acted as a member of the AC (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Internal Audit Function

The internal audit function is currently outsourced to RSM Risk Advisory Pte Ltd ("**RSM**"). RSM is staffed by suitably qualified and experienced professionals with the relevant experience. RSM reports directly to the AC on audit matters and the Group CEO, on administrative matters.

RSM, as the Internal Auditor, has unfettered access to all the Company's documents, records, properties and personnel, including access to AC and has appropriate standing within the Company.

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

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

The AC is also of the view that the outsourced internal audit function is adequately staffed with persons with the relevant qualification and experience, and adhere to professional standards including those promulgated by The Institute of Internal Auditors.

Corporate Governance Report

Whistle-blowing Policy

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

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

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

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

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

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

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

In the course of FY2022, the AC carried out the following activities:

(a) reviewed full-year financial statements (unaudited and audited), and recommended such reports to the Board for approval;
(b) reviewed the adequacy and effectiveness of the Group's risk management and internal control systems;
(c) reviewed interested person transactions;
(d) reviewed whistle-blowing reports;
(e) reviewed and approved the annual external audit plan of the external auditors;
(f) reviewed and approved the internal audit plan of the internal auditors;
(g) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for Board approval; and
(h) met with the external auditors and the internal auditors once without the presence of the Management.

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

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Shareholders are informed of the general meetings through the announcement released to the SGXNet and notices contained in the Annual Report or circulars sent to all Shareholders. These notices are also advertised in a national newspaper. Shareholders are also informed of the poll voting procedures at the general meetings. All Shareholders are entitled to attend the general meetings and are provided the opportunity to participate in and vote at the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy form sent in advance.

Corporate Governance Report

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

The Company's AGM for FY2022 ("**2022 AGM**") will be held by way of electronic means, through "live webcast" and "audio-only means", pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order**"). The notice of AGM will be published in the newspaper and it will be disseminated to Shareholders through publication on SGXNet and the Company's corporate website, in accordance with the alternative arrangements for holding of the AGM pursuant to the COVID-19 Order. The alternative arrangements for the 2022 AGM, during the COVID-19 pandemic will be provided in the Company's notice of AGM.

Pursuant to Part 4 of the COVID-19 (Temporary Measures) Act 2020, a member of the Company (whether individual or corporate and including a relevant intermediary) entitled to vote at the AGM must appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate and including a relevant intermediary) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. Shareholders will be participated in the 2022 AGM via electronic means, voting by appointing the Chairman of the 2022 AGM as proxy and their questions (if any) in relation to any resolution set out in the notice of AGM are send to the Company in advance of the 2022 AGM, and responses to the questions would be provided via announcement on SGXNet and the Company's corporate website.

The Company acknowledges that voting by poll in all its general meeting is integral in the enhancement of corporate governance. All resolutions at the Company's general meetings are put to vote by poll. The poll voting procedures are clearly explained by the scrutineers at such general meeting. The detailed results of each resolution are announced via SGXNet after the general meetings.

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

The resolutions tabled at the general meetings are on each substantially separate issue, unless the issues are interdependent and linked so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, the Company will explain the reasons and material implications in the notice of meeting. The Company typically ensures that there are separate resolutions at general meetings on each distinct issue. Detailed information on each resolution is set out in the notice of the general meeting.

The Chairman of the AC, NC and RC are normally present and available to address questions relating to the work of their respective Board Committees at general meetings. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries from Shareholders, including the conduct of audit and the preparation and content of the auditors' report. All Directors will endeavour to be present at the Company's general meetings of Shareholders to address Shareholders' queries.

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

Minutes are taken of all general meetings, and where appropriate, include all substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting and the responses from the Board and the Management. Such minutes, which are subsequently approved by the Board, will be made available to Shareholders on the Company's corporate website, as well as on the SGXNet within one month after the date of the AGM.

The Group does not have a formal dividend policy at present. The declaration and payment of future dividends may be recommended by the Board at their discretion, after considering a number of factors, including the Group's level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by the Board, including the Group's expected financial performance.

The Board did not recommend a final dividend for FY2022 as the Group had reported a significantly lower profit for FY2022. The Group plans to conserve cash for exploring further expansion of the Group.

Corporate Governance Report

5. ENGAGEMENT WITH SHAREHOLDERS

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

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

Communication is made through:

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

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

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

6. MANAGING STAKEHOLDINGS RELATIONSHIPS

Engagement with Stakeholders

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

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

The Company has identified six stakeholders' groups, namely, the Board, employees, shareholders, investors, customers, government and regulators. The Company's approach to the engagement with key stakeholders and materiality assessment including the information on the Group's strategy and key areas of focus in managing stakeholder relationships will be disclosed in the Company's inaugural Sustainability Report.

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

Corporate Governance Report

7. INTERESTED PERSON TRANSACTIONS (“IPTs”)

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

Details of all IPTS entered into during FY2022 are as follows:

Name of Interested Person	Aggregate value ($’000) of all IPTs during the financial year under review	Aggregate value of all IPTs conducted during the financial year under review under shareholders’ mandate pursuant to Rule 920
(1) Econ Healthcare Pte Ltd – Lease of 3 nursing homes: (a) ECON Medicare Centre and Nursing Home – Braddell (b) ECON Medicare Centre and Nursing Home – Choa Chu Kang (c) ECON Medicare Centre and Nursing Home – Upper East Coast	1,532	Not applicable – the Group does not have a shareholders’ mandate under Rule 920
(2) Econ Medicare Centre Holdings Pte Ltd (a) Lease of ECON Medicare Centre and Nursing Home – Recreation Road (b) Lease of staff quarters at Recreation Road (c) Sublease agreement for Hexacube office (d) Accounting service agreement	327	
(3) Econ Healthcare Pte Ltd (a) Sub lease agreement for Chai Chee Nursing Home	704	
(4) Ekang International Holdings Pte. Ltd. (a) Lease of Hexacube office	488	
(5) TMI Technologies Pte Ltd (a) Sub lease arrangement for Hexacube office (b) Accounting service agreement	12	

The Company has not obtained a mandate from shareholders pursuant to Rule 920 of the Catalist Rules and hence no interested person transaction was conducted under a shareholders’ mandate during FY2022.

8. USE OF IPO PROCEEDS FROM IPO

	Amount allocated (as disclosed in the offer document) (S$’000)	Amount utilised as at the date of this annual report[1] (S$’000)	Balance (S$’000)
Expansion plans in Singapore as well as overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments	7,500	1,228	6,272
Upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure	2,000	77	1,923
General corporate and working capital purposes	2,000	–	2,000
Payment of underwriting and placement commissions and offering expenses (“**IPO expenses**”)	2,500	2,430	70
Total	14,000	3,735	10,265

Note:

[1] The amount utilised as at the date of this annual report refer to the expenses billed and paid to date.

Corporate Governance Report

9. MATERIAL CONTRACTS

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

10. DEALINGS IN SECURITIES

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

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

11. NON-SPONSOR FEES

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

Corporate Governance Report

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

	Name of Director	
Details	**Ong Hui Ming**	**Lim Yian Poh**
Date of Appointment	22 May 2018	22 March 2021
Date of last re-appointment (if applicable)	N/A	N/A
Age	40	76
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Ms Ong Hui Ming was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Ms Ong's qualifications, experience, and overall contribution since she was appointed as a Director of the Company.	The re-election of Mr Lim Yian Poh was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr Lim's qualifications, experience, and overall contribution since he was appointed as a Director of the Company. The Board considers Mr Lim to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for overseeing and managing the daily operations of the Group's business in Singapore	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Deputy CEO, Singapore	Independent Director, Chairman of the NC and member of the AC and the RC
Professional qualifications	• Bachelor of Business Studies (Marketing) from Nanyang Technological University • Master of Business (Marketing) with Distinction from RMIT University • Graduate of the SPRING Singapore; Executive Leadership Development Programme at The Wharton School of the University of Pennsylvania	• Bachelor of Science degree from Nanyang University, Singapore • Master of Science degree from the University of Hull, England • Completed the Standford-NUS Executive Program offered by Standford University and the National Univerity of Singapore and the Senior Management Development Program organized by Harvard Business School Alumni Club of Malaysia
Working experience and occupation(s) during the past 10 years	Please refer to page 16 of this Annual Report	Please refer to page 17 of this Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Daughter of Mr Ong Chu Poh, Executive Chairman and Group CEO and Dr Koh Hin Ling, Director of TCM, TCM practitioner and Director of the Group's principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Corporate Governance Report

	Name of Director	
Details	**Ong Hui Ming**	**Lim Yian Poh**
Other Principal Commitments Including Directorships	**Past (for the last 5 years)** • Econ Advance Renal Care Pte. Ltd. • Econ Healthcare Pte. Ltd. **Present** Nil	**Past (for the last 5 years)** • Anerji Pte. Ltd. • CASA Holdings Limited • CASA Property Holdings Pte. Ltd. • VMD Development Sdn Bhd **Present** • Kinderworld International Group Ltd. • T T J Holdings Limited • V-Campus Pte. Ltd. • Zicom Group Limited • Zicom Holdings Private Limited
The general statutory disclosures of the Directors are as follows:		
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c. Whether there is any unsatisfied judgment against him?	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Corporate Governance Report

Details	Name of Director	
	Ong Hui Ming	Lim Yian Poh
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

Corporate Governance Report

Details	Name of Director Ong Hui Ming	 Lim Yian Poh
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a Director.	
If yes, please provide details of prior experience.		
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		

FINANCIAL STATEMENTS

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Directors' Statement

The directors present their statement to the members together with the audited consolidated financial statements of Econ Healthcare (Asia) Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2022 and the balance sheet of the Company as at 31 March 2022.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

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

DIRECTORS

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

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

Directors' Statement

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

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

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

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

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2022.

SHARE OPTIONS

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

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

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

Directors' Statement

AUDIT COMMITTEE

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

- Mr Siau Kai Bing, lead independent director
- Mr Lim Yian Poh, independent director
- Dr Ong Seh Hong, independent director

The Audit Committee performs the function specified in Section 201B of the Act, the SGX Listing Manual and Code of Corporate Governance.

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

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

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

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

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

AUDITOR

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

On behalf of the board of directors

Ong Chu Poh
Director

Ong Hui Ming
Director

Singapore
1 July 2022

Independent Auditor's Report

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2022

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Econ Healthcare (Asia) Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 March 2022 and the statements of changes in equity of the Group, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Independent Auditor's Report

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2022

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

Key Audit Matters (cont'd)

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

The Group has property, plant and equipment and right-of-use assets in the consolidated balance sheet, with a carrying amounts of $17.9 million and $40.9 million respectively as at 31 March 2022. These assets in aggregate account for 58% of the Group's total assets. The Company has investment in subsidiaries amounting to $23.9 million as at 31 March 2022, representing 51% of the Company's total assets.

Management has identified each nursing home or clinic as a cash generating unit ("CGU"). The carrying amount of the property, plant and equipment, right-of-use assets and investment in subsidiaries are reviewed annually by management to assess whether there are indicators of impairment. In assessing whether there is any indicator of impairment, management considered both external and internal sources of information, including business impact from the COVID-19 pandemic and the macro environment at year end. Based on their assessment, management concluded there are no indicator of impairment of the Group's property, plant and equipment and right-of-use assets. Management recognised impairment loss on investment in subsidiaries of $22,204 during financial year ended 31 March 2022. As a result of the heightened level of estimation uncertainty associated with the current market and economic condition, we determined that this is a key audit matter.

As part of our audit, we, amongst others:

- Evaluated the Group's policies and procedures to identify events indicating potential impairment of assets.
- Reviewed management's assessment of indicator of impairment to the CGU's assets, taking into consideration our knowledge of the CGU's operations, performance, budgeted revenue and expenses.
- Evaluated management's budgeted cash flows of CGUs by comparing to historical results, taking into consideration occupancy capacity, occupancy rates and operating margins.
- Compared current year's results with previous year's management budgets and considered circumstances as to whether there are any current year additions or prevailing events that would give rise to indicators of impairment.
- Performed sensitivity analysis on certain key assumptions such as occupancy rates, revenue growth rates and operating margins.
- Assessed the disclosures on the impairment assessments in Note 3, 10, 11 and 13 to the financial statements.

Other Matters

The consolidated financial statements of Econ Healthcare (Asia) Limited and its subsidiaries for the year ended 31 March 2021 and the balance sheet of the Company as at 31 March 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 6 July 2021.

Other Information

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

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

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

Independent Auditor's Report

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2022

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Independent Auditor's Report

To the members of Econ Healthcare (Asia) Limited
For the financial year ended 31 March 2022

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
1 July 2022

Consolidated Income Statement

For the financial year ended 31 March 2022

	Note	2022 $	2021 $
Revenue	4	38,905,123	37,660,316
Other income	5	5,208,467	6,467,830
Supplies and consumables		(5,849,093)	(5,462,264)
Staff costs		(19,356,718)	(18,469,430)
Depreciation of property, plant and equipment	10	(1,379,308)	(1,123,158)
Depreciation of right-of-use assets	11	(6,014,296)	(5,174,426)
Utilities expenses		(1,050,627)	(947,815)
Impairment losses on trade receivables		(100,757)	(13,955)
Loss on investment in quoted securities		(3,354,476)	–
Other operating expenses		(4,657,506)	(4,762,498)
		2,350,809	8,174,600
Finance costs, net	6	(1,460,231)	(1,352,684)
Share of (loss)/profit of associate and joint venture, net of tax	14, 15	(29,902)	4,591
Profit before tax	7	860,676	6,826,507
Tax expense	8	(916,640)	(1,455,543)
(Loss)/profit for the year		(55,964)	5,370,964
(Loss)/profit attributable to:			
Owners of the Company		350,114	5,700,049
Non-controlling interests		(406,078)	(329,085)
(Loss)/profit for the year		(55,964)	5,370,964
Earnings per share			
Basic and diluted earnings per share (cents)	9	0.14	2.75

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2022

	2022 $	2021 $
(Loss)/profit for the year	(55,964)	5,370,964
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	(51,627)	(212,112)
Total comprehensive income for the year	(107,591)	5,158,852
Total comprehensive income attributable to:		
Owners of the Company	267,392	5,447,264
Non-controlling interests	(374,983)	(288,412)
Total comprehensive income for the year	(107,591)	5,158,852

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

Balance Sheets

As at 31 March 2022

	Note	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
Assets					
Property, plant and equipment	10	17,929,880	16,476,352	813,710	938,447
Right-of-use assets	11	40,858,225	27,154,219	3,790,586	5,454,432
Investment property	12	8,091,822	8,153,915	–	–
Subsidiaries	13	–	–	23,899,470	23,921,674
Associate	14	53,098	–	–	–
Joint venture	15	–	–	–	–
Deferred tax assets	16	133,015	30,998	5,276	2,796
Finance lease receivables	22	–	18,208	–	–
Trade and other receivables	18	1,756,935	1,128,171	1,911,759	1,580,949
Non-current assets		68,822,975	52,961,863	30,420,801	31,898,298
Inventories	17	13,475	13,685	–	–
Current tax assets		230,226	195,894	–	–
Finance lease receivables	22	18,208	35,692	–	–
Trade and other receivables	18	5,551,962	3,352,350	2,738,115	700,262
Cash and short-term deposits	19	26,101,969	16,094,606	13,282,839	5,097,007
Current assets		31,915,840	19,692,227	16,020,954	5,797,269
Total assets		100,738,815	72,654,090	46,441,755	37,695,567
Liabilities					
Provision for restoration costs	20	632,118	504,208	216,558	215,317
Deferred capital grants	21	1,606,194	276,625	–	–
Deferred tax liabilities	16	356,689	364,331	–	–
Lease liabilities	23	35,747,894	23,676,666	2,247,101	3,973,120
Loans and borrowings	24	3,147,444	4,535,714	–	–
Non-current liabilities		41,490,339	29,357,544	2,463,659	4,188,437
Current tax liabilities		975,995	1,179,317	60,724	79,524
Lease liabilities	23	7,083,354	5,084,310	1,724,628	1,667,243
Loans and borrowings	24	3,997,439	5,825,466	–	–
Trade and other payables	25	11,251,030	5,977,762	4,046,969	9,909,856
Current liabilities		23,307,818	18,066,855	5,832,321	11,656,623
Total liabilities		64,798,157	47,424,399	8,295,980	15,845,060
Equity					
Share capital	26	28,254,576	15,000,000	28,254,576	15,000,000
Currency translation reserve	27	(2,923,290)	(2,840,568)	–	–
Merger reserve	27	(99,293)	(99,293)	–	–
Accumulated profits		10,435,843	12,655,729	9,891,199	6,850,507
Equity attributable to owners of the Company		35,667,836	24,715,868	38,145,775	21,850,507
Non-controlling interests	28	272,822	513,823	–	–
Total equity		35,940,658	25,229,691	38,145,775	21,850,507
Total equity and liabilities		100,738,815	72,654,090	46,441,755	37,695,567

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

Consolidated Statements of Changes in Equity

For the financial year ended 31 March 2022

	Share capital $	Currency translation reserve $	Merger reserve $	Accumulated profits $	Total equity attributable to owners of the Company $	Non-controlling interests $	Total equity $
At 1 April 2021	15,000,000	(2,840,568)	(99,293)	12,655,729	24,715,868	513,823	25,229,691
Total comprehensive income for the year							
Profit/(loss) for the year	–	–	–	350,114	350,114	(406,078)	(55,964)
Other comprehensive income							
Foreign currency translation differences – foreign operations	–	(82,722)	–	–	(82,722)	31,095	(51,627)
Total comprehensive income for the year	–	(82,722)	–	350,114	267,392	(374,983)	(107,591)
Transactions with owners, recognised directly in equity							
Dividends paid	–	–	–	(2,570,000)	(2,570,000)	–	(2,570,000)
Shares issued pursuant to initial public offering	14,000,000	–	–	–	14,000,000	–	14,000,000
Offset of listing expenses	(745,424)	–	–	–	(745,424)	–	(745,424)
Capital contributions by non-controlling interests	–	–	–	–	–	133,982	133,982
Total transactions with owners	13,254,576	–	–	(2,570,000)	10,684,576	133,982	10,818,558
At 31 March 2022	28,254,576	(2,923,290)	(99,293)	10,435,843	35,667,836	272,822	35,940,658

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

Consolidated Statements of Changes in Equity

For the financial year ended 31 March 2022

	Share capital $	Currency translation reserve $	Merger reserve $	Accumulated profits $	Total equity attributable to owners of the Company $	Non-controlling interests $	Total equity $
At 1 April 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 year							
Profit/(loss) for the year	–	–	–	5,700,049	5,700,049	(329,085)	5,370,964
Other comprehensive income							
Foreign currency translation differences – foreign operations	–	(252,785)	–	–	(252,785)	40,673	(212,112)
Total comprehensive income for the year	–	(252,785)	–	5,700,049	5,447,264	(288,412)	5,158,852
Transactions with owners, recognised directly in equity							
Capital contributions by non-controlling interests	–	–	–	–	–	933,333	933,333
Total transactions with owners	–	–	–	–	–	933,333	933,333
At 31 March 2021	15,000,000	(2,840,568)	(99,293)	12,655,729	24,715,868	513,823	25,229,691

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Profit before tax		860,676	6,826,507
Adjustments for:			
Amortisation of deferred capital grant	5, 21	(178,124)	(41,818)
Write-off of property, plant and equipment	7, 10	363,819	31,674
Depreciation of property, plant and equipment	10	1,379,308	1,123,158
Depreciation of right-of-use assets	11	6,014,296	5,174,426
Re-measurement from lease modification	11	–	38,226
(Gain)/loss on termination of leases	11	(76,412)	11,144
Impairment losses on trade receivables	29	100,757	13,955
Impairment losses on property, plant and equipment	10	–	61,599
Interest income	6	(3,019)	(19,118)
Interest expense		1,429,588	1,350,015
Rent concessions	5	(659,474)	(501,440)
Unwinding of discount on provisions	6	3,422	3,078
Reversal of provision for restoration cost	20	–	(6,781)
Share of loss of associate, net of tax	14	29,902	–
Loss on disposal of joint venture	15	–	4,590
Share of profit of joint venture, net of tax	15	–	(4,591)
Dividend income from investment in quoted securities	5	(7,590)	–
Loss on investment in quoted securities, net		3,354,476	–
		12,611,625	14,064,624
Changes in:			
– Trade and other receivables		(3,466,847)	1,794,942
– Trade and other payables		4,676,656	673,936
– Inventories		210	(6,480)
Cash generated from operations		13,821,644	16,527,022
Tax paid		(1,262,315)	(913,237)
Net cash from operating activities		12,559,329	15,613,785
Cash flows from investing activities			
Change in non-trade amounts due from immediate holding company		–	(698,086)
Change in non-trade amounts due from a related corporation		–	487,973
Finance lease received		36,720	36,720
Interest received		1,991	17,047
Proceeds from disposal of property, plant and equipment		9,084	267
Purchase of property, plant and equipment		(2,629,958)	(2,441,003)
Proceed from disposal of joint venture		–	1
Restricted fixed deposit held with bank		–	(30,771)
Placement of fixed deposits with licensed banks		(396)	(1,501)
Capital grants received		1,505,330	72,537
Dividend income from investment in quoted securities		7,590	–
Investment in quoted securities		(5,104,683)	–
Proceeds from disposal of quoted securities		1,750,207	–
Investment in associate		(83,000)	–
Net cash used in investing activities		(4,507,115)	(2,556,816)

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2022

	Note	2022 $	2021 $
Cash flows from financing activities			
Capital contribution by non-controlling interests		133,982	933,333
Proceeds from borrowings	24	130,020	2,360,163
Repayment of borrowings	24	(3,306,272)	(1,553,806)
Payment of lease liabilities	24	(4,880,806)	(4,462,626)
Interest paid	24	(1,121,140)	(1,286,430)
Payment of initial public offering transaction costs		(408,908)	(336,516)
Dividends paid		(2,570,000)	–
Proceeds from issuance of shares pursuant to initial public offering		14,000,000	–
Net cash generated from/(used in) financing activities		1,976,876	(4,345,882)
Net increase in cash and cash equivalents		10,029,090	8,711,087
Cash and cash equivalents at 1 April		16,029,379	7,300,749
Effect of exchange rate fluctuations on cash held		(23,568)	17,543
cash and cash equivalents at 31 March	19	26,034,901	16,029,379

Significant non-cash transactions

The Group has the following significant non-cash transactions:

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

	2022 $	2021 $
Addition of PPE during the year	3,225,603	2,752,812
Less: Payable to suppliers at year end	(1,237,732)	(642,087)
Add: Payment to suppliers for PPE acquired in previous year	642,087	330,278
	2,629,958	2,441,003

Rent concessions

Rent concessions were given by the lessors to the Group arising from the Rental Relief Framework which came into force on 31 July 2020 through the Amendment Act and the COVID-19 (Temporary Measures) (Rental and Related Measures) Regulations 2020, with the objective to help alleviate costs for businesses. It allowed the Group to be relieved of lease payments amounting to $659,474 (2021: $501,440) as described in Note 22.

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

1. CORPORATE INFORMATION

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

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

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

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are those relating to the operation of medicare centres and nursing homes, provision of hospital extension ward management services, homecare services and ambulance services, letting of properties and investment holding. The principal activities of the associate and joint venture are described in Note 14 and 15 respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

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

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

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

2.2 *New accounting standards effective on 1 April 2021*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 17: *Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

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

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

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

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

(b) *Business combinations*

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

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

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

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

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

2.5 *Transactions with non-controlling interests*

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.6 *Foreign currency*

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

2.7 *Property, plant and equipment*

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

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

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

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

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

2.8 *Investment property*

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

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

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

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

2.9 *Leases*

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

(a) ***Group as a lessee***

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

(i) Right-of-use assets

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.9 *Leases (cont'd)*

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

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

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.10.

(ii) Lease liabilities

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

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

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

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

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

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 the 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.

(b) ***Group as a lessor***

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.9 *Leases (cont'd)*

(b) *Group as a lessor (cont'd)*

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 reclassifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract. The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 2.14). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

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

2.10 *Impairment of non-financial assets*

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

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

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

Impairment losses are recognised in profit or loss.

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

2.11 *Subsidiaries*

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.12 *Associate and joint venture*

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

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

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

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

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

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

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

2.13 *Financial instruments*

(a) *Financial assets*

<u>Initial recognition and measurement</u>

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.13 *Financial instruments (cont'd)*

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

Subsequent measurement

Investments in debt instruments

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

(i) Amortised cost

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

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

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

(iii) Fair value through profit or loss

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

Investments in equity instruments

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

Derivatives

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

Derecognition

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.13 *Financial instruments (cont'd)*

(b) ***Financial liabilities***

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

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

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

2.14 *Impairment of financial assets*

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

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

Credit impaired financial assets

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

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

2.15 *Cash and cash equivalents*

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

2.16 *Inventories*

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

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

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

2.17 *Provisions*

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

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

Provision for restorations costs

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

2.18 *Share capital and share issuance expenses*

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.19 *Government grants*

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

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

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

2.20 *Taxes*

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.20 *Taxes (cont'd)*

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

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

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

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

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

(c) ***Sales tax***

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

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

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

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

2.21 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.22 *Employee benefits*

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

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

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

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

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

2.23 *Revenue*

Rendering of services

Revenue from home fees, home care and day care 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.

Revenue 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.

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

2.24 *Contingencies*

A contingent liability is:

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

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

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

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

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

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

2.25 *Inter-group financial guarantees*

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

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of guarantee.

2.26 *Earnings per share*

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

2.27 *Segment reporting*

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgements

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

Impairment assessment

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

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

Estimates and assumptions

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

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

The economic benefits derived from the CGUs which refer to clinics providing Traditional Chinese Medicine ("TCM") services are on a declining trend. The recoverable amount was estimated based on its value-in-use. In the financial year ended 31 March 2021, the Group tested the property, plant and equipment for impairment and recognised an impairment loss of $61,599 with respect to the remaining carrying amount of property, plant and equipment held by the CGUs which are clinics providing TCM services. The discount rate used in the estimate of value in use was 9.23% and was based on the Group's weighted-average cost of capital. For the financial year ended 31 March 2022, the Group has reassessed and there was no reversal of impairment made.

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

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 29 – Financial risk management.

Notes to the Financial Statements

For the financial year ended 31 March 2022

4. REVENUE

				Ancillary fees				
	Home fees $	Medicare centres and nursing homes fees Home care and day care and other nursing home services $	Operating subvention grant $	Course fees $	Management fee $	Traditional Chinese medicine ("TCM") clinics services $	Other ancillary services $	Total $
2022								
Third parties								
– Singapore	10,879,560	3,435,496	18,642,789	27,818	–	762,100	110	33,747,873
– Malaysia	3,304,207	1,464,243	–	–	–	–	–	4,768,450
– China	64,660	300,740	–	–	–	–	–	365,400
	14,248,427	5,200,479	18,642,789	27,818	–	762,100	110	38,881,723
Related corporations								
– Singapore	–	–	–	–	23,400	–	–	23,400
	14,248,427	5,200,479	18,642,789	27,818	23,400	762,100	110	38,905,123
2021								
Third parties								
– Singapore	10,570,394	3,600,180	17,281,853	2,486	–	728,592	170	32,183,675
– Malaysia	3,729,406	1,407,235	–	–	–	–	–	5,136,641
	14,299,800	5,007,415	17,281,853	2,486	–	728,592	170	37,320,316
Related corporations								
– Singapore	–	–	–	1,500	338,500	–	–	340,000
	14,299,800	5,007,415	17,281,853	3,986	338,500	728,592	170	37,660,316
Timing of transfer of goods or services								
2022								
Over time	14,248,427	5,200,479	18,642,789	27,818	23,400	–	–	38,142,913
At a point in time	–	–	–	–	–	762,100	110	762,210
	14,248,427	5,200,479	18,642,789	27,818	23,400	762,100	110	38,905,123
2021								
Over time	14,299,800	5,007,415	17,281,853	3,986	338,500	–	–	36,931,554
At a point in time	–	–	–	–	–	728,592	170	728,762
	14,299,800	5,007,415	17,281,853	3,986	338,500	728,592	170	37,660,316

Notes to the Financial Statements

For the financial year ended 31 March 2022

4. REVENUE (cont'd)

Home fees generally relates to the Medicare Centres and Nursing Homes' contracts with patients in which performance obligations are to provide nursing home healthcare services to individual patients in Singapore, Malaysia and China. Home care and day care fees generally relates to contracts with patients in which performance obligations are to provide healthcare services to individual patients at their homes. Course fees relate to contracts with corporate customers in which performance obligations are to provide training for nurses, nursing home managers and home caregivers in Singapore. Management fee relates to provision of management and consultancy services to affiliated corporations and related corporation. Related corporations are other related parties not within the Group that are owned by the majority shareholder. Traditional Chinese Medicine ("TCM") clinic services relate to the offering of TCM services at TCM clinics.

Other nursing home services relate to provision of dressing, rehabilitation services, TCM treatments and other medical related services to individual patients.

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

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

Contract balances

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

		Group	
	2022	**2021**	**1.4.2020**
	$	**$**	**$**
Trade receivables (Note 18)	1,226,710	1,440,350	1,311,219
Receivables for operating subvention grants (Note 18)	1,206,140	817,591	792,741
Contract liabilities	147,418	60,032	27,719

The Group has recognised impairment losses on receivables arising from contracts with customers amounting to $100,757 (2021: $13,955).

Contract liabilities are home fees collected in advance (Note 25) and are recognised as revenue as the Group performs under the contract. Revenue recognised that was included in the contract liabilities balance at the beginning of year is $60,032 (2021: $27,719).

Notes to the Financial Statements

For the financial year ended 31 March 2022

5. OTHER INCOME

	Note	Group 2022 $	Group 2021 $
Other government grants			
– Grants on special employment credit, temporary employment credit and wages credit scheme		106,717	99,313
– Grant on Senior Activity Centres		–	180,000
– Grants on Jobs Support Scheme		128,170	1,277,106
– Foreign worker levy rebate		–	650,609
– Grants on staff accommodation		218,400	1,831,950
– S Pass and work permit levy transition support		159,674	241,061
– Employment grant		23,647	238,699
– Grants on Senior Management Associate Scheme		151,913	90,696
– Grant on Scale-up SG Programme		–	70,000
– Grant on Job Growth Incentive		369,608	11,141
– Eldercare centre baseline service transition grants		419,835	–
– Grants for Equity Market Singapore		200,000	–
– Work-life grants		70,000	–
– Grants on community care salary enhancements		384,427	–
– Grants on Healthcare Hiring In Advance Initiatives		311,598	–
– Rental subsidy/subvention grants		985,725	248,800
– Pre-operations funding		176,288	–
Rent concessions	22	659,474	501,440
Rental income	22	259,348	224,233
Amortisation of deferred capital grants	21	178,124	41,818
Service fees		105,948	105,948
Property tax rebate		–	53,707
Recovery of shareholder loans	15	–	375,000
Dividend income from quoted securities		7,590	–
Gain on lease termination		76,412	–
Others		215,569	226,309
		5,208,467	6,467,830

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 per month. 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.

Notes to the Financial Statements

For the financial year ended 31 March 2022

5. OTHER INCOME (cont'd)

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

Scale-up SG Programme grants are provided to the Group with the aim to accelerate business growth. The objectives of the programme are to enable the development of leadership team and succession planning through strengthening the competencies of next-generation leaders, and access to expertise and network of Enterprise Singapore and programme partners to support the Group's growth objectives.

Job Growth Incentive grants are provided as wage subsidies to the Group for new hires from September 2020 onwards. It was introduced as a response to the COVID-19 pandemic, to support the hiring of locals.

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

Grants on Healthcare Hiring In Advance Initiatives are funding provided to the Group to hire in advance for pre-operations ahead of the opening of new facilities, service capacity expansions and impact from revisions to the foreign work pass policy.

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

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

Rent concessions were given by the lessors to the Group arising from the Rental Relief Framework which came into force on 31 July 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 allowed the Group to be relieved of lease payments during the period of the rent concession.

6. FINANCE INCOME AND COSTS

	Group	
	2022	2021
	$	$
Interest income from bank deposits	1,991	17,047
Interest income from finance lease receivables	1,028	2,071
Finance income	3,019	19,118
Exchange loss, net	(30,240)	(18,709)
Interest expense from borrowings	(262,171)	(362,195)
Unwinding of discount on provision for restoration cost	(3,422)	(3,078)
Interest expense from lease liabilities	(1,167,417)	(987,820)
Finance costs	(1,463,250)	(1,371,802)
Net finance costs	(1,460,231)	(1,352,684)

Notes to the Financial Statements

For the financial year ended 31 March 2022

7. PROFIT BEFORE TAX

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

	Group	
	2022	**2021**
	$	**$**
Audit fees:		
– auditors of the Company	195,000	796,961
– other auditors	42,977	69,608
Non-audit fees:		
– auditors of the Company	100,000	16,750
– other auditors	71,000	25,000
Initial public offering expenses	60,891	1,647,254
Expenses relating to short-term leases presented in 'staff costs'	247,074	224,760
Repair and maintenance expenses	1,448,919	800,447
Write-off of property, plant and equipment	363,819	31,674
Contributions to defined contribution plans included in staff costs	1,048,053	912,751
Directors' fees	85,214	56,352
Loss on investment in quoted securities*	(3,354,476)	–

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

Included in audit fees for auditors of the Company during the year ended 31 March 2021 is an amount of $536,961 incurred in connection with the listing of the Company and recognised as listing expense.

Included in prepaid listing expenses (Note 18) as at 31 March 2021 is an amount of $129,701 paid to auditor of the Company in connection with the listing of the Company.

Notes to the Financial Statements

For the financial year ended 31 March 2022

8. TAX EXPENSE

	Group 2022 $	2021 $
Current tax expense		
Current year	1,025,757	1,361,416
Changes in estimates related to prior years	(2,543)	60,824
	1,023,214	1,422,240
Deferred tax expense		
Origination and reversal of temporary differences	(176,000)	(71,524)
Changes in estimates related to prior years	69,426	104,827
	(106,574)	33,303
Tax expense	916,640	1,455,543
Reconciliation of effective tax rate		
Profit before tax	860,676	6,826,507
Tax using the Singapore tax rate of 17% (2021: 17%)	146,315	1,160,506
Effect of tax rates in foreign jurisdictions	(117,325)	(115,361)
Share of results of associate	5,083	–
Non-deductible expenses	820,375	374,247
Tax exempt income, incentives and rebate	(211,884)	(349,294)
Changes in estimates related to prior years	66,883	165,651
Deferred tax assets not recognised	207,193	219,794
	916,640	1,455,543

9. 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 2021 and 31 March 2022 is based on the profit attributable to ordinary shareholders of $5,700,049 and $350,114, respectively and the weighted-average number of ordinary shares outstanding during the years, as follows:

	Group 2022 No. of shares	2021 No. of shares
Weighted-average number of ordinary shares	254,397,260	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 the financial year ended 31 March 2021 as it reflects the weighted average number of shares adjusted for the changes in number of shares arising from the Share Split.

Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there were no outstanding dilutive potential ordinary shares.

Notes to the Financial Statements

For the financial year ended 31 March 2022

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land $	Freehold buildings $	Properties under construction $	Leasehold improvements and renovations $	Nursing homes equipment $	Furniture, fittings and office equipment $	Computers and accessories $	Motor vehicles $	Total $
Group									
Cost									
At 1 April 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
Additions	–	–	31,341	1,436,060	912,250	176,974	196,187	–	2,752,812
Disposals	–	–	–	–	–	(535)	–	–	(535)
Write off	–	–	–	–	(398,283)	(13,559)	–	–	(411,842)
Translation differences on consolidation	(20,337)	(150,126)	243	(28,443)	(10,655)	(8,244)	(1,154)	(1,811)	(220,527)
At 31 March 2021 and 1 April 2021	1,302,633	9,615,773	50,874	8,841,373	3,483,771	2,501,370	786,567	198,495	26,780,856
Additions	–	–	1,043,042	620,817	1,108,733	310,946	142,065	–	3,225,603
Disposals	–	–	–	–	(22,686)	(47,424)	(1,172)	–	(71,282)
Write off	–	–	–	(1,215,458)	(294,570)	(148,569)	(20,448)	–	(1,679,045)
Reclassifications	–	–	(32,657)	–	–	–	32,657	–	–
Translation differences on consolidation	(9,920)	(73,226)	17,376	29,361	(3,925)	(665)	1,248	(883)	(40,634)
At 31 March 2022	1,292,713	9,542,547	1,078,635	8,276,093	4,271,323	2,615,658	940,917	197,612	28,215,498

Notes to the Financial Statements

For the financial year ended 31 March 2022

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land $	Freehold buildings $	Properties under construction $	Leasehold improvements and renovations $	Nursing homes equipment $	Furniture, fittings and office equipment $	Computers and accessories $	Motor vehicles $	Total $
Accumulated depreciation and impairment losses									
At 1 April 2020	–	1,242,426	–	4,269,581	1,924,423	1,580,791	440,546	89,075	9,546,842
Depreciation charge for the year	–	194,055	–	338,914	178,057	244,257	131,181	36,694	1,123,158
Disposals	–	–	–	–	–	(268)	–	–	(268)
Impairment loss	–	–	–	37,718	–	20,131	3,750	–	61,599
Write off	–	–	–	–	(371,943)	(8,225)	–	–	(380,168)
Translation differences on consolidation	–	(20,839)	–	(13,437)	(5,152)	(5,112)	(943)	(1,176)	(46,659)
At 31 March 2021 and 1 April 2021	–	1,415,642	–	4,632,776	1,725,385	1,831,574	574,534	124,593	10,304,504
Depreciation charge for the year	–	191,465	–	507,530	293,896	212,893	146,609	26,915	1,379,308
Disposals	–	–	–	–	(20,693)	(43,647)	(425)	–	(64,765)
Write off	–	–	–	(928,340)	(253,457)	(113,644)	(19,785)	–	(1,315,226)
Translation differences on consolidation	–	(11,394)	–	(2,110)	(1,917)	(2,084)	(27)	(671)	(18,203)
At 31 March 2022	–	1,595,713	–	4,209,856	1,743,214	1,885,092	700,906	150,837	10,285,618
Carrying amounts									
At 31 March 2021	1,302,633	8,200,131	50,874	4,208,597	1,758,386	669,796	212,033	73,902	16,476,352
At 31 March 2022	1,292,713	7,946,834	1,078,635	4,066,237	2,528,109	730,566	240,011	46,775	17,929,880

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold improvements and renovations $	Furniture, fittings and office equipment $	Computers and accessories $	Motor vehicles $	Total $
Company					
Cost					
At 1 April 2020	2,473,850	151,384	137,918	82,477	2,845,629
Additions	–	2,250	77,559	–	79,809
At 31 March 2021 and 1 April 2021	2,473,850	153,634	215,477	82,477	2,925,438
Additions	–	1,950	39,575	–	41,525
At 31 March 2022	2,473,850	155,584	255,052	82,477	2,966,963
Accumulated depreciation					
At 1 April 2020	1,671,264	32,646	86,220	24,351	1,814,481
Depreciation charge for the year	77,470	19,800	58,745	16,495	172,510
At 31 March 2021 and 1 April 2021	1,748,734	52,446	144,965	40,846	1,986,991
Depreciation charge for the year	77,470	21,903	50,394	16,495	166,262
At 31 March 2022	1,826,204	74,349	195,359	57,341	2,153,253
Carrying amounts					
At 31 March 2021	725,116	101,188	70,512	41,631	938,447
At 31 March 2022	647,646	81,235	59,693	25,136	813,710

(i) The carrying amounts of freehold land and buildings of the Group mortgaged as security for banking facilities (Note 24) are as follow:

	2022 $	2021 $
Freehold land	1,292,713	1,302,633
Buildings	7,946,834	8,200,131
	9,239,547	9,502,764

(ii) The Group performed impairment assessment of the property, plant and equipment relating to clinics providing TCM services as described in Note 3. During the financial year ended 31 March 2021, the Group recognised an impairment loss of $61,599 with respect to the carrying amount of property, plant and equipment held by the CGUs providing TCM services. The Group has re-performed its assessment for the current financial year ended 31 March 2022 and has concluded that no reversal of impairment is to be made.

Notes to the Financial Statements

For the financial year ended 31 March 2022

11. RIGHT-OF-USE ASSETS

	Nursing homes, office premises and health and wellness centres $	Office equipment $	Staff accommodation $	Motor vehicles $	Total $
Group					
Cost					
At 1 April 2020	41,530,233	68,340	167,929	346,325	42,112,827
Additions	–	113,041	70,535	213,388	396,964
Lease modification	2,776,763	–	232,607	–	3,009,370
Derecognition*	–	(68,340)	–	–	(68,340)
Translation differences on consolidation	(46,109)	–	–	–	(46,109)
At 31 March 2021 and 1 April 2021	44,260,887	113,041	471,071	559,713	45,404,712
Additions	19,449,583	–	565,481	–	20,015,064
Lease modification	–	–	47,652	–	47,652
Derecognition*	(1,707,152)	–	–	–	(1,707,152)
Translation differences on consolidation	203,259	–	(80)	–	203,179
At 31 March 2022	62,206,577	113,041	1,084,124	559,713	63,963,455
Accumulated depreciation					
At 1 April 2020	12,842,221	49,634	139,940	79,921	13,111,716
Depreciation charge for the year	4,977,757	20,534	89,101	87,034	5,174,426
Derecognition*	–	(57,196)	–	–	(57,196)
Re-measurement from lease modification	38,226	–	–	–	38,226
Translation differences on consolidation	(16,679)	–	–	–	(16,679)
At 31 March 2021 and 1 April 2021	17,841,525	12,972	229,041	166,955	18,250,493
Depreciation charge for the year	5,626,250	22,238	243,209	122,599	6,014,296
Derecognition*	(1,160,434)	–	–	–	(1,160,434)
Translation differences on consolidation	885	–	(10)	–	875
At 31 March 2022	22,308,226	35,210	472,240	289,554	23,105,230
Carrying amounts					
At 31 March 2021	26,419,362	100,069	242,030	392,758	27,154,219
At 31 March 2022	39,898,351	77,831	611,884	270,159	40,858,225

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

During the financial year ended 31 March 2022, the lease for a nursing home was early terminated following its closure during the year and hence right-of-use assets of carrying amount $546,718 and its corresponding lease liabilities of $623,130 was derecognised, resulting in a gain on termination of $76,412. For financial year ended 31 March 2021, certain leases for office equipment were terminated hence right-of-use assets of carrying amount $11,144 was derecognised and a loss of $11,144 on termination of leases was recorded.

Notes to the Financial Statements

For the financial year ended 31 March 2022

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

	Nursing homes and office premises $	Office equipment $	Motor vehicles $	Total $
Company				
Cost				
At 1 April 2020	8,361,179	–	346,325	8,707,504
Additions	–	43,540	213,388	256,928
Lease modification	1,361,882	–	–	1,361,882
At 31 March 2021, 1 April 2021 and 31 March 2022	9,723,061	43,540	559,713	10,326,314
Accumulated depreciation				
At 1 April 2020	3,169,236	–	79,921	3,249,157
Depreciation charge for the year	1,530,695	4,996	87,034	1,622,725
At 31 March 2021 and 1 April 2021	4,699,931	4,996	166,955	4,871,882
Depreciation charge for the year	1,532,681	8,566	122,599	1,663,846
At 31 March 2022	6,232,612	13,562	289,554	6,535,728
Carrying amounts				
At 31 March 2021	5,023,130	38,544	392,758	5,454,432
At 31 March 2022	3,490,449	29,978	270,159	3,790,586

The Group and Company has performed impairment assessment on the right-of-use assets and no impairment is required to be made as at 31 March 2022 and 31 March 2021.

12. INVESTMENT PROPERTY

	Group	
	2022 $	2021 $
At 1 April, at cost	8,153,915	8,281,218
Translation differences on consolidation	(62,093)	(127,303)
At 31 March, at cost	8,091,822	8,153,915

Investment property comprises a freehold land that is leased to a third party. The lease contains an initial non-cancellable period of three years with option to renew for additional three years.

Amounts recognised in profit or loss

	Group	
	2022 $	2021 $
Rental income	220,966	182,701
Direct operating expenses	(5,751)	(5,642)

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

13. SUBSIDIARIES

	Note	Company 2022 $	Company 2021 $
Unquoted equity shares, at cost		8,390,226	8,390,226
Loans to subsidiaries	A	17,322,291	17,322,291
Investment in subsidiaries		25,712,517	25,712,517
Impairment losses		(1,813,047)	(1,790,843)
		23,899,470	23,921,674

Note A

Based on terms of the transaction, the loans to subsidiaries would be repaid at the discretion of the respective subsidiaries. The Company has classified these loans as investment in subsidiaries as these loans are in substance the Company's investment in subsidiaries.

Impairment losses

The Company assesses at each balance sheet date whether there is any objective evidence that investments in subsidiaries are impaired and determines the amount of impairment losses based on the recoverable amounts of the subsidiaries. The financial health of and near-term business outlook for the subsidiaries, including factors such as, market rates of return on investments, foreign exchange rates, industry performance, business strategy of the subsidiaries and operating cash flows to be generated from the provision of services are considered. The assumptions, risks and uncertainties are inherent in the application of accounting estimates. If business conditions were different, or if different assumptions were used in the application of these accounting estimates, it is likely that materially different amounts could be reported in the financial statements.

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. Based on management's assessment, the Company recognised an impairment loss of $22,204 (2021: $30,000) on its investments in a subsidiary because of the continued operating losses. In the financial year ended 31 March 2021, an impairment loss of $128,259 was reversed on another subsidiary, following an improvement in its financial position. The management assessed the recoverable amount of these subsidiaries based on fair value less cost of disposal. The fair value less cost of disposal was determined based on recoverability of the subsidiaries' underlying assets and liabilities, which comprised mainly monetary assets and monetary liabilities.

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

	Company 2022 $	Company 2021 $
At the beginning of the year	1,790,843	1,889,102
Impairment loss/(reversal of impairment loss)	22,204	(98,259)
At the end of the year	1,813,047	1,790,843

Notes to the Financial Statements

For the financial year ended 31 March 2022

13. SUBSIDIARIES (cont'd)

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

	Principal place of business/Country of Incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Held by the Company			
Econ Nursing Home Services (1987) Pte Ltd[1]	Singapore	100	100
Econ Medicare Centre Pte Ltd[1]	Singapore	100	100
Sunnyville Nursing Home (1996) Pte Ltd[1]	Singapore	100	100
Econ TCM Services Pte. Ltd.[1]	Singapore	100	100
Econ Careskill Training Centre (ECTC) Pte. Ltd.[4]	Singapore	100	100
Econ Ambulance Services Pte Ltd[4]	Singapore	100	100
Econ Health & Wellness Centre Pte. Ltd.[1]	Singapore	100	100
Econ Healthcare (M) Pte. Ltd.[1]	Singapore	100	100
Econ Healthcare (China) Pte. Ltd.[1]	Singapore	100	100
Caleb Care (Singapore) Pte. Ltd.[4]	Singapore	100	100
Held through Econ Healthcare (China) Pte. Ltd.			
Chongqing Yikang Bailingbang Eldercare Co., Ltd.[3]	China	60	60
Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd.	China	70	–
Held through Econ Healthcare (M) Pte. Ltd.			
Econ Medicare Centre and Nursing Home Sdn Bhd[2]	Malaysia	100	100
Econ Healthcare (M) Sdn Bhd[2]	Malaysia	70	70

[1] Audited by Ernst & Young LLP (Singapore)
[2] Audited by Baker Tilly Monteiro Heng (Malaysia)
[3] Audited by Ernst & Young Hua Ming LLP (Chengdu Branch, China)
[4] Audited by Anchorage Assurance (Singapore)

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For the financial year ended 31 March 2022

14. ASSOCIATE

	Group 2022 $	Group 2021 $
Interest in associate	53,098	–

Name of associate /Principal activity	Principal place of business/Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %	Voting rights held 2022 %	Voting rights held 2021 %
Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. Operation of a Nursing Home	China	20	20	20	20

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 Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd for the purpose of operating a nursing home in Chengdu, China. As at 31 March 2021, the associate has a registered capital of RMB5,000,000, which shall be paid-up before 31 January 2040. The Group injected capital of $83,000 into this associate during the financial year ended 31 March 2022.

The Group has significant influence via shareholders' agreement, and which requires any board resolution to be approved by a simple majority of the votes cast by the directors of Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. The Group is able to appoint and has appointed one out of five directors of the Board of the entity.

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

	Total $
Group	
2022	
Revenue	48,584
Loss for the year	(149,510)
Other comprehensive income	–
Total comprehensive income	(149,510)
Non-current assets	14,016
Current assets	663,535
Non-current liabilities	–
Current liabilities	(402,997)
Net assets	274,554
Carrying amount of interest in investee at end of the year	53,098

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For the financial year ended 31 March 2022

15. JOINT VENTURE

	Group 2022 $	Group 2021 $
Unquoted equity investment, net	–	–
Shareholder loan, net	–	–
	–	–
Share of loss of joint venture	–	–
Interest in joint venture	–	–
Group's interest in net assets of investee at beginning of the year	–	–
Share of total comprehensive income	–	4,591
Disposal	–	(4,591)
Carrying amount of interest in investee at end of the year	–	–

The Group has not recognised share of losses in relation to its interests in joint venture, because the Group has no obligation in respect of these losses.

Name of joint venture /Principal activity	Principal place of business/Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %	Voting rights held 2022 %	Voting rights held 2021 %
Econ Advance Renal Care Pte. Ltd. ("EARC") Provision of renal dialysis and related services	Singapore	–	–	–	–

On 30 September 2020, the Group transferred its shares in the joint venture, Econ Advance Renal Care Pte. Ltd., to immediate holding company for a consideration of $1 with a loss on disposal of $4,590.

In connection with the divestment, the Group entered into a shareholder loan transfer agreement with its immediate holding company on 31 December 2020 pursuant to which the obligation to repay the loan amounting to $375,000 was taken over. The loan was subsequently repaid by the immediate holding company in 2021.

The Group via a wholly-owned subsidiary – Econ Health & Wellness Centre Pte. Ltd., the previous joint venture partner, the previous joint venture company – Econ Advance Renal Care Pte. Ltd. ("EARC") and immediate holding company entered into a deed dated 21 January 2021 to release and discharge Econ Health & Wellness Centre Pte. Ltd. from the shareholders agreement relating to EARC.

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For the financial year ended 31 March 2022

16. DEFERRED TAX

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2022	2021	2022	2021
	$	$	$	$
Group				
Property, plant and equipment	–	–	656,960	689,920
Right-of-use assets and lease liabilities	(262,902)	(270,654)	–	–
Provisions	(24,402)	(25,184)	–	–
Tax loss and capital allowance carry-forwards	(145,982)	(60,749)	–	–
Deferred tax (assets)/liabilities	(433,286)	(356,587)	656,960	689,920
Set-off of tax	300,271	325,589	(300,271)	(325,589)
Net deferred tax (assets)/liabilities	(133,015)	(30,998)	356,689	364,331
Company				
Property, plant and equipment	–	–	55,096	69,265
Right-of-use assets and lease liabilities	(49,697)	(59,943)	–	–
Provisions	(10,675)	(12,118)	–	–
Deferred tax (assets)/liabilities	(60,372)	(72,061)	55,096	69,265
Set-off of tax	55,096	69,265	(55,096)	(69,265)
Net deferred tax assets	(5,276)	(2,796)	–	–

Movements in deferred tax balances

	As at 1 April 2020	Recognised in profit or loss (Note 8)	Exchange difference	As at 31 March 2021	Recognised in profit or loss (Note 8)	Exchange difference	As at 31 March 2022
	$	$	$	$	$	$	$
Group							
Property, plant and equipment	491,606	195,919	2,395	689,920	(29,491)	(3,468)	656,961
Right-of-use assets and lease liabilities	(116,058)	(155,366)	770	(270,654)	8,106	(355)	(262,903)
Provisions	(43,061)	17,877	–	(25,184)	782	–	(24,402)
Tax loss and capital allowance carry-forwards	(36,407)	(25,127)	785	(60,749)	(85,971)	738	(145,982)
	296,080	33,303	3,950	333,333	(106,574)	(3,085)	223,674

	As at 1 April 2020	Recognised in profit or loss	As at 31 March 2021	Recognised in profit or loss	As at 31 March 2022
	$	$	$	$	$
Company					
Property, plant and equipment	46,794	22,471	69,265	(14,169)	55,096
Right-of-use assets and lease liabilities	(55,970)	(3,973)	(59,943)	10,246	(49,697)
Provisions	(36,396)	24,278	(12,118)	1,443	(10,675)
	(45,572)	42,776	(2,796)	(2,480)	(5,276)

Notes to the Financial Statements

For the financial year ended 31 March 2022

16. DEFERRED TAX (cont'd)

Unrecognised deferred tax assets

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

	Group	
	2022	**2021**
	$	**$**
Deductible temporary differences	307,602	141,016
Tax losses	891,641	860,411
	1,199,243	1,001,427

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.

17. INVENTORIES

	Group	
	2022	**2021**
	$	**$**
Medical and general supplies	13,475	13,685

During the financial year ended 2022, cost of inventories recognised in profit or loss amounted to $98,695 (2021: $76,716).

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For the financial year ended 31 March 2022

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Trade receivables – third parties	1,590,407	1,668,712	–	–
Less: Impairment losses	(323,697)	(228,362)	–	–
	1,266,710	1,440,350	–	–
Trade amounts due from:				
– subsidiaries	–	–	2,118,055	1,244,379
Less: impairment losses	–	–	(355,722)	(355,722)
Total trade receivables	1,266,710	1,440,350	1,762,333	888,657
Receivables for operating subvention grants	1,206,140	817,591	–	–
Aggregate of trade receivables and receivables for operating subvention grants	2,472,850	2,257,941	1,762,333	888,657
Other government grant receivables	1,367,978	166,213	204,078	–
Other receivables	983,317	89,519	134,750	20,559
Staff advances	14,530	24,613	–	–
Deposits	2,003,026	1,301,926	766,159	762,989
Non-trade amounts due from subsidiaries	–	–	1,962,675	465,276
Less: impairment losses on non-trade amounts due from subsidiaries	–	–	(308,845)	(340,945)
	6,841,701	3,840,212	4,521,150	1,796,536
Prepayments	467,196	183,312	128,724	97,447
Prepaid listing expenses	–	336,516	–	336,516
Government grant receivables for Jobs Support Scheme	–	120,481	–	50,712
	7,308,897	4,480,521	4,649,874	2,281,211
Non-current	1,756,935	1,128,171	1,911,759	1,580,949
Current	5,551,962	3,352,350	2,738,115	700,262
	7,308,897	4,480,521	4,649,874	2,281,211

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Non-current amounts relate mainly to security deposits paid for leased premises. The security deposits are interest-free and are refundable at lease expiry or earlier termination of the lease.

The 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. The grant was recognised in profit or loss in 'other income' (Note 5) and the related wages and salaries for local employees were recognised in "staff costs".

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 29.

Notes to the Financial Statements

For the financial year ended 31 March 2022

19. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2022 $	2021 $	2022 $	2021 $
Cash at bank and in hand	26,034,901	16,029,379	13,282,839	5,097,007
Fixed deposits	67,068	65,227	–	–
Cash and short-term deposits in statements of financial position	26,101,969	16,094,606	13,282,839	5,097,007
Less: Fixed deposits with maturity more than 90 days at year end	(34,852)	(34,456)		
Less: Restricted fixed deposit	(32,216)	(30,771)		
Cash and cash equivalents in consolidated statement of cash flows	26,034,901	16,029,379		

The Group's effective interest rate relating to fixed deposits with financial institutions was Nil% (2021: 1.15%) per annum.

The restricted fixed deposit is placed in a financial institution by one of the subsidiaries as a performance guarantee required for the operation of a nursing home and interest bearing at 0.30% (2021: 0.30%) per annum.

20. PROVISION FOR RESTORATION COSTS

	Group		Company	
	2022 $	2021 $	2022 $	2021 $
At beginning of financial year	504,208	507,911	215,317	214,095
Provision made during the year	137,990	–	–	–
Provision reversed during the year	–	(6,781)	–	–
Utilised	(13,502)	–	–	–
Unwinding of discount	3,422	3,078	1,241	1,222
At the end of financial year	632,118	504,208	216,558	215,317

21. DEFERRED CAPITAL GRANTS

		Group	
	Note	2022 $	2021 $
At 1 April		276,625	245,906
Capital grants received during the year		1,505,330	72,537
Amortisation for the year	5	(178,124)	(41,818)
Exchange differences		2,363	–
At 31 March		1,606,194	276,625

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

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For the financial year ended 31 March 2022

22. LEASES

Leases as lessee

The Group leases office premise, office equipment, motor vehicles, staff apartments and properties for its nursing homes, physiotherapy services, health and wellness centres and TCM services. Office premise, five nursing home premises and staff accommodation of the Group with carrying amount $14,744,961 (2021: $17,768,790) are leased from the immediate holding company and affiliate companies. The rent rates were determined based on an independent valuation. The leases typically run for 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 staff accommodation for adherence to safe distancing measures as a result of the COVID-19 pandemic and ambulance vehicles. The lease typically runs for a period of less than one year and is a short-term lease. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Amounts recognised in profit or loss

	Group	
	2022	**2021**
	$	**$**
Interest expense on lease liabilities	1,167,417	987,820
Interest income from finance lease arrangements	(1,028)	(2,071)
Income from sub-leasing right-of-use assets presented in 'other income'	(38,382)	(41,532)
Expenses relating to short-term leases presented in 'staff costs'	247,074	224,760

Amounts recognised in consolidated statement of cash flows

	Group	
	2022	**2021**
	$	**$**
Total cash outflow for leases	5,723,145	5,397,918

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.

Notes to the Financial Statements

For the financial year ended 31 March 2022

22. LEASES (cont'd)

Leases as lessor

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

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 2022, the Group recognised interest income on finance lease receivables of $1,028 (2021: $2,071).

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

	Group	
	2022 $	2021 $
Within 1 year	18,360	36,720
1 to 5 years	–	18,360
Total undiscounted lease receivable	18,360	55,080
Unearned finance income	(152)	(1,180)
Net investment in the lease	18,208	53,900
Within 1 year	18,208	35,692
1 to 5 years	–	18,208
Total discounted lease receivable	18,208	53,900

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 2022 was $259,348 (2021: $224,233).

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

	Group	
	2022 $	2021 $
Within 1 year	1,556	262,200
1 to 5 years	–	1,556
	1,556	263,756

Notes to the Financial Statements

For the financial year ended 31 March 2022

22. LEASES (cont'd)

Leases as lessor (cont'd)

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 $659,474 (2021: $501,440) as disclosed in Note 5.

23. LEASE LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Non-current liabilities	35,747,894	23,676,666	2,247,101	3,973,120
Current liabilities	7,083,354	5,084,310	1,724,628	1,667,243
	42,831,248	28,760,976	3,971,729	5,640,363

The terms and conditions of lease liabilities are as follows:

	Currency	Nominal interest rate %	Year of maturity	Face value $	Carrying amount $
Group					
31 March 2022					
Lease liabilities	SGD	0.48% – 3.13%	2022 – 2034	35,091,100	32,467,574
	MYR	4.32% – 5.67%	2022 – 2039	3,944,430	2,551,986
	RMB	4.90%	2039 – 2040	11,827,941	7,811,688
				50,863,471	42,831,248
31 March 2021					
Lease liabilities	SGD	2.07% – 3.13%	2021 – 2034	26,884,301	24,192,695
	MYR	4.92% – 5.67%	2022 – 2039	5,126,474	3,513,623
	RMB	4.90%	2039	1,615,093	1,054,658
				33,625,868	28,760,976
Company					
31 March 2022					
Lease liabilities	SGD	2.07% – 3.01%	2026	4,100,700	3,971,729
31 March 2021					
Lease liabilities	SGD	2.07% – 3.01%	2026	5,869,375	5,640,363

Notes to the Financial Statements

For the financial year ended 31 March 2022

24. LOANS AND BORROWINGS

	Group 2022 $	Group 2021 $
Non-current liabilities		
Unsecured bank loans	717,935	–
Secured bank loans	2,429,509	4,535,714
	3,147,444	4,535,714
Current liabilities		
Unsecured bank loans	3,484,843	–
Secured bank loans	478,253	5,825,466
Overdraft	34,343	–
	3,997,439	5,825,466
Total loans and borrowings	7,144,883	10,361,180

These loans and borrowings have externally imposed capital requirements on the Group which have been complied with for the financial years ended 31 March 2022 and 2021.

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

The terms and conditions of outstanding loans and borrowings are as follows:

	Note	Currency	Nominal interest rate %	Year of maturity	Face value $	Carrying amount $
31 March 2022						
Group						
Unsecured bank loans	A	SGD	SIBOR + 2%	2023	1,948,680	1,948,680
Secured bank loans	B	MYR	Base lending rate – 1.25%	2027	2,907,762	2,907,762
Unsecured revolving credit	C	MYR	Cost of funds + 1.50%	2022	2,254,098	2,254,098
Overdraft	B	MYR	Base lending rate – 1.25%	2022	34,343	34,343
					7,144,883	7,144,883
31 March 2021						
Group						
Secured bank loans	A	SGD	SIBOR + 2%	2023	3,082,565	3,082,565
Secured advance facility	A	SGD	SIBOR + 2%	2021	2,003,800	2,003,800
Secured bank loans	B	MYR	Base lending rate – 1.25%	2027	3,100,683	3,100,683
Secured revolving credit	C	MYR	Cost of funds + 1.50%	2021	2,174,132	2,174,132
					10,361,180	10,361,180

Notes to the Financial Statements

For the financial year ended 31 March 2022

24. LOANS AND BORROWINGS (cont'd)

(A) As at 31 March 2021, the bank loan was 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 $17,477,871 and an affiliated company's investment properties with a carrying value of $4,208,000. Affiliated company is the company controlled by the common directors. Pursuant to a deed of release dated 24 March 2021 provided by the bank, the corporate guarantee and personal guarantees from the directors of the Company and subsidiaries have been discharged on 9 April 2021. Mortgages over aforementioned freehold land, buildings and investment properties have been discharged on 9 April 2021.

(B) The bank loan and overdraft is secured by corporate guarantee from the Company and immediate holding company and on the Group's freehold land and building amounting to $9,239,547 (2021: $9,502,764) (Note 10). Pursuant to deed of release dated 15 March 2021 between immediate holding company and the bank, the corporate guarantee provided by the immediate holding company has been discharged.

(C) The bank loan is secured by corporate guarantee from immediate holding company and the Company. Pursuant to a deed of release dated 4 March 2021 between immediate holding company and the bank, the corporate guarantee provided by immediate holding company has been discharged on 19 April 2021.

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

		Liabilities				
	Note	Amount due to immediate holding company $	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						
Proceed from borrowings		–	2,360,163	–	–	2,360,163
Repayment of borrowings		–	(1,553,806)	–	–	(1,553,806)
Payment of lease liabilities		–	–	(4,462,626)	–	(4,462,626)
Interest paid		–	–	(935,292)	(351,138)	(1,286,430)
Total changes from financing cash flows		–	806,357	(5,397,918)	(351,138)	(4,942,699)
The effect of change in foreign exchange rates		–	(83,098)	(132,598)	–	(215,696)
Liability-related other changes						
New leases	11	–	–	396,964	–	396,964
Lease modification	11	–	–	3,009,370	–	3,009,370
Set-off against non-trade amount due from immediate						
holding company		(698,086)	–	–	–	(698,086)
Rent concessions	5, 22	–	–	(501,440)	–	(501,440)
Interest expense	6	–	–	987,820	362,195	1,350,015
Total liability-related other changes		(698,086)	–	3,892,714	362,195	3,556,823
Balance at 31 March 2021		–	10,361,180	28,760,976	21,062	39,143,218

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24. LOANS AND BORROWINGS (cont'd)

	Note	Liabilities				
		Amount due to immediate holding company	Secured bank loans and revolving credit	Lease liabilities	Interest payable	Total
		$	$	$	$	$
Balance at 1 April 2021		–	10,361,180	28,760,976	21,062	39,143,218
Changes from financing cash flows						
Proceed from borrowings		–	130,020	–	–	130,020
Repayment of borrowings		–	(3,306,272)	–	–	(3,306,272)
Payment of lease liabilities		–	–	(4,880,806)	–	(4,880,806)
Interest paid		–	–	(842,339)	(278,801)	(1,121,140)
Total changes from financing cash flows		–	(3,176,252)	(5,723,145)	(278,801)	(9,178,198)
The effect of change in foreign exchange rates		–	(40,045)	(154,112)	–	(194,157)
Liability-related other changes						
New leases	11	–	–	20,015,064	–	20,015,064
Lease modification	11	–	–	47,652	–	47,652
Derecognition	11	–	–	(623,130)	–	(623,130)
Rent concessions	5, 22	–	–	(659,474)	–	(659,474)
Interest expense	6	–	–	1,167,417	262,171	1,429,588
Total liability-related other changes		–	–	19,947,529	262,171	20,209,700
Balance at 31 March 2022		–	7,144,883	42,831,248	4,432	49,980,563

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25. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Trade payables				
– third parties	905,948	745,886	–	–
– subsidiaries	–	–	–	524,355
	905,948	745,886	–	524,355
Non-trade amount due to subsidiaries	–	–	2,548,237	7,570,078
Accrued operating expenses	3,603,952	1,533,407	940,987	489,371
Interest payables	4,432	21,062	–	–
Other payables	473,108	279,699	164,677	19,600
Payables to suppliers of property, plant and equipment	1,237,732	642,087	330,278	330,278
Refundable deposits	1,422,232	1,469,784	–	–
Accrued listing expenses	–	817,120	–	817,120
Financial liabilities at amortised cost	7,647,404	5,509,045	3,984,179	9,750,802
Deferred grant income	3,308,896	252,509	–	87,771
Liability for short-term accumulated compensated absences	147,312	156,176	62,790	71,283
Home fees collected in advance	147,418	60,032	–	–
	11,251,030	5,977,762	4,046,969	9,909,856

Non-trade amounts due to subsidiaries are unsecured, interest-free, repayable on demand in cash.

As at 31 March 2022, deferred grant income includes pre-operations funding for nursing home services that is provided to the Group to facilitate the ramping up of new nursing home operations. As at 31 March 2021, deferred grant income includes grant under Jobs Support Scheme.

The Group's exposures to currency risk and liquidity risk related to trade and other payables are disclosed in Note 29.

Notes to the Financial Statements

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26. SHARE CAPITAL

	Number of shares		Amount	
	2022	2021	2022	2021
			$	$
Group and Company				
Issued and fully paid ordinary shares, at par value:				
At beginning of period	207,000,000	15,000,000	15,000,000	15,000,000
Shares arising from share split	–	192,000,000	–	–
Shares issued pursuant to initial public offering	50,000,000	–	13,254,576*	–
At the end of period	257,000,000	207,000,000	28,254,576	15,000,000

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

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Share spilt

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").

Initial public offering

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

27. RESERVES

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Merger reserve

Merger reserve represents reserve arising from the business combinations under common control.

28. NON-CONTROLLING INTERESTS

Names of subsidiaries	Principal places of business/Country of incorporation	Ownership interests held by NCI	
		2022	2021
		%	%
Econ Healthcare (M) Sdn Bhd	Malaysia	30	30
Chongqing Yikang Bailingbang Eldercare Co., Ltd.	China	40	40
Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd.	China	30	–

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.

Notes to the Financial Statements

For the financial year ended 31 March 2022

28. NON-CONTROLLING INTERESTS (cont'd)

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

28. NON-CONTROLLING INTERESTS (cont'd)

	Econ Healthcare (M) Sdn Bhd $	Chongqing Yikang Bailingbang Eldercare Co., Ltd. $	Total $
Group			
2021			
Revenue	110,441	–	110,441
Loss for the year	(654,554)	(331,798)	(986,352)
Other comprehensive income	81,744	40,374	122,118
Total comprehensive income	(572,810)	(291,424)	(864,234)
Attributable to NCI			
– Loss	(196,366)	(132,719)	(329,085)
– OCI	24,523	16,150	40,673
– Total comprehensive income	(171,843)	(116,569)	(288,412)
Non-current assets	2,306,048	2,242,670	4,548,718
Current assets	495,498	1,174,872	1,670,370
Non-current liabilities	–	(1,020,235)	(1,020,235)
Current liabilities	(3,775,326)	(382,715)	(4,158,041)
Net (liabilities)/assets	(973,780)	2,014,592	1,040,812
Net (liabilities)/assets attributable to NCI	(292,134)	805,957	513,823
Cash flows (used in)/ generated from operating activities	(372,465)	178,879	(193,586)
Cash flows used in investing activities	(501,223)	(1,391,854)	(1,893,077)
Cash flows from financing activities	1,331,235	2,339,947	3,671,182
Net increase in cash and cash equivalents	457,547	1,126,972	1,584,519

Notes to the Financial Statements

For the financial year ended 31 March 2022

29. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and process for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all the employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations to the Group, as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Judgement is involved in determining whether credit risk of a financial asset has increased significantly since initial recognition and estimations are involved when determining expected credit losses. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates.

Financial assets measured at amortised cost

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. To minimise the risk of bad debts, residents are generally requested to place an initial deposit at the time of admission to the nursing home.

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of 10 to 30 days. In monitoring residents credit risk, residents are grouped according to their credit characteristics, including trade history with the Group, aging profile and existence of previous financial difficulties.

Notes to the Financial Statements

For the financial year ended 31 March 2022

29. FINANCIAL RISK MANAGEMENT (cont'd)

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

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables (excluding prepayments, prepaid listing expenses and government grant receivables for Jobs Support Scheme) at the reporting date by geographical segment was as follows:

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Singapore	6,205,514	3,211,383	4,521,150	1,796,536
Malaysia	252,399	619,944	–	–
China	383,788	8,885	–	–
	6,841,701	3,840,212	4,521,150	1,796,536

The maximum exposure to credit risk for trade and other receivables, excluding prepayments, prepaid listing expenses and government grant receivables for Jobs Support Scheme at the reporting date by customer type was:

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Group				
Individuals	1,121,602	1,299,085	–	–
Corporations	2,148,134	1,443,191	766,159	762,989
Government and government agencies	3,535,290	983,804	204,078	–
Subsidiaries	–	–	3,416,163	1,012,988
Others	36,675	114,132	134,750	20,559
	6,841,701	3,840,212	4,521,150	1,796,536

The maximum exposure to credit risk for trade and other receivables, excluding prepayments, prepaid listing expenses and government grant receivables for Jobs Support Scheme at the reporting date by operating segment was:

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Group				
Medicare centres and nursing homes	5,468,618	2,883,080	–	–
Other operation and ancillary services	1,373,083	957,132	4,521,150	1,796,536
	6,841,701	3,840,212	4,521,150	1,796,536

Notes to the Financial Statements

For the financial year ended 31 March 2022

29. FINANCIAL RISK MANAGEMENT (cont'd)

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

The ageing of trade and other receivables, excluding prepayments, prepaid listing expenses and government grant receivables for Jobs Support Scheme at the reporting date was:

	2022		2021	
	Not credit-impaired $	Credit-impaired $	Not credit-impaired $	Credit-impaired $
Group				
No credit terms	5,574,991	–	2,399,861	–
Not past due	645,558	–	658,432	–
Past due 1 – 30 days	200,548	–	269,171	2,085
Past due 31 – 180 days	371,252	2,572	481,427	8,160
Past due 181 – 365 days	77,685	31,744	48,644	8,245
More than one year	4,486	256,562	6,331	186,218
Total gross carrying amount	6,874,520	290,878	3,863,866	204,708
Loss allowance	(32,819)	(290,878)	(23,654)	(204,708)
	6,841,701	–	3,840,212	–
Company				
No credit terms	2,758,817	308,845	907,879	340,945
Not past due	203,876	–	837,083	–
Past due 1 – 30 days	126,384	–	–	15,087
Past due 31 – 180 days	437,715	–	51,574	23,861
Past due 181 – 365 days	942,784	–	–	90,522
More than one year	51,574	355,722	–	226,252
Total gross carrying amount	4,521,150	664,567	1,796,536	696,667
Loss allowance	–	(664,567)	–	(696,667)
	4,521,150	–	1,796,536	–

Expected credit loss assessment for third parties trade receivables

The Group uses specific approach together with an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are based on actual credit loss experience over the past three years. The Group assessed that the past credit loss experience reflects the credit risk exposure of the Group.

These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. These scalar factors are calculated using statistical models that determine numeric co-relation of loss rates with relevant economic variables.

Notes to the Financial Statements

For the financial year ended 31 March 2022

29. FINANCIAL RISK MANAGEMENT (cont'd)

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

Expected credit loss assessment for third parties trade receivables (cont'd)

The following table provides information about the exposure to credit risk and ECLs for third party trade receivables:

	Weighted average loss rate %	Gross $	Impairment losses $
Group			
31 March 2022			
Not past due	0.11%	645,558	(703)
Past due 1 – 30 days	1.73%	200,548	(3,472)
Past due 31 – 180 days	2.31%	373,824	(8,623)
Past due 181 – 365 days	48.01%	109,429	(52,532)
More than one year	98.97%	261,048	(258,367)
		1,590,407	(323,697)
31 March 2021			
Not past due	0.25%	658,432	(1,647)
Past due 1 – 30 days	1.47%	271,256	(3,986)
Past due 31 – 180 days	4.02%	489,587	(19,666)
Past due 181 – 365 days	18.48%	56,888	(10,514)
More than one year	100.00%	192,549	(192,549)
		1,668,712	(228,362)

Movements in allowance for impairment in respect of trade receivables

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

	Group	
	2022 $	**2021** $
At 1 April	228,362	233,922
Impairment loss recognised	100,757	13,955
Utilised	(5,422)	(19,515)
At 31 March	323,697	228,362

Cash and bank balances

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

Receivables for operating subvention grants, other government grant receivables, staff advances, other receivables, finance lease receivables and deposits

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Group and Company consider that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant.

Notes to the Financial Statements

For the financial year ended 31 March 2022

29. FINANCIAL RISK MANAGEMENT (cont'd)

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

Trade amounts due from subsidiaries – Company

Based on the Company's historical experience in the collection of trade amounts due from subsidiaries, no credit loss was incurred except for a subsidiary for which credit risk has increased significantly due to deficiency in working capital and equity. The management assessed specifically the probability of recovery to those balances and recognised the differences as impairment loss.

	Company Lifetime ECL – credit impaired	
	2022 **$**	**2021** **$**
At 1 April	355,722	226,252
Impairment loss recognised	–	129,470
At 31 March	355,722	355,722

Non-trade amounts due from subsidiaries – Company

Non-trade amounts extended to subsidiaries are to satisfy its funding requirements. The loss allowance was measured at an amount equal to 12-month ECLs unless the credit risk has increased significantly and for such receivables, the loss allowance was measured at an amount equal to lifetime expected credit losses. The management assessed specifically the probability of recovery to these balances and recognised the difference as impairment loss.

	Company Lifetime ECL – credit impaired	
	2022 **$**	**2021** **$**
At 1 April	340,945	50,000
Impairment loss (reversed)/recognised	(32,100)	290,945
At 31 March	308,845	340,945

Notes to the Financial Statements

For the financial year ended 31 March 2022

29. FINANCIAL RISK MANAGEMENT (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group monitors its liquidity risk and maintains a level of cash and short-term deposits deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group is confident that the cash flows generated from its operations will continue to be adequate and that it has sufficient funds arising from net proceeds from the offering for its operational needs.

The following are the expected contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

			Cash flows		
	Carrying amount $	Contractual cash flows $	Within 1 year $	1 to 5 years $	More than 5 years $
Group					
31 March 2022					
Non-derivative financial liabilities					
Loans and borrowings	7,144,883	(7,571,427)	(4,166,421)	(3,104,977)	(300,029)
Lease liabilities	42,831,248	(50,863,471)	(8,671,205)	(26,912,684)	(15,279,582)
Trade and other payables*	7,647,404	(7,647,404)	(7,647,404)	–	–
	57,623,535	(66,082,302)	(20,485,030)	(30,017,661)	(15,579,611)
31 March 2021					
Non-derivative financial liabilities					
Loans and borrowings	10,361,180	(11,503,223)	(6,039,539)	(4,871,542)	(592,142)
Lease liabilities	28,760,976	(33,625,868)	(5,934,143)	(17,326,468)	(10,365,257)
Trade and other payables*	5,509,045	(5,509,045)	(5,509,045)	–	–
	44,631,201	(50,638,136)	(17,482,727)	(22,198,010)	(10,957,399)
Company					
31 March 2022					
Non-derivative financial liabilities					
Lease liabilities	3,971,729	(4,100,700)	(1,792,752)	(2,307,948)	–
Trade and other payables*	3,984,179	(3,984,179)	(3,984,179)	–	–
	7,955,908	(8,084,879)	(5,776,931)	(2,307,948)	–
31 March 2021					
Non-derivative financial liabilities					
Lease liabilities	5,640,363	(5,869,375)	(1,766,397)	(4,102,978)	–
Trade and other payables*	9,750,802	(9,750,802)	(9,750,802)	–	–
	15,391,165	(15,620,177)	(11,517,199)	(4,102,978)	–

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

29. FINANCIAL RISK MANAGEMENT (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing financial liabilities. The Group's objective is to maintain a balance of fixed and floating rate borrowings as well as a balanced maturity period.

The Group does not hedge its exposure to changes in interest rates on interest-bearing borrowings.

	Nominal amount	
	2022	**2021**
	$	**$**
Group		
Fixed rate instruments		
Fixed deposits	67,068	65,227
Finance lease receivables	18,208	53,900
Lease liabilities	(42,831,248)	(28,760,976)
	(42,745,972)	(28,641,849)
Variable rate instruments		
Loans and borrowings	(7,144,883)	(10,361,180)
Company		
Fixed rate instruments		
Lease liabilities	(3,971,729)	(5,640,363)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flows sensitivity analysis for variable rate instruments

At the end of the reporting period, if interest rates had been 200 (2021: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $142,898 (2021: $103,612) higher/lower.

Foreign currency risk

The Group has minimal exposure to foreign currency risks as transactions are mainly denominated in the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Singapore Dollar, Malaysian Ringgit and Chinese Renminbi.

Notes to the Financial Statements

For the financial year ended 31 March 2022

29. FINANCIAL RISK MANAGEMENT (cont'd)

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

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 $
Group				
31 March 2022				
Financial assets not measured at fair value				
Cash and short-term deposits	19	26,101,969	–	26,101,969
Trade and other receivables^	18	6,841,701	–	6,841,701
		32,943,670	–	32,943,670
Financial liabilities not measured at fair value				
Loans and borrowings	24	–	(7,144,883)	(7,144,883)
Trade and other payables*	25	–	(7,647,404)	(7,647,404)
		–	(14,792,287)	(14,792,287)
31 March 2021				
Financial assets not measured at fair value				
Cash and short-term deposits	19	16,094,606	–	16,094,606
Trade and other receivables^	18	3,840,212	–	3,840,212
		19,934,818	–	19,934,818
Financial liabilities not measured at fair value				
Loans and borrowings	24	–	(10,361,180)	(10,361,180)
Trade and other payables*	25	–	(5,509,045)	(5,509,045)
		–	(15,870,225)	(15,870,225)
Company				
31 March 2022				
Financial assets not measured at fair value				
Cash and short-term deposits	19	13,282,839	–	13,282,839
Trade and other receivables^	18	4,521,150	–	4,521,150
		17,803,989	–	17,803,989
Financial liabilities not measured at fair value				
Trade and other payables*	25	–	(3,984,179)	(3,984,179)
31 March 2021				
Financial assets not measured at fair value				
Cash and short-term deposits	19	5,097,007	–	5,097,007
Trade and other receivables^	18	1,796,536	–	1,796,536
		6,893,543	–	6,893,543
Financial liabilities not measured at fair value				
Trade and other payables*	25	–	(9,750,802)	(9,750,802)

^ Excludes prepayments, prepaid listing expenses and government grant receivables for Jobs Support Scheme.
* Excludes home fees collected in advance, liability for short-term accumulated compensated absences and deferred grant income.

Notes to the Financial Statements

For the financial year ended 31 March 2022

29. FINANCIAL RISK MANAGEMENT (cont'd)

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

Accounting classifications and fair values (cont'd)

Measurement of fair values

Other financial assets and liabilities

The notional amount of financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity. For non-current trade and other receivables, the carrying amounts are reasonable approximation of fair values as the consideration of time value of money is not material.

Loans and borrowings

The notional amount of bank loans are assumed to approximate their fair values because of the floating interest rates.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the assets or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assets not carried at fair value but for which fair values are disclosed

The table below analyses assets not carried at fair value, but for which fair values are disclosed.

	Level 1 $	Level 2 $	Level 3 $	Total $
Group				
31 March 2022				
Investment property	–	–	8,082,000	8,082,000
31 March 2021				
Investment property	–	–	8,112,000	8,112,000

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 using direct comparison method. It is an estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Due adjustments for difference between the properties and the comparables in terms of location, tenure, size, shape, floor level, age and conditions of properties and date of transactions affecting its value were made in arriving the fair value of investment property.

Notes to the Financial Statements

For the financial year ended 31 March 2022

30. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group considers the amount of equity attributable to the owners of the Company as capital. The Board of Directors monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a net debt to equity ratio, which is "net debt" divided by "equity". For this purpose, net debt is defined as total liabilities (as shown in the statement of financial position) less cash and short-term deposits. Equity comprises all components of equity.

	Group	
	2022	**2021**
	$	**$**
Total liabilities	64,798,157	47,424,399
Less: cash and short-term deposits	(26,101,969)	(16,094,606)
Net debt	38,696,188	31,329,793
Total equity	35,940,658	25,229,691
Net debt to equity ratio	1.08	1.24

No changes were made in the objectives, policies or processes during the years ended 31 March 2022 and 2021.

As disclosed in Note 24, there are loans and borrowings that have externally imposed capital requirements on the Group which have been complied with for the financial years ended 31 March 2022 and 2021.

Notes to the Financial Statements

For the financial year ended 31 March 2022

31. FINANCIAL GUARANTEES

Bank loans taken up by ultimate holding company, immediate holding company and a subsidiary and hire purchase facility taken up by joint venture have been guaranteed by the Group and/or the Company.

There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and certainty of the Group's and the Company's future cash flows. Estimates of the Group's and the Company's obligations arising from financial guarantee contracts may be affected by future events, which cannot be predicted with certainty. The assumptions made may vary from actual experience so that the actual liability may vary considerably from the best estimates.

The maximum exposure of the Group and Company in respect of the inter-group financial guarantee for the facilities drawn down by immediate holding, ultimate holding company, subsidiary and joint venture at the reporting date is as follows:

	2022 $	2021 $
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
- Term loan	–	20,160,000
Outstanding amount		
- Non-revolving fixed advance facility	–	10,935,683
- Term loan	–	11,531,520
Bank loan guaranteed by the Company in respect of facilities drawn down by a subsidiary		
Facility amount		
- Term loan and overdraft^	5,570,842	5,613,591
- Revolving credit#	2,254,098	2,271,395
Outstanding amount		
- Term loan and overdraft^	2,942,105	3,100,683
- Revolving credit#	2,254,098	2,174,132

The maximum amount of financial guarantees of the Company could be called in one year or less as the guarantee could be called upon a trigger event of default.

* As at 31 March 2021, the bank loans are secured by the immediate holding company's freehold land and building with a carrying value of $17,477,871, an affiliated company's investment properties with a carrying value of $4,208,000. Pursuant to deed of release dated 24 March 2021 provided by the bank, the corporate guarantees provided by the Group were discharged on 9 April 2021.

^ The bank loans were secured by corporate guarantee from the Company and immediate holding company and on the Group's freehold land and building amounting to $9,239,547 (2021: $9,502,764) (Note 10). Pursuant to deed of release dated 15 March 2021 between immediate holding company and the bank, the corporate guarantee provided by the immediate holding company has been discharged. See Note 24 for details.

The bank loan is secured by corporate guarantee from immediate holding company and the Company. Pursuant to a deed of release dated 4 March 2021 between immediate holding company and the bank, the corporate guarantee provided by immediate holding company has been discharged on 19 April 2021. See Note 24 for details.

At the reporting date, the Group and Company do not consider it probable that a claim will be made against the Company under the financial guarantees.

Notes to the Financial Statements

For the financial year ended 31 March 2022

32. RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors and senior management team are considered as key management personnel.

	Group	
	2022	**2021**
	$	**$**
Post-employment benefits	52,619	47,495
Non-monetary benefit	26,564	13,978
Short term employee benefits including director fees	1,124,792	959,634
	1,203,975	1,021,107

Key management personnel compensation

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 2021 and 2022.

Other related party transactions

On terms agreed between the parties, other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	Group	
	2022	**2021**
	$	**$**
Ultimate holding company		
Payment made on behalf	(10,751)	–
Immediate holding company		
Payment made on behalf	–	(2,513)
Related corporations*		
Pharmacy, medical and administrative expenses	–	36,561
Course fee income	–	(1,500)
Management fee income	(23,400)	(338,500)
Payment made on behalf	(1,300)	(30,078)

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

Notes to the Financial Statements

For the financial year ended 31 March 2022

33. OPERATING SEGMENTS

The Group has two (2) reportable segments, as described below, which are the Group's strategic business units. The strategic businesses are managed separately because they require different operation needs and marketing strategies. For each operating segment, the Group's Chief Executive Officer (the chief operating decision maker) reviews the internal management reports on a monthly basis.

For the purpose of financial reporting, the following summary describes the operations in each of the Group's reportable segments:

- Medicare centres and nursing homes : Include provision of residential nursing care services, home care services, physiotherapy and rehabilitation services, clinical services and TCM treatments in medicare centres and nursing homes.

- Other operation and ancillary services : Include provision of management services, course fees, the offering of TCM services at our TCM clinics and other ancillary services.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2022

33. OPERATING SEGMENTS (cont'd)

Information about reportable segments

	Medicare centres and nursing homes $	Other operation and ancillary services $	Eliminations $	Total $
Group				
2022				
Revenue				
External revenue	38,091,695	813,428	–	38,905,123
Inter-segment revenue	–	8,208,209	(8,208,209)	–
Results:				
Segment results	5,032,129	746,831	(12,784)	5,766,176
Finance income	1,990	1,029	–	3,019
Finance costs	(1,507,198)	(113,301)	157,249	(1,463,250)
Share of results of associate	–	–	–	(29,902)
Unallocated expenses: Listing expenses	–	–	–	(60,891)
Unallocated expenses: Loss on investment in unquoted securities	–	–	–	(3,354,476)
Profit before tax	3,526,921	634,559	144,465	860,676
Assets:				
Segment assets	85,624,098	69,718,861	(54,967,385)	100,375,574
Tax assets	353,754	9,487	–	363,241
Total assets	85,977,852	69,728,348	(54,967,385)	100,738,815
Liabilities:				
Segment liabilities	81,556,867	36,400,012	(54,491,406)	63,465,473
Tax liabilities	1,271,962	60,722	–	1,332,684
Total liabilities	82,828,829	36,460,734	(54,491,406)	64,798,157
Capital expenditure	3,177,363	48,240	–	3,225,603
Significant non-cash items				
Depreciation of property, plant and equipment	1,194,853	184,455	–	1,379,308
Depreciation of right-of-use assets	4,209,227	1,805,069	–	6,014,296
Amortisation of deferred capital grant	(175,436)	(2,688)	–	(178,124)
Impairment losses on trade receivables	100,757	–	–	100,757

Notes to the Financial Statements

For the financial year ended 31 March 2022

33. OPERATING SEGMENTS (cont'd)

Information about reportable segments *(cont'd)*

	Medicare centres and nursing homes $	Other operation and ancillary services $	Eliminations $	Total $
Group				
2021				
Revenue				
External revenue	36,589,068	1,071,248	–	37,660,316
Inter-segment revenue	–	7,322,368	(7,322,368)	–
Results:				
Segment results	7,677,103	1,962,094	182,657	9,821,854
Finance income	17,047	2,071	–	19,118
Finance costs	(1,583,405)	(168,412)	380,015	(1,371,802)
Share of results of joint venture	–	4,591	–	4,591
Unallocated expenses: Listing expenses	–	–	–	(1,647,254)
Profit before tax	6,110,745	1,800,344	562,672	6,826,507
Assets:				
Segment assets	69,539,919	58,354,792	(55,804,029)	72,090,682
Tax assets	178,860	48,032	–	226,892
Unallocated assets: Prepaid listing expenses	–	–	–	336,516
Total assets	69,718,779	58,402,824	(55,804,029)	72,654,090
Liabilities:				
Segment liabilities	60,661,833	41,980,540	(57,578,742)	45,063,631
Tax liabilities	1,464,124	79,524	–	1,543,648
Unallocated liabilities: Accrued listing expenses	–	–	–	817,120
Total liabilities	62,125,957	42,060,064	(57,578,742)	47,424,399
Capital expenditure	2,646,190	106,622	–	2,752,812
Significant non-cash items				
Depreciation of property, plant and equipment	884,856	238,302	–	1,123,158
Depreciation of right-of-use assets	3,404,694	1,769,732	–	5,174,426
Amortisation of deferred capital grant	(40,474)	(1,344)	–	(41,818)
Impairment losses on property, plant and equipment	–	61,599	–	61,599
(Reversal) of impairment losses on trade receivables	(84,156)	–	98,111	13,955

Notes to the Financial Statements

For the financial year ended 31 March 2022

33. OPERATING SEGMENTS (cont'd)

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 and in China. The Group invested into operation of nursing homes in China and one of the nursing homes has commenced its operation in May 2021 after receipt of the necessary licences and approvals.

In presenting the information on the basis of geographical segments, segment aggregate revenue is based on the geographical location of the customers and segment assets are based on the geographical location of the assets.

	Group	
	2022	**2021**
	$	**$**
Revenue		
Singapore	33,771,272	32,772,475
Malaysia	4,768,450	5,136,641
China	365,401	–
	38,905,123	37,909,116
Non-current assets[(1)]		
Singapore	36,223,472	26,778,241
Malaysia	22,301,480	23,918,921
China	10,165,008	2,233,703
	68,689,960	52,930,865

(1) Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment property, non-current trade and other receivables, and non-current finance lease receivables.

Notes to the Financial Statements

For the financial year ended 31 March 2022

34. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2022	**2021**
	$	**$**
Property, plant and equipment	3,296,805	991,257

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

35. DIVIDENDS

	Group and Company	
	2022	**2021**
	$	**$**
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final exempt (one-tier) dividend for 2021 of 78 cents per share	2,004,600	–
– Interim exempt (one-tier) dividend for 2022 of 22 cents per share	565,400	–
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final exempt (one-tier) dividend for 2022: Nil cents (2021: 78 cent) per share	–	2,004,600

36. COMPARATIVE FIGURES

The financial statements for the financial year ended 31 March 2021 were audited by another firm of Chartered Public Accountants.

Notes to the Financial Statements

For the financial year ended 31 March 2022

37. RECLASSIFICATIONS

Certain amounts in the financial statements for the financial year ended 31 March 2021 have been reclassified for the following reasons:

Income statement	Previously reported for the financial year ended 31 March 2021	Reclassifications	As reported for the financial year ended 31 March 2021
	$	$	$
Revenue	20,378,463	17,281,853	37,660,316
Operating subvention grants (Note A)	17,530,653	(17,530,653)	–
Other income (Note B)	6,219,030	248,800	6,467,830
Other income	6,219,030	248,800	6,467,830

Note A

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

In previous financial year ended 31 March 2021, the Group presented "Operating subvention grants" and "Revenue" as two separate line items on the face of consolidated income statement.

During current financial year, the Group reclassified operating subvention grants of $17,530,653 into "Revenue" line item and the amount of operating subvention grant is disclosed in Note 4. Hence, comparative amounts in the consolidated income statement were reclassified accordingly.

Note B

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

In previous financial year ended 31 March 2021, rental subvention grant of $248,800 was classified under the "Operating subvention grants" line item. During current financial year, the Group reclassified rental subvention grant of $248,800 from "Operating subvention grants" to "Other income" as rental subvention grant is not revenue in nature. Hence, comparative amounts in the consolidated income statement were reclassified accordingly.

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 1 July 2022.

Statistics of Shareholdings

As at 21 June 2022

Class of Share	:	Ordinary share
No. of Shares (excluding treasury shares and subsidiary holdings)	:	257,000,000
Voting rights	:	One vote per share
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	226	13.09	214,900	0.08
1,001 – 10,000	1,004	58.17	3,276,800	1.28
10,001 – 1,000,000	490	28.39	26,286,600	10.23
1,000,001 and above	6	0.35	227,221,700	88.41
Total	**1,726**	**100.00**	**257,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	ECON Healthcare Pte Ltd	207,000,000	80.54
2	DBS Nominees (Private) Limited	13,597,500	5.29
3	BPSS Nominees Singapore (Pte.) Ltd.	2,678,000	1.04
4	Tiger Brokers (Singapore) Pte. Ltd.	1,698,800	0.66
5	iFAST Financial Pte. Ltd.	1,156,800	0.45
6	Phillip Securities Pte Ltd	1,090,600	0.42
7	Chong Ngiet Fah	1,000,000	0.39
8	Maybank Securities Pte. Ltd.	779,000	0.30
9	OCBC Securities Private Limited	758,000	0.29
10	Raffles Nominees (Pte.) Limited	579,800	0.23
11	Lam Mee Lian	516,600	0.20
12	Tan Sien Chuan	500,000	0.19
13	Citibank Nominees Singapore Pte Ltd	485,700	0.19
14	Ng Poh Mui	450,000	0.18
15	Sim Siang Eng	445,900	0.17
16	Chua Leong Hai @ Chua Leang Hai	420,000	0.16
17	Lee Cheow Yin	400,000	0.16
18	Rachel Kor Mei Hui	300,000	0.12
19	UOB Kay Hian Private Limited	234,000	0.09
20	Tan Keh Joo	231,800	0.09
	Total	**234,322,500**	**91.16**

Statistics of Shareholdings

As at 21 June 2022

SUBSTANTIAL SHAREHOLDERS AS AT 21 JUNE 2022

(As recorded in the Register of Substantial Shareholders)

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

EHPL is wholly-owned by EIH, which is wholly-owned by Mr Ong Chu Poh. Accordingly, for the purposes of Section 4 of the SFA, each of Mr Ong Chu Poh and EIH is deemed to be interested in the Shares held by EHPL.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at 21 June 2022 approximately 19.46% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with the Rule 723 (at least 10% held at public) of the Listing Manual Section B: Rules of Catalist of SGX-ST.

Notice of Annual General Meeting

ECON HEALTHCARE (ASIA) LIMITED
(Company Registration No. 200400965N)
(Incorporated in Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Econ Healthcare (Asia) Limited (the "**Company**") will be convened and held by electronic means on Tuesday, 26 July 2022 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2022, together with the Auditors' Report thereon.

   (Resolution 1)

2. To approve the payment of Directors' fees of S$161,000 for the financial year ending 31 March 2023, to be paid semi-annually in arrears. (2022: S$71,000)

   (Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Regulation 94 of the Constitution of the Company, and who, being eligible, offer themselves for re-election, as Directors of the Company:

   <u>Regulation 94</u>
   (i) Ms. Ong Hui Ming **(Resolution 3)**
   (ii) Mr. Lim Yian Poh **(Resolution 4)**

   [See Explanatory Notes (i)]

4. To re-appoint Messrs Ernst & Young LLP, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 5)

5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modifications, to pass the following resolutions as Ordinary Resolutions:

6. **Authority to allot and issue shares**

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

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

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

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

   ("**Share Issue Mandate**")

Notice of Annual General Meeting

provided that:

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

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

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

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

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

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

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being in force; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)]

(Resolution 6)

By Order of the Board

Shirley Tan Sey Liy
Company Secretary

Singapore, 6 July 2022

Notice of Annual General Meeting

Explanatory Notes:

(i) Ms. Ong Hui Ming will, upon re-election as a Director of the Company, remain as the Executive Director and Deputy Chief Executive Officer, Singapore and a member of the Nominating Committee of the Company. Further detailed information on Ms. Ong Hui Ming can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report 2022.

Mr. Lim Yian Poh will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee, a member of the Audit Committee and the Remuneration Committee of the Company. The Board considers Mr. Lim Yian Poh to be independent for the purposes of Rule 704(7) of the Catalist Rules. Further detailed information on Mr. Lim Yian Poh can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report 2022.

(ii) The Ordinary Resolution 6, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

Notes relating to the Alternative Arrangements for the AGM:

1. The AGM (or the "**Meeting**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement issued on 13 April 2020, and subsequently updated on 27 April 2020, 1 October 2020, 6 April 2021 and 4 Februrary 2022 by the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority and the Singapore Exchange Regulation on the guidance on the conduct of general meeting during the period when elevated safe distancing measures are in place. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on (i) the Company's website at the URL: https://investor.econhealthcare.com/, (ii) the SGX website at the URL: https://www.sgx.com/securities/company-announcements and (iii) at the URL: https://conveneagm.com/sg/econhealthcare2022.

2. Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by:

   (a) watching or listening to the AGM proceedings via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in Note 3 to 7 below;

   (b) submitting questions before the AGM. Please refer to Notes 8 to 10 below for further details; and

   (c) voting by proxy at the AGM. Please refer to Notes 11 to 17 below for further details.

Notice of Annual General Meeting

Participation in the AGM via live webcast or live audio feed

3. A shareholder of the Company or their corporate representatives (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a live webcast via mobile phone, tablet or computer ("**Live Webcast**"). In order to do so, the member must pre-register by 10.00 a.m. on 23 July 2022, being 72 hours before the time appointed for the AGM ("**Registration Deadline**"), at the following URL: https://conveneagm.com/sg/econhealthcare2022 ("**ECON AGM Website**"), to create an account.

4. Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email on their authentication status and will be able to access the Live Webcast using the account created.

5. Shareholders who have registered by the Registration Deadline in accordance with paragraph 3 above but do not receive an email response by 12.00 p.m. on 25 July 2022 may contact the Company's Share Registrar by 5.00 p.m. on 25 July 2022 for assistance at the following email address: shareregistry@incorp.asia, with the following details included: (1) the shareholder's full name; (2) his/her/its identification/company registration number; and (3) the manner in which the shares are held (e.g. via The Central Depositor (Pte) Limited ("**CDP**"), or Supplementary Retirement Scheme ("**SRS**").

6. Non-CPF/SRS holders whose shares are registered under Depository Agents ("**DAs**") must also contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the AGM proceedings.

7. Corporate shareholders must also submit the Corporate Representative Certificate to the Company's Share Registrar at shareregistry@incorp.asia, in addition to the registration procedures as set out in paragraph (3) above, by the Registration Deadline, for verification purpose.

Submission of questions prior to the AGM

8. A shareholder of the Company may also submit questions relating to the resolution to be tabled for approval at the AGM or the Company's businesses and operations. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the AGM on SGXNet and the Company's website within one month after the date of the AGM.

9. To do so, all questions must be submitted **no later than 13 July 2022** through any one of the following means:

   (a) via the ECON AGM Website; or

   (b) in physical copy by depositing the same at the Company's registered office at 160 Changi Road, #05-01-13 Hexacube, Singapore 419728.

10. If the questions are deposited in physical copy at the Company's registered office and not accompanied by the completed and executed Proxy Form (as defined below), the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

Notice of Annual General Meeting

Voting by proxy

11. Shareholders may only exercise their voting rights at the AGM via proxy voting. The accompanying proxy form for the AGM may be accessed via the ECON AGM Website, the Company's corporate website at the URL: https://investor.econhealthcare.com/, and will also be made available on the SGXNet website at the URL: https://www.sgx.com/securities/company-announcements.

12. Shareholders (including Relevant Intermediary*) who wish to vote on the resolution at the AGM must submit the proxy form to appoint the Chairman of the AGM as their proxy to do so on their behalf. In appointing the Chairman of the AGM as proxy, shareholders (whether individuals or corporates) must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for the resolution will be treated as invalid.

13. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

    (a) in the electronic format accessible on the ECON AGM Website;

    (b) if submitted by post, be lodged at the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or

    (c) if submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia,

    in either case by no later than the **Registration Deadline**.

    In the case of submission of the Proxy Form other than via the ECON AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

    In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically.

14. In the case of submission of the Proxy Form other than via the ECON AGM Website, the instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation. Where an instrument appointing Chairman of the AGM as proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

15. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") and wishes to vote, should approach their SRS Operators to submit their votes to appoint the Chairman of the AGM as their proxy, **by 14 July 2022**, i.e. at least 7 working days before the AGM.

16. A Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote.

17. Please note that shareholders will not be able to vote through the Live Webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.

18. The Annual Report for the financial year ended 31 March 2022 and the Notice of AGM dated 6 July 2022 have been published on the Company's website, and may be assessed at (i) the Company's website at the URL: https://investor.econhealthcare.com/, (ii) the SGX website at the URL: https://www.sgx.com/securities/companyannouncements and (iii) at the URL: https://conveneagm.com/sg/econhealthcare2022.

Notice of Annual General Meeting

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing the Chairman of the Meeting as a proxy to vote at the Meeting and/or any adjournment thereof, or (b) submitting details for the registration to attend the Meeting via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any question prior to the Meeting in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the Meeting as a proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the LIVE WEBCAST or AUDIO ONLY MEANS to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance list, proxy list, minutes and other documents relating to the Meeting (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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

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

ECON HEALTHCARE (ASIA) LIMITED
(Company Registration No. 200400965N)
(Incorporated in Singapore)

IMPORTANT:

1. The Annual General Meeting ("**AGM**" or the "**Meeting**") is being convened and will be held, by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Notice of AGM is available to members by electronic means via publication on SGXNet, the Company's corporate website at the URL: https://investor.econhealthcare.com/, (ii) the SGX website at the URL: https://www.sgx.com/securities/company-announcements and (iii) at the URL: https://conveneagm.com/sg/econhealthcare2022.
2. Alternative arrangements relating to the attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast ("**LIVE WEBCAST**") or "live" audio only stream ("**AUDIO ONLY MEANS**"), submission of question in advance of the Meeting, addressing of substantial queries and relevant comments, prior to, or at, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in this Notice of AGM.
3. In light of the current COVID-19 measures in Singapore, a member of the Company will not be able to attend the Meeting in person. A member (whether individual or corporate and including a Relevant Intermediary*) entitled to vote at the Meeting must appoint the Chairman of the Meeting to act as proxy and direct to vote at the AGM if such member wished to exercise his/her/its voting rights at the AGM.
4. Please read the notes to this Proxy Form.

ANNUAL GENERAL MEETING
PROXY FORM

(Please see notes overleaf before completing this Form)

*I/We, ____________________ (Name) ____________________ (NRIC/Passport No.)

of ____ (Address)

being a *member/members of **ECON HEALTHCARE (ASIA) LIMITED** ("**Company**"), hereby appoint Chairman of the Annual General Meeting of the Company (the "**Meeting**") as *my/our proxy to vote for *me/us on *my/our behalf at the Meeting to be held by electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on Tuesday, 26 July 2022 at 10.00 a.m. and at any adjournment thereof. *I/We direct the Chairman of the Meeting, being *my/our proxy to vote for or against, or abstain from voting the Ordinary Resolutions to be proposed at the Meeting as indicated hereunder.

If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/ our proxy will be treated as invalid. All Resolutions put to vote at the Meeting shall be decided by way of poll.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**	No. of votes 'Abstain'**
1	Audited Financial Statements for the financial year ended 31 March 2022			
2	Approval of Directors' fees amounting to S$161,000 for the financial year ending 31 March 2023, to be paid semi-annually in arrears			
3	Re-election of Ms. Ong Hui Ming as a Director			
4	Re-election of Mr. Lim Yian Poh as a Director			
5	Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise the Directors of the Company to fix their remuneration			
6	Authority to allot and issue shares			

Notes:
* Delete accordingly
** If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution, please mark an "X" in the relevant box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the relevant box provided in respect of that resolution. If you mark an "X" in the abstain box for a particular resolution, you are directing your proxy, who is the Chairman of the Meeting, not to vote on that resolution.

Dated this __________ day of ____________________ 2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
*and/or Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

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Please glue and seal along the edge

Notes:

Due to the fast-evolving COVID-19 situation in Singapore, the Company may be required to change its Meeting arrangements at short notice. The Company is taking the relevant steps in accordance with Part 4 of the COVID-19 (Temporary Measures) Act 2020.

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the Shares held by you.
2. In light of the current COVID-19 measures in Singapore, members will not be able to attend the Annual General Meeting ("**AGM**") in person. A member of the Company (including a Relevant Intermediary*) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of the resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for the resolution will be treated as invalid.
3. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

   (a) via the following URL: https://conveneagm.com/sg/econhealthcare2022 ("**ECON AGM Website**"), in the electronic format accessible on the ECON AGM Website;

   (b) if submitted by post, be lodged at the office of the Company's Share Registrar at 30 Cecil Street, #19-08 Prudential Tower 049712; or

   (c) if submitted electronically, be submitted via email to the Company's Share Registrar at shareregistry@incorp.asia,

   in either case by **no later than 10.00 a.m. on 23 July 2022**, **being 72 hours before the time appointed for the AGM**.

   In the case of submission of the Proxy Form other than via the ECON AGM Website, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically.

First fold

4. In the case of submission of the Proxy Form other than via the ECON AGM Website, the instrument appointing the Chairman of the AGM as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing Chairman of the AGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
5. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investors**") and wishes to vote, should approach their SRS Approved Nominees to submit their votes to appoint the Chairman of the AGM as their proxy, at least 7 working days before the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as a proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as a proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as a proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 July 2022.

Second fold

Affix
Postage
Stamp

Attention: Share Registrar

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

Third fold and glue overleaf. Do not staple.

ECON Healthcare (Asia) Limited
160 Changi Road
#05-01-13 Hexacube
Singapore 419728

Tel: +65 6447 8788
www.econhealthcare.com