

# Shaping the Golden Years in New Asia



## 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 advancement.

## 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



### 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



### People Development:

Caring and grooming our people to set and achieve higher goals





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## Chairman's Message

**Mr Ong Chu Poh**  
Executive Chairman and  
Group Chief Executive Officer



Dear Shareholders,

**I would like to thank our shareholders for supporting ECON's vision to care for the region's seniors. Your trust in us has spurred us on in the expansion of our services in Singapore, Malaysia, and China. We look forward to your continued support as we scale our operations to reach many more families across the region.**

Encouragements from many of you in the past years has been especially heartening as we battled COVID-19 as a nation. Singapore's whole-of-government efforts, including that of the Ministry of Health and Agency for Integrated Care, have led us through much of this pandemic. We are immensely grateful for the government's leadership and support rendered. The unity and resilience of the sector were also exemplified during this crisis. To fellow sector leaders, thank you for the camaraderie.

### TO ECON

I salute all members of our ECON team. You have worked tirelessly to keep our nursing homes safe. You have cared selflessly for our vulnerable elderly. You have put others and your profession first, often going beyond yourselves. Together, our team has crossed hurdles and advanced together. You have risen to stand valiantly in this war against COVID-19. Thank you for being One ECON.

### OUR FIRST 30 YEARS – ESTABLISHING ECON AND BUILDING OUR FOUNDATION

In 1987, ECON started humbly at Telok Kurau with 17 beds\*. Today, we are recognised as the largest private nursing home operator in Singapore and Malaysia, with a total capacity of over 1,400 beds across Singapore, Malaysia, and China, serving more than 3,000 seniors and families each year.

To provide holistic care and support for families, we have expanded our services offerings over the years. Today, ECON offers a comprehensive suite of senior care services including home-based care, elder day care, rehabilitation services, Traditional Chinese Medicine (TCM), and caregiver healthcare training.

ECON's foundation was built by many past and present ECON members. We greatly appreciate our pioneering team, current ECON members, and many community partners, including government agencies and restructured hospitals, that have made ECON what it is today.

\* Source: <https://www.econhealthcare.com/about/brand-story/>

## ECON'S NEXT PHASE OF GROWTH – A REGIONAL BRAND

ECON's public listing on 19 April 2021 marks a new chapter in our journey of caring for seniors. Being listed on the Singapore Exchange (SGX) will support us in our next stage of growth, as we go from strength to strength in our mission of being a Family Caring for Families.

In December 2020, our third nursing home in Malaysia started operations in the town of Puchong. In the first half of 2021, our first nursing home in China commenced operations in Chongqing. Located in the Jiefangbei area, the central business district of Yuzhong District in Chongqing, China, the Home is housed in a 4-storey newly renovated building. With the signing of the shareholders' agreement for our second nursing home in China, our 280-bed facility in Chongqing (Changshou) is expected to be operational in 2022.

Our China growth plans are on track. We plan to achieve a capacity of up to 5,000 beds within the next three to five

years as we scale our know-how and expertise across the region.

## FY2021 PERFORMANCE AND FUTURE PIPELINE

The Group continued to be resilient and performed well in FY2021 despite the COVID-19 pandemic. We turned in a healthy performance which saw a rise in our aggregate revenue and operating subvention grants to S\$37.9 million and delivered an increase in net profit year-on-year to S\$5.4 million.

In the near term, our eighth Singapore nursing home located at Henderson will commence operations with up to 236 beds in 2022. Co-located with an urban farm and childcare operator, we look forward to collaborating on various programmes that will bring joy and life to our seniors. Our upcoming ninth Singapore nursing home, the largest in Singapore thus far, with up to 732 beds, will commence operations in 2025. Co-located with the new Jurong Polyclinic, we are co-planning initiatives that will bolster the quality of care of

nursing home residents. At ECON, we continuously explore and implement various partnerships and collaborations that improve our care quality.

## APPRECIATION

Our heartfelt thanks goes to all customers and families who have entrusted us with the care of your loved ones. We are committed to caring from the heart and giving the best care and attention always. To our people, thank you for overcoming this COVID-19 pandemic as one ECON family. To Board members and shareholders, thank you for your unwavering support. Together, we will shape the golden years of seniors in Asia.

I wish all of you good health and joy always.

**Ong Chu Poh**  
Executive Chairman and  
Group Chief Executive Officer



Encouragements from many of you in the past years has been especially heartening as we battled COVID-19 as a nation. Singapore's whole-of-government efforts, including that of the Ministry of Health and Agency for Integrated Care, have led us through much of this pandemic. We are immensely grateful for the government's leadership and support rendered. The unity and resilience of the sector were also exemplified during this crisis. To fellow sector leaders, thank you for the camaraderie.



Since 1987, we have served more than 8,000 families as a homegrown brand and have grown from strength to strength in our mission of being a Family Caring for Families.

## The Year in Review

### OVERCOMING THE COVID-19 PANDEMIC WITH SAFETY AS OUR TOP PRIORITY

Over the last year, the evolving COVID-19 situation tested our resilience and ability to respond to change. Our team remains undaunted and committed to safeguarding the health of our clients and staff. Placing the well-being and safety of our clients, visitors and staff as our priority, our team responded promptly and implemented various safe management practices at all our care facilities and workplaces.

Throughout the year, our team demonstrated their agility in light of the crisis, embraced the situation as it evolved, and were quick to respond and adapt, as we stepped up our infection control and risk management practices.

We are grateful to our clients and their family members for journeying with us as we combated the COVID-19 situation together. They were very supportive as we introduced additional safety measures to our visitor policy and adopted video conferencing as an alternative to physical visits during Singapore's circuit breaker. To facilitate visitations, we implemented a quick turn-key online booking system within a week to allow advance planning for visits. Vaccination programmes were also conducted for our staff and clients. In addition, we introduced regular and then routine PCR swab tests for our staff as part of our risk management and safety surveillance. Our team was courageous and resolute in combating COVID-19, serving with dedication and heart, while maintaining the highest standards of care and quality.



*Routine PCR swab tests were put in place for our staff as part of our risk management and safety surveillance.*

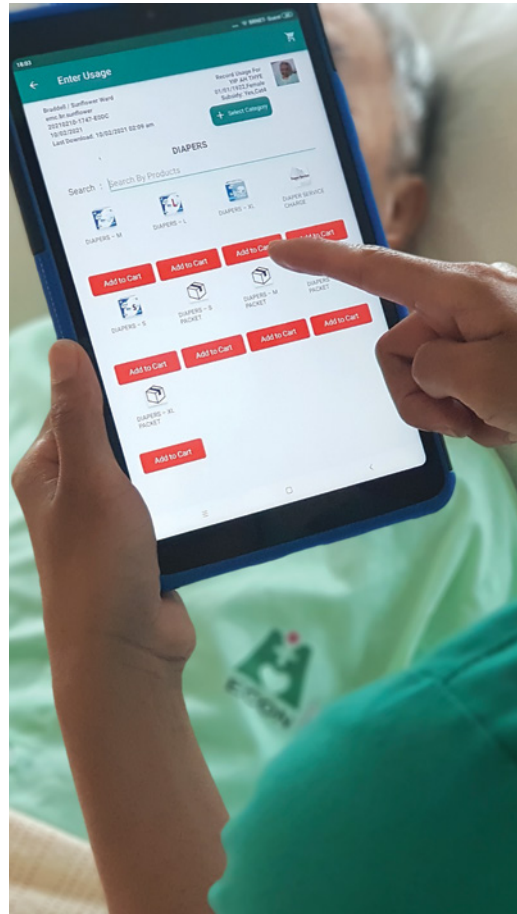


## PIVOTING OUR BUSINESS OPERATIONS WITH DIGITAL AND TECHNOLOGICAL INNOVATIONS

As we continue to strengthen our performance and better care for our seniors, we harness technology to improve productivity and drive operational efficiency. Several digitisation efforts were introduced over the past year, including the visitor management system, facilities management and a consumable and service usage application. We have also successfully implemented a wireless vitals management system that enhances efficiency and accuracy. These initiatives not only support our team in scaling our service quality and operations efficiency across all our care facilities, but also enable our care professionals to focus more on what they do best – caring for our clients.

## SHAPING CUSTOMER-CARE TO BUILD SERVICE EXCELLENCE

ECON is in the business of care. Every family's care journey and needs are different. In an effort to enhance our service experience, we launched our Care Advisory services, which provides care consultancy and personalised care solutions for families. We leverage a business service platform and data management system to support us in this endeavor to continuously serve our customers better.



Several digitisation efforts were introduced to allow our team to focus on delivering care to our clients. One example is our in-house custom-built mobile application that resulted in man-hour savings in administrative work of 1,440 hours per month and a 60% increase in operational efficiency.



With a holistic suite of senior care services built around various needs, our newly-formed Care Advisory service is set up with the mission to provide consultations and partner our clients and families in their journey to develop the most appropriate care solution for their loved ones.

# The Year in Review

## ADVANCING OUR PRESENCE LOCALLY AND OVERSEAS

### Third home in Malaysia, Puchong

Our third nursing home opened its doors in Malaysia in December 2020. Located within a residential community in Puchong, Kuala Lumpur, the 138-bed home offers a comprehensive suite of care services comprising management of sub-acute health conditions, specialised geriatric care, nursing care, rehabilitation, and Traditional Chinese Medicine services. We are also pleased to share that we are the first nursing home in Malaysia to be certified by the Ministry of Human Resource Malaysia as an Accreditation Centre under the National Dual Training System (NDTS) for the healthcare sector. This recognises ECON for our operations and care excellence. With this accreditation, we can build capabilities to cultivate and groom care professionals in the healthcare sector and leverage this to grow the workforce in Malaysia.



↑  
We custom build ergonomic fittings and furniture to ensure the comfort of our clients.

↓  
We are the first private nursing home in Malaysia to be certified in providing training for care professionals. This will enable us to enlarge and enhance the healthcare sector's workforce.





### First nursing home in Chongqing, China in operation

We achieved a significant milestone with the inking of a joint venture agreement with Guangda Bailinbang Eldercare Industry to operate our first nursing home in China. Awarded one of the top 10 innovation projects in the Yuzhong Free Trade Zone, the nursing home is primed to set a benchmark for nursing homes in China and is our first smart nursing home with state-of-the-art facilities, such as an automated robotic kitchen and intelligent eldercare panel that offers 24/7 monitoring of the elderly residents' well-being. It is well situated in the Jiefangbei area – the central business district of Yuzhong District in Chongqing – making it highly accessible.

Looking ahead, we plan to set up two nursing homes in Chengdu and Changshou by 2022, which will bring an additional capacity of 680 beds to our China operations.

### Looking forward to our eighth home in Singapore in 2022

In 2020, we were appointed to operate the Ministry of Health's two upcoming Build-Own-Lease (BOL) nursing homes in Henderson and Jurong East. We are expecting our eighth nursing home in Henderson, Singapore, with a total bed capacity of 236, to be operational in 2022. When the nursing home in Jurong East is completed in 2025, our stable of nursing homes in Singapore will be increased to nine.

In 2021, our total bed capacity was 1,376. By the end of 2022, our total bed capacity will have increased to 2,336 once the upcoming nursing homes in China and Singapore open their doors.



With about seven million seniors over the age of 60 in Chongqing, the home will not only elevate and set the benchmark of nursing homes in China but also serve as the model for ECON's future expansion in China.

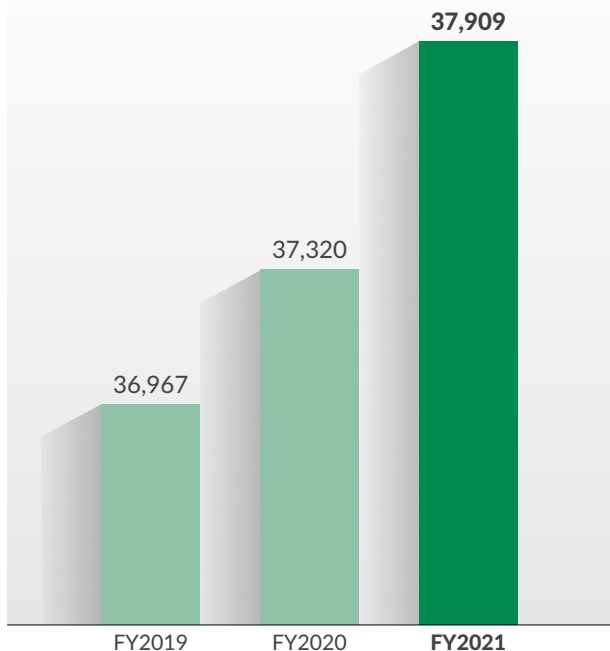


ECON brings a sustainable smart home concept to the community, breaking the traditional norms of nursing homes in Chongqing, China.

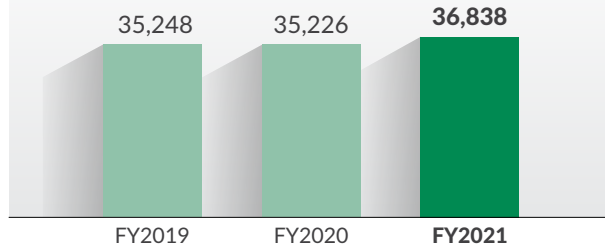
Two more nursing homes will be set up by 2022 in Chengdu and Changshou, bringing an additional capacity of 680 beds to our China operations.

# Financial Highlights

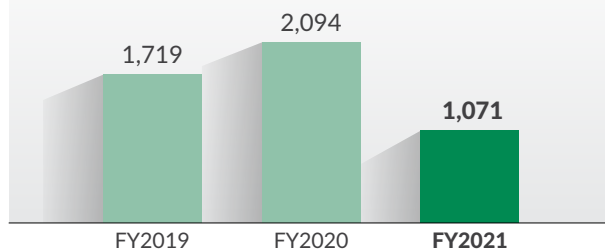
**Aggregate revenue and operating subvention grants**  
(S\$'000)



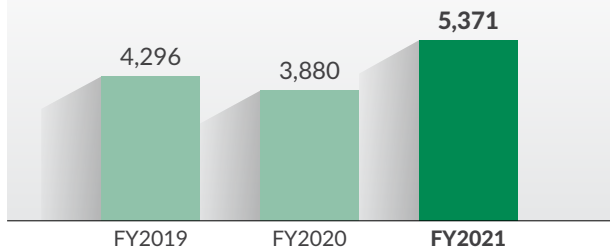
**Medicare centres and nursing home fees**  
(S\$'000)



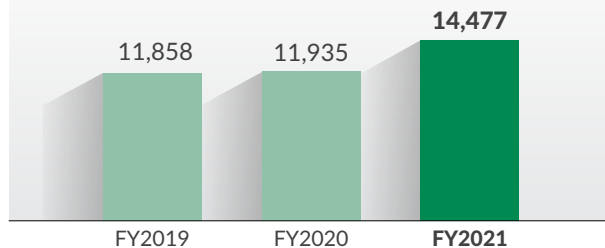
**Other ancillary**  
(S\$'000)



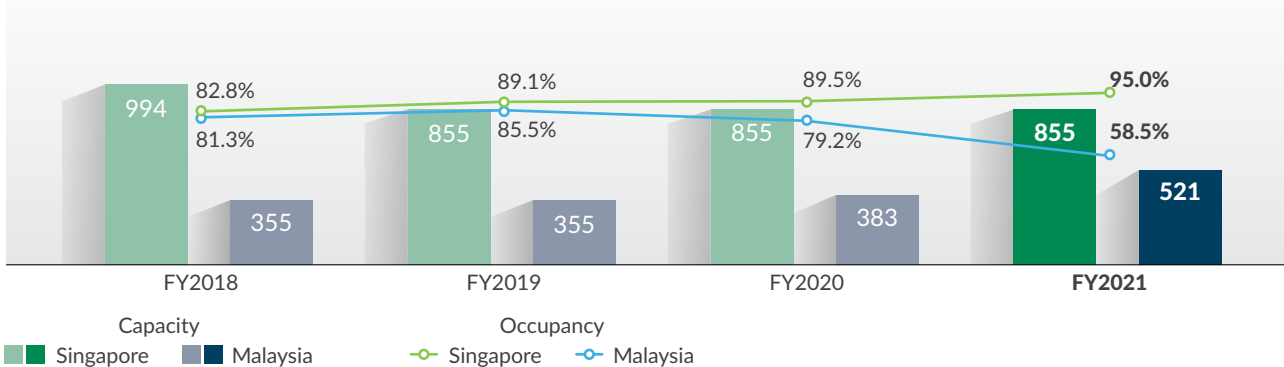
**PAT**  
(S\$'000)



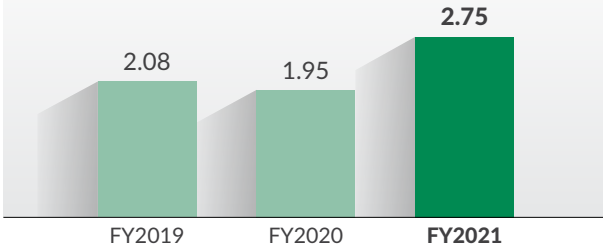
**EBITDA**  
(S\$'000)



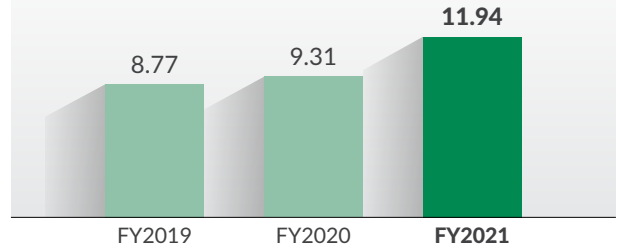
## Capacity and Occupancy



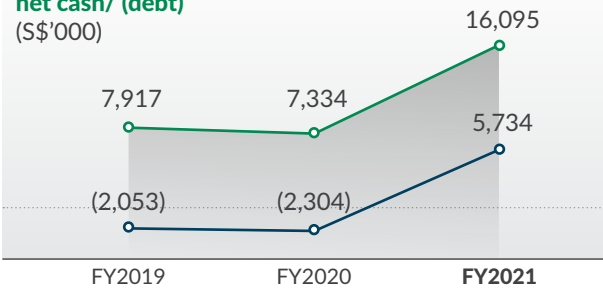
**Earning per share<sup>~</sup>**  
(S\$'cents)



**Net asset per share<sup>~</sup>**  
(S\$'cents)

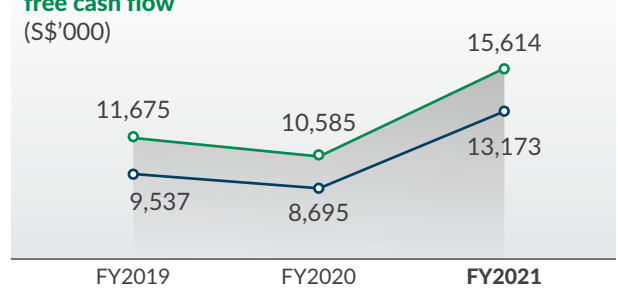


**Cash and cash equivalents vs net cash/ (debt)**  
(S\$'000)



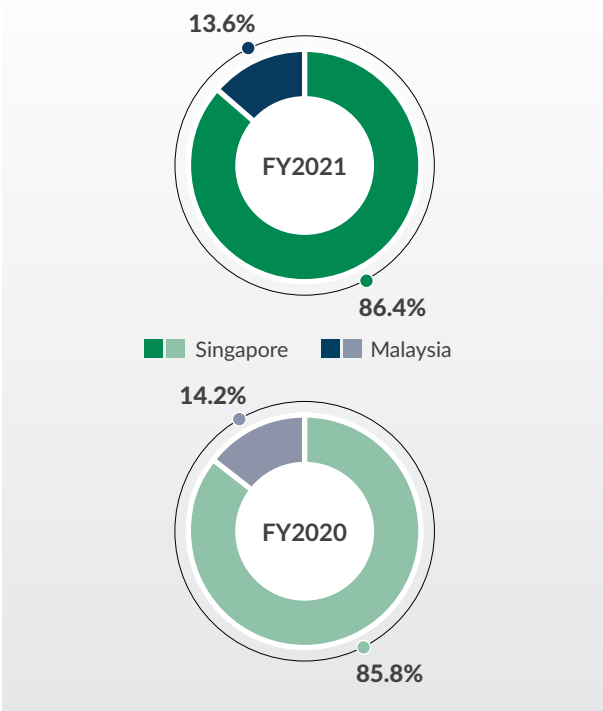
—○— Cash and cash equivalents    —○— Net cash/ (debt)

**Net cash flow from operating activities vs free cash flow**  
(S\$'000)

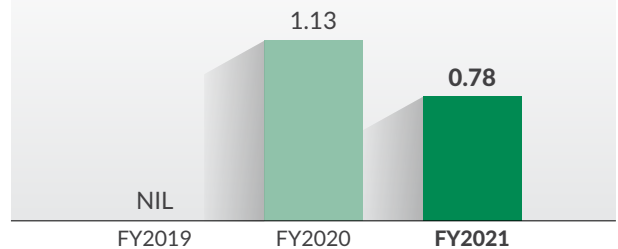


—○— Net cash flow from operating activities    —○— Free cash flow

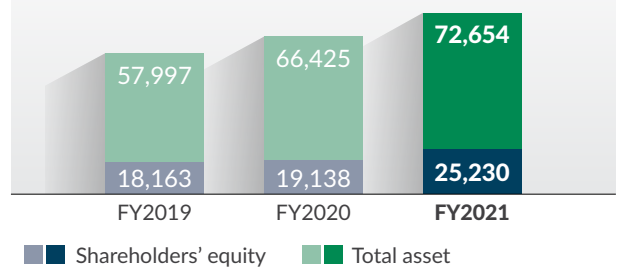
**Topline by Geographical Location**



**Dividend per share<sup>@</sup>**  
(S\$'cents)



**Shareholders' equity and total assets**  
(S\$'000)



<sup>~</sup> For illustrative purpose, the issued and fully paid ordinary shares of 207,000,000 as at 31 March 2021 is assumed to have been issued as at FY2020 and FY2019.

<sup>@</sup> For illustrative purpose, the issued and fully paid ordinary shares of 257,000,000 is assumed to have been issued as at FY2021 and FY2020.

# Financial Performance Summary

Financial year ended 31 March

	FY2019	FY2020	FY2021
<b>Profit and Loss Highlights (S\$'000)</b>			
Aggregate revenue and operating subvention grants	36,967	37,320	37,909
Profit after tax	4,296	3,880	5,371
PATMI	4,296	4,037	5,700
<b>Cash Flows Highlights (S\$'000)</b>			
Net cash flow from operating activities	11,675	10,585	15,614
Capital expenditure	(2,138)	(1,890)	(2,441)
Net cash flow used in investing activities	(8,003)	(2,881)	(2,557)
Net increase/(decrease) in loans and borrowings	(695)	(301)	806
Net cash flow used in financing activities	(6,138)	(8,111)	(4,346)
<b>Balance Sheet Highlights (S\$'000)</b>			
Total assets	57,997	66,425	72,654
Cash and cash equivalents	7,917	7,334	16,095
Property, plant and equipments	22,453	15,114	16,476
Total liabilities	39,834	47,288	47,424
Loans and borrowings	9,970	9,638	10,361
Net cash/ (debt)	(2,053)	(2,304)	5,734
<b>Key Ratios</b>			
<b>Profitability</b>			
EBITDA margin (%)	32.1%	32.0%	38.2%
PATMI margin (%)	11.6%	10.8%	15.0%
Return on equity* (%)	23.7%	21.0%	23.1%
Dividend payout ratio# (%)	Nil	71.8%	35.2%
<b>Turnover days</b>			
Trade receivables turnover days	30.7	40.6	23.9
Trade payables turnover days	79.8	105.0	49.8
<b>Liquidity ratios</b>			
Current ratio	0.9	0.9	1.1
<b>Debt ratios</b>			
Net cash/ (debt) / shareholders equity	(0.1)	(0.1)	0.2
Gearing^	0.5	0.5	0.4
EBITDA/ interest expense	25.6	25.5	37.7
<b>Per share info (S\$'cents)</b>			
Earning per share~	2.08	1.95	2.75
Net asset per share~	8.77	9.31	11.94
Dividend per share@	Nil	1.13	0.78

\* 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 purpose, the issued and fully paid ordinary shares of 207,000,000 as at 31 March 2021 is assumed to have been issued as at FY2020 and FY2019.

@ For illustrative purpose, the issued and fully paid ordinary shares of 257,000,000 is assumed to have been issued as at FY2021 and FY2020.

## Geographical Presence

We are the **largest private nursing home operator in Singapore & Malaysia** with a growing presence in **China**<sup>#</sup>.

 Medicare centres & nursing homes

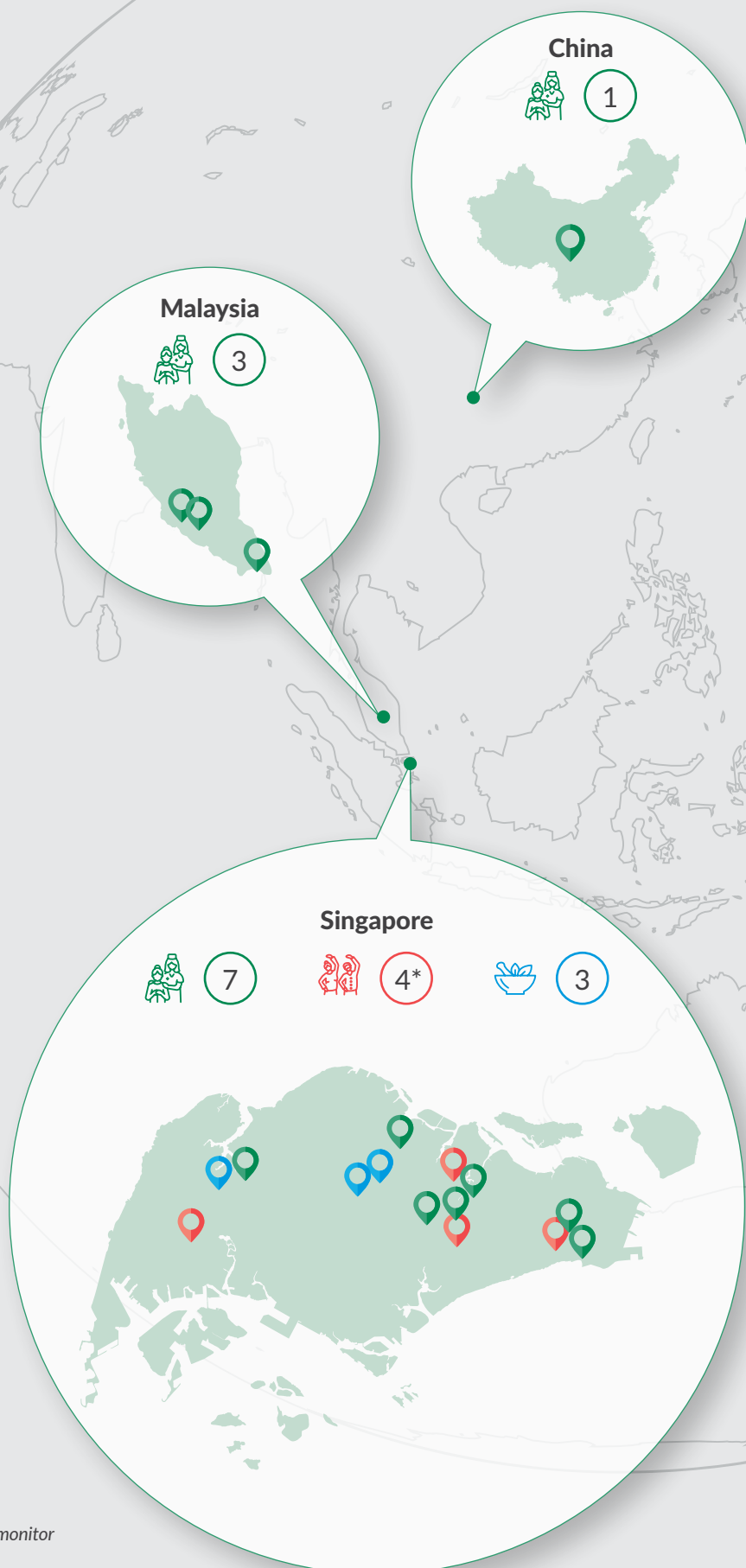
 ECONLIFE! Hubs\*\*

 TCM Clinics

\* ECONLIFE! hub Bishan, our senior activity centre was returned to MOH upon lease expiry in May 2021)

\*\* Senior Activity Centre

# Based on revenue receipts in 2019 according to Euromonitor



## Our People



We are about People caring for People, Family caring for Families. Our People are at the core of what we do, and I would like to express my deepest appreciation for our ECON team, who have risen to the occasion and fought the good fight, combating the COVID-19 pandemic as one ECON family. We have the utmost pride in our people who have demonstrated resilience, the camaraderie spirit, compassion and grace during this period of crisis, truly exemplifying our ECON values and spirit of caring with a serving heart. To our ECON family, thank you for your dedication and being the best of you. We are proud of you!

**Ong Hui Ming,**  
DY CEO, Singapore



Our frontliners serve with utmost professionalism, with hearts filled with love and dedication. They uphold our care philosophy of delivering the best care and attention always, fulfilling the seniors' lives with joy and peace each precious day. Many of you are miles away from your home-countries and families. We are grateful to you all. Bless you!

**Dr Koh Hin Ling,**  
Director, TCM Services



It is inspiring and heart-warming to see our workforce rising to the challenge to care for our elderly, keeping them well during times like these. Our People have demonstrated the "can-do attitude", and continued to overcome the evolving COVID-19 situation with positivity and commitment. As a healthcare worker, we place others before self and we understand that this testing time is far from over. Rest assured that every month, week and day of the year, **you are truly appreciated.**

**Dr Angie Ng,**  
Director of Nursing  
& Operations



Our People, our Pride. Our business is delivered through a diversified team of people who carry a mission to touch lives and make a difference, to provide the best care for our customers.

**Sim Siang Eng,**  
Country Director, Malaysia



## Awards & Accolades



2020

Award

中国(重庆)自由贸易  
试验区渝中板块  
十大创新案例

Organiser

China (Chongqing) Pilot  
Free Trade Zone



2020

Award

46 awards from the Silver,  
Gold and Star award  
categories at the Singapore  
Health Quality Service  
Awards 2020

Organiser

SingHealth Duke-NUS  
Academic Medical Centre



2020

Award

ISO 9001 Standard

Organiser

Productivity and  
Standards Board



2019

Award

41 Silver Awards and  
8 Gold Awards  
at the Singapore Health  
Quality Service  
Awards 2019

Organiser

SingHealth Duke-NUS  
Academic Medical Centre



2018

Award

31 Silver Awards and  
2 Gold Awards at the  
Singapore Health Quality  
Service Awards 2018

Organiser

SingHealth Duke-NUS  
Academic Medical Centre



2017

Award

Best Geriatric Healthcare  
Operator Award at the  
5th Asia Pacific Eldercare  
Innovation Awards

Organiser

Ageing Asia Innovation  
Forum



2017

Award

Best Rehabilitation  
Operator Award at the  
5th Asia Pacific Eldercare  
Innovation Awards

Organiser

Ageing Asia Innovation  
Forum



2017

Award

Singapore Service  
Class Certification

Organiser

SPRING Singapore



2017

Award

28 Silver Awards at the  
Singapore Health Quality  
Service Awards 2017

Organiser

SingHealth Duke-NUS  
Academic Medical Centre



2017

Award

Healthcare Humanity  
Award

Organiser

The Courage Fund  
administered by the  
National Healthcare Group



2016

Award

6 Service Quality  
Improvement Team Award  
at the ILTC Excellence  
Awards 2016

Organiser

AIC



2016

Award

Four Silver Individual  
Service Quality Awards  
at the ILTC Excellence  
Awards 2016

Organiser

AIC



2016

Award

17 Silver Awards  
at the Singapore Health  
Quality Service  
Awards 2016

Organiser

SingHealth Duke-NUS  
Academic Medical Centre



2015

Award

Best Wellness Programme  
Award at the 3rd  
Asia Pacific Eldercare  
Innovation Awards

Organiser

Ageing Asia Investment  
Forum



2015

Award

One Gold Award and  
16 Silver Awards at the  
Singapore Health Quality  
Service Awards 2015

Organiser

SingHealth Duke-NUS  
Academic Medical Centre



2014

Award

Certificate of  
Appreciation

Organiser

Performance and  
Management Delivery  
Unit of Malaysia



2014

Award

Eight Silver Awards  
at the Singapore Health  
Quality Service  
Awards 2014

Organiser

SingHealth Duke-NUS  
Academic Medical Centre



2013

Award

Best Facility Assisted  
Living Award at the 1st  
Asia Pacific Eldercare  
Innovation Awards

Organiser

Ageing Asia Investment  
Forum



2013

Award

Eight Silver Individual  
Awards at the Singapore  
Health Quality Service  
Awards 2013

Organiser

SingHealth Duke-NUS  
Academic Medical Centre



2012

Award

Three Silver Individual  
Awards at the Singapore  
Health Quality Service  
Awards 2012

Organiser

SingHealth Duke-NUS  
Academic Medical Centre

## Board of Directors



*From left to right:*

**Mr Lim Yian Poh**  
Independent Director

**Mr Ong Chu Poh**  
Executive Chairman and  
Group Chief Executive Officer

**Mr Siau Kai Bing**  
Lead Independent Director





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

**Dr Ong Seh Hong**  
Independent Director

## Board of Directors

### Mr Ong Chu Poh

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 by the President 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 is our Executive Director and Deputy Chief Executive Officer, Singapore. Ms Ong Hui Ming joined our Group in 2006. Ms Ong is responsible for overseeing and managing the daily operations of our Group's business 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 non-executive, independent director of Nordic Group Ltd and Union Steel Holdings Ltd, both of which are companies listed on the SGX-ST. Mr Siau holds an accountancy degree from the National University of Singapore and is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants of Singapore.

## Mr Lim Yian Poh

Independent Director

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

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

## Dr Ong Seh Hong

Independent Director

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

Dr Ong is currently serving as the independent non-executive chairman of Hock Lian Seng Holdings Ltd, and as independent director of Zhongmin Baihui Retail Group Ltd. and Dyna-Mac Holdings Ltd, all of which are listed on the SGX-ST. Dr Ong was awarded the Public Service Medal (PBM - Pingat Bakti Masyarakat) conferred by the Prime Minister's Office of the Republic of Singapore in 2001.



## Other Key Management Team



**Ms Kang Shwu Huey (Agnes)**  
Group Chief Financial Officer

Agnes is in charge of our Group's finance and accounting matters and has more than 15 years of experience in financial management and audit. She joined our Group in November 2020. Prior to joining our Group, Agnes was the group financial controller in Breadtalk Group Pte. Ltd. Agnes 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 wholly-owned 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.



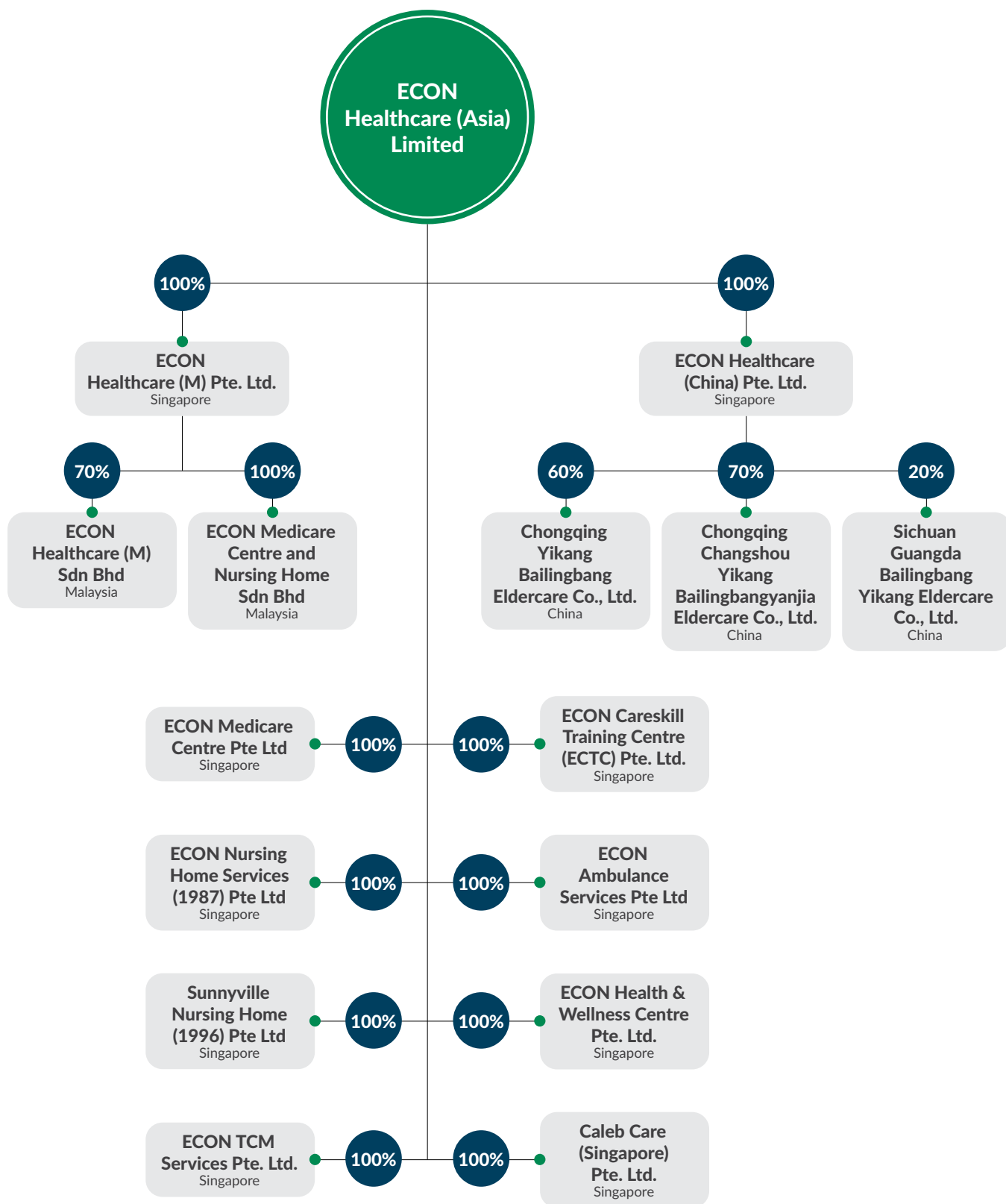
**Dr Ong Xin De**  
Head, Development

Dr Ong Xin De oversees strategic development, overseas growth, technology and innovation. When Dr Ong was our Head of Strategy in 2017, he assisted in the development of our Group's strategies and future plans and the execution of internal and external strategic projects. Dr Ong had joined our Group in 2014 as a manager of the strategic business unit and was responsible for identifying and developing sustainable competitive advantages of our Group. Dr Ong was a research and teaching associate in Monash University from 2016 to 2017. Dr Ong was a mentor of NUS Enterprise's Lean LaunchPad Singapore programme and Modern Aging Singapore business accelerator program.

Dr Ong holds a First Class Honours Degree of Bachelor of Business and a Doctor of Philosophy in International Business from Monash University. He is a graduate of the SPRING Singapore: Executive Leadership Development Programme at The Wharton School of the University of Pennsylvania.



# Organisation Chart



**Note:**

1. ECON Medicare Centre and Nursing Home – Chongqing (JFB) commenced business on 17 May 2021. Facility is held under Chongqing Yikang Bailingbang Eldercare Co., Ltd.
2. Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. incorporated on 3 March 2021
3. Chongqing Changshou Bailingbangyanjia Eldercare Co., Ltd. incorporated on 30 April 2021

## Corporate Information



### Directors

**Mr Ong Chu Poh**

(Executive Chairman and  
Group Chief Executive Officer)

**Ms Ong Hui Ming**

(Executive Director and  
Deputy Chief Executive Officer, Singapore)

**Mr Siau Kai Bing**

(Lead Independent Director)

**Mr Lim Yian Poh**

(Independent Director)

**Dr Ong Seh Hong**

(Independent Director)

### Company Secretary

**Ms Shirley Tan Sey Liy**

ACS, ACG

### Registered Office and Principal Place of Business

160 Changi Road  
#05-01-13  
Hexacube  
Singapore 419728

### 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

**KPMG LLP**

Public Accountants and Chartered Accountants  
16 Raffles Quay  
#22-00 Hong Leong Building  
Singapore 048581  
Partner-in-charge: Tan Yek Lee Doreen  
(A member of the Institute of Singapore  
Chartered Accountants)  
(Appointed since financial year ended  
31 March 2014)

### 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

*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.*

# Corporate Governance

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

## 1. BOARD MATTERS

### The Board's Conduct of Affairs

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with 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

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.

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

Ms Ong Hui Ming does not have prior experience as a director of a public listed company in Singapore but has been briefed on the roles and responsibilities of a director of a public listed company in Singapore. Ms Ong Hui Ming will complete the prescribed mandatory training as specified under Practice Note 4D of the Catalist Rules within the end of the first year of the Company's listing.

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.

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; and
- (11) material acquisitions and disposal of assets; and
- (12) matters which require Board 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:

Name of Director	Designation	Board Committee Membership		
		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, ("Deputy CEO") Singapore	-	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 since the Company's IPO in April 2021 up to the date of this report and the attendance of each Director at these meetings:

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

\* By invitation

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 (who are not Directors or the CEO) are set out on page 18 of this annual report.

## Corporate Governance

The Company Secretary 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, Chapter 50 of Singapore ("**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. Since the Company's IPO in April 2021 up to the date of this report, the Company did not engage any external advisers.

### Board Composition and Guidance

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

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

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

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

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

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

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

The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience to enable 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, 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.

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

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.

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 or small group of individuals that dominates the Board's decision-making.

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 with 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.

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.

# Corporate Governance

## 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 AC, the Committee and our NC), 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.

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

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

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

There is no alternate director being appointed to the Board.

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

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

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

At the forthcoming AGM of the Company, Mr Ong Chu Poh will be retiring pursuant to Regulation 94 of the Company's Constitution, and Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong will be retiring pursuant to Regulation 100 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. Information for the Retiring Directors pursuant to Rule 720(5) of the Catalist Rules are set out at pages 41 and 49 of this annual report.

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

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.

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.

## Corporate Governance

Name of Director	Academic/ Professional qualifications	Board appointment	Board Committees served	Date of first appointment	Directorships in Other Listed Companies
Ong Chu Poh	<ul style="list-style-type: none"> <li>Bachelor of Arts from the then Nanyang University, Singapore</li> <li>Diploma in Marketing Management from Ngee Ann Polytechnic</li> <li>Graduate of the Singapore Command and Staff College</li> </ul>	Executive Chairman and Group CEO	Chairman of the Board	28 January 2004	Nil
Ong Hui Ming	<ul style="list-style-type: none"> <li>Bachelor of Business Studies (Marketing) from Nanyang Technological University</li> <li>Master of Business (Marketing) with Distinction from RMIT University</li> <li>Graduate of the SPRING Singapore; Executive Leadership Development Programme at The Wharton School of the University of Pennsylvania</li> </ul>	Executive Director and Deputy CEO, Singapore	Member of the NC	22 May 2018	Nil
Siau Kai Bing	<ul style="list-style-type: none"> <li>Accountancy degree from the National University of Singapore</li> <li>Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants of Singapore</li> </ul>	Lead Independent Director	Chairman of the AC and member of the NC and the RC	22 March 2021	<ul style="list-style-type: none"> <li>Nordic Group Limited</li> <li>Union Steel Holdings Limited</li> </ul>
Lim Yian Poh	<ul style="list-style-type: none"> <li>Bachelor of Science degree from Nanyang University, Singapore</li> <li>Master of Science degree from the University of Hull, England</li> <li>Completed the Stanford-NUS Executive Program offered by Stanford University and the National University of Singapore and the Senior Management Development Program organized by Harvard Business School Alumni Club of Malaysia</li> </ul>	Independent Director	Chairman of the NC and member of the AC and the RC	22 March 2021	<ul style="list-style-type: none"> <li>T T J Holdings Ltd</li> <li>CASA Holdings Ltd</li> <li>Zicom Group Limited</li> </ul>
Ong Seh Hong	<ul style="list-style-type: none"> <li>MBBS degree from National University of Singapore</li> <li>MRCPSyh from The Royal College of Psychiatrist (UK)</li> <li>FAMS from the Academy of Medicine, Singapore</li> <li>Master of Science (Applied Finance) degree from the National University of Singapore</li> </ul>	Independent Director	Chairman of the RC and member of the AC and NC	22 March 2021	<ul style="list-style-type: none"> <li>Dyna-Mac Holdings Ltd</li> <li>Zhongmin Baihui Retail Group Ltd</li> <li>Hock Lian Seng Holding Ltd</li> </ul>

## Board Performance

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

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

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

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

The performance criteria include financial targets, the contribution by Directors, their attendances at the Board and Board Committees meetings, their 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.

The results of the evaluation exercises would be collated by the Company Secretary for the NC's review and consideration, which then made recommendations to the Board on enhancements to improve the effectiveness of the Board and Board Committees. No external facilitator was engaged in the establishment of the evaluation process.

## 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;

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- (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

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 FY2021, the Board has not engaged any external remuneration consultants to advice on remuneration matters.

### Level and Mix of Remuneration

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

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

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

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

Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. The RC has recommended to the Board (i) pro-rated Directors' fees of S\$41,945.21 for the financial year ended 31 March 2021 ("**FY2021**") and (ii) the Directors fees of S\$71,000 for the financial year ending 31 March 2022 ("**FY2022**") to be paid 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 fees for FY2021 and FY2022 are 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



## 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 FY2021 are as follows:

Director	Remuneration Band <sup>(1)</sup>	Director Fees <sup>(2)</sup>	Breakdown in Percentage			Total
			Fixed Salary	Bonus	Others <sup>(3)</sup>	
Mr Ong Chu Poh	B	4.24	82.69	8.48	4.59	100.00
Ms Ong Hui Ming <sup>(4)</sup>	A	9.40	77.25	6.49	6.86	100.00
Mr Siau Kai Bing <sup>(5)</sup>	A	100.00	-	-	-	100.00
Mr Lim Yian Poh <sup>(5)</sup>	A	100.00	-	-	-	100.00
Dr Ong Seh Hong <sup>(5)</sup>	A	100.00	-	-	-	100.00

The Group has only two (2) key management personnel who is not a Director or the CEO during FY2021. The details of the remuneration of key management personnel of the Group (who are not Directors or the CEO) for FY2021 are as follows:

Key Management Personnel	Remuneration Band <sup>(1)</sup>	Fixed Salary	Breakdown in Percentage		Total
			Bonus	Others <sup>(3)</sup>	
Ms Kang Shwu Huey	A	91.83	0.00	8.17	100.00
Dr Ong Xin De <sup>(6)</sup>	A	79.51	9.65	10.84	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 FY2021, whose exceeded S\$100,000 are set out below:

Immediate Family Member	Designation	Remuneration Band <sup>(1)</sup>	Fixed Salary	Breakdown in Percentage		Total
				Bonus	Others <sup>(3)</sup>	
Dr Koh Hin Ling <sup>(7)</sup>	Director of TCM	A	88.32	6.97	4.71	100.00

### Note:

<sup>(1)</sup> 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.

<sup>(2)</sup> Directors' fees were pro-rated for FY2021.

<sup>(3)</sup> Others include employer's CPF contribution.

<sup>(4)</sup> Ms Ong Hui Ming is the daughter of the Executive Chairman and Group CEO, Mr Ong Chu Poh.

<sup>(5)</sup> Mr Siau Kai Bing, Mr Lim Yian Poh and Dr Ong Seh Hong were appointed as the Independent Director on 22 March 2021.

<sup>(6)</sup> Dr Ong Xin De is the son of the Executive Chairman and Group CEO, Mr Ong Chu Poh.

<sup>(7)</sup> Dr Koh Hin Ling is the wife of the Executive Chairman and Group CEO, Mr Ong Chu Poh.

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For FY2021 the aggregate total remuneration paid/payable to the relevant key management personnel (who are not Directors or the CEO) amounted to S\$191,380.

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 FY2021, 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.

## 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. However, the Board also acknowledges that no cost-effective internal control system will preclude all errors and 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 assistance of the internal auditors enabled the AC to carry out assessments of the effectiveness of key internal controls during the year.

The recommendation arising from weaknesses in the internal controls and Management's action plans undertaken to address the weakness were reported to the AC.

In FY2021, there were no material weakness in internal controls highlighted by both the internal auditors and external auditors.

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.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors and external auditors, reviews performed by Management and the controls and processes which are currently in place, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems are adequate and effective in addressing the financial, operational, compliance and information technology control risks of the Group since the date of the Company's Offer Document up to the date of this report.

Following the listing of the Company, the AC continue to review the adequacy and effectiveness of the Company's internal control and risk management systems.

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 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 FY2021. 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 FY2021 give a true and fair view in all material respects, of the Company's operations and finances; and
- (2) the Group's internal controls and risk management systems are adequate and operating effectively in all material respects given its current business environment.

## Audit Committee

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

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;
- (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;

## Corporate Governance

- (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 CEO and our Group CFO 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 FY2021.

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.

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 2021, 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 for FY2021 and a breakdown of the fees paid in total for audit and non-audit services respectively are stated below:

<b>External audit fee FY2021</b>	<b>S\$</b>
Audit Fees	
- Statutory Audit	260,000
- IPO Audit	666,662
Non Audit Fees	16,750
<b>Total Fees</b>	<b>943,412</b>

For the audit of the current financial year ending 31 March 2022, the AC has recommended to the Board, and the Board has accepted the appointment of Ernst & Young LLP in place of the retirement of the existing external auditors, KPMG LLP as the Group's external auditors, subject to the Shareholders' approval at the forthcoming AGM. Further information on the proposed change of external auditors is out in the Circular to shareholders dated 14 July 2021.

For FY2021, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalyst 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 Deputy CEO, Singapore 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.

## Corporate Governance

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 internal 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.

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.

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

In the course of FY2021, 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.

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.

Due to the COVID-19 outbreak and the circuit breaker put in place by the Singapore Government, the Company's AGM for FY2021 ("**2021 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 2021 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 2021 AGM via electronic means, voting by appointing the Chairman of the 2021 AGM as proxy and their questions (if any) in relation to any resolution set out in the notice of AGM are sent to the Company in advance of the 2021 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.

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

The Board has recommended a final dividend of 0.78 Singapore cent per ordinary share for FY2021 which is subject to the Shareholders' approval at the forthcoming AGM of the Company.

# Corporate Governance

## 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 are prepared and made available to all Shareholders electronically. 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.

## 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 FY2021 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	1,849	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	366	
(3) Econ Healthcare Pte Ltd (a) Sub lease agreement for Chai Chee Nursing Home (b) Trademark licence agreement	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	
(6) Econ Advance Renal Care Pte. Ltd. <sup>(1)</sup> (a) Sublease and service agreement for Yung Kuang Life Hub (b) Sublease and service agreement for Bedok Life Hub	180	

**Note:**

<sup>(1)</sup> On 30 September 2020, the Group transferred its shares in the joint venture, Econ Advance Renal Care Pte. Ltd., to Econ Healthcare Pte. Ltd. for a consideration of S\$1. Subsequently on 19 November 2020, Econ Healthcare Pte. Ltd. entered into a sale and purchase agreement to dispose Econ Advance Renal Care Pte. Ltd. to a third party. As a result, Econ Advance Renal Care Pte. Ltd. is no longer an interested person of the Group.

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 FY2021.

## Corporate Governance

### 8. USE OF IPO PROCEEDS FROM IPO

	Amount allocated (as disclosed in the offer document) (\$'000)	Amount utilised as at the date of this annual report (\$'000)	Balance (\$'000)
Expansion plans in Singapore as well as overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments	7,500	171	7,329
Upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure	2,000	-	2,000
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 <sup>(1)</sup>	70
<b>Total</b>	<b>14,000</b>	<b>2,601</b>	<b>11,399</b>

**Note:**

<sup>(1)</sup> The amount utilised as at the date of this annual report refer to the expenses billed and paid up to date.

### 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.

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:

Details	Name of Director			
	Ong Chu Poh	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
Date of Appointment	28 January 2004	22 March 2021	22 March 2021	22 March 2021
Date of last re-appointment (if applicable)	N/A	N/A	N/A	N/A
Age	67	66	75	58
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Ong Chu Poh was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr Ong's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Siau Kai Bing was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr Siau's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.  The Board considers Mr Siau to be independent for the purpose of Rule 704(7) of the Catalist Rules.	The re-election of 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.	The re-election of Dr Ong Seh Hong was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Dr Ong's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.  The Board considers Dr Ong to be independent for the purpose of Rule 704(7) of the Catalist Rules.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the overall management, operations and the charting of corporate directors and strategies of the Group and spearheaded the expansion into Malaysia and China.	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Group CEO	Lead Independent Director, Chairman of the AC and member of the NC and RC	Independent Director, Chairman of the NC and member of the AC and RC	Independent Director, Chairman of the RC and member of the AC and NC

## Corporate Governance

Details	Name of Director			
	Ong Chu Poh	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
Professional qualifications	<ul style="list-style-type: none"> <li>Bachelor of Arts from the then Nanyang University, Singapore</li> <li>Diploma in Marketing Management from Ngee Ann Polytechnic</li> <li>Graduate of the Singapore Command and Staff College</li> </ul>	<ul style="list-style-type: none"> <li>Accountancy degree from the National University of Singapore</li> <li>Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants of Singapore</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science degree from Nanyang University, Singapore</li> <li>Master of Science degree from the University of Hull, England</li> <li>Completed the Stanford-NUS Executive Program offered by Stanford University and the National University of Singapore and the Senior Management Development Program organized by Harvard Business School Alumni Club of Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>MBBS degree from National University of Singapore</li> <li>MRCPsych from The Royal College of Psychiatrist (UK)</li> <li>FAMS from the Academy of Medicine, Singapore</li> <li>Master of Science (Applied Finance) degree from the National University of Singapore</li> </ul>
Working experience and occupation(s) during the past 10 years	Please refer to page 16 of this Annual Report	Please refer to page 16 of this Annual Report	Please refer to page 17 of this Annual Report	Please refer to page 17 of this Annual Report
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest – 207,000,000 shares	Nil	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	Spouse of Dr Koh Hin Ling, Director of TCM, TCM practitioner and Director of the Group's principal subsidiaries  Father of Ms Ong Hui Ming, Executive Director and Deputy Chief Executive Officer, Singapore, and Dr Ong Xin De, Head, Development	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	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	Yes	Yes

Details	Name of Director			
	Ong Chu Poh	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
Other Principal Commitments Including Directorships	<p><b>Past (for the last 5 years)</b></p> <ul style="list-style-type: none"> <li>• Air Ambulance Asia Pte. Ltd.</li> <li>• Century Health Products Pte. Ltd.</li> <li>• Econ Advance Renal Care Pte. Ltd.</li> <li>• Econ (Ho Chi Minh City) Pte. Ltd.</li> <li>• Econ Healthcare Investment Pte. Ltd.</li> <li>• Econ Healthcare Management &amp; Services (Tianjin) Pte. Ltd.</li> <li>• Econ Hospitality Consultancy Services Pte. Ltd.</li> <li>• Econ Investment Pte Ltd</li> <li>• Hung Thinh Singapore Pte. Ltd.</li> <li>• Tat Ming Management Services Pte Ltd</li> <li>• TMI Environmental Technologies Pte. Ltd.</li> <li>• TMI Realty Pte Ltd</li> </ul> <p><b>Present</b></p> <ul style="list-style-type: none"> <li>• Caleb Care (Singapore) Pte. Ltd.</li> <li>• Econ Ambulance Services Pte Ltd</li> <li>• Econ Careskill Training Centre (ECTC) Pte. Ltd.</li> <li>• Econ Health &amp; Wellness Centre Pte. Ltd.</li> <li>• Econ Healthcare (China) Pte. Ltd.</li> <li>• Econ Healthcare (M) Pte. Ltd.</li> <li>• Econ Healthcare (M) Sdn Bhd</li> <li>• Econ Medicare Centre and Nursing Home Sdn Bhd</li> <li>• Econ Medicare Centre Pte Ltd</li> <li>• Econ Nursing Home Services (1987) Pte Ltd</li> <li>• Econ TCM Services Pte. Ltd.</li> <li>• Sunnyville Nursing Home (1996) Pte Ltd</li> </ul>	<p><b>Past (for the last 5 years)</b></p> <ul style="list-style-type: none"> <li>• QAF Limited</li> </ul> <p><b>Present</b></p> <ul style="list-style-type: none"> <li>• Nordic Group Limited</li> <li>• Union Steel Holdings Limited</li> </ul>	<p><b>Past (for the last 5 years)</b></p> <ul style="list-style-type: none"> <li>• Anerji Pte. Ltd.</li> </ul> <p><b>Present:</b></p> <ul style="list-style-type: none"> <li>• CASA Holdings Limited</li> <li>• CASA Property Holdings Pte. Ltd.</li> <li>• Kinderworld International Group Ltd.</li> <li>• T T J Holdings Limited</li> <li>• V-Campus Pte. Ltd.</li> <li>• VMD Development Sdn Bhd</li> <li>• Zicom Group Limited</li> <li>• Zicom Holdings Private Limited</li> </ul>	<p><b>Past (for the last 5 years)</b></p> <ul style="list-style-type: none"> <li>• MoneyMax Financial Services Ltd.</li> </ul> <p><b>Present:</b></p> <ul style="list-style-type: none"> <li>• Zhongmin Baihui Retail Group Ltd.</li> <li>• Dyna-Mac Holdings Ltd.</li> <li>• Hock Lian Seng Holdings Limited</li> <li>• SC3H Holding Pte. Ltd.</li> </ul>

## Corporate Governance

Details	Name of Director			
	Ong Chu Poh	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
Other Principal Commitments Including Directorships (cont'd)	<p><b>Present (cont'd)</b></p> <ul style="list-style-type: none"> <li>• 重庆宜康百龄帮养老服务有限公司 (Chongqing Yikang Bailingbang Eldercare Co. Ltd.)</li> <li>• Econ Medicare Centre Holdings Pte Ltd</li> <li>• Ekang International Holdings Pte. Ltd.</li> <li>• Econ Healthcare &amp; Tourism Development Pte. Ltd.</li> <li>• Hanoi Investment Holding Pte. Ltd.</li> <li>• Iroyallife International Pte. Ltd.</li> <li>• Econ Healthcare Management &amp; Services Pte. Ltd.</li> <li>• Econ Healthcare Pte. Ltd.</li> <li>• Econ International Healthcare Management Services Pte. Ltd.</li> <li>• Econ Investment Holdings Pte. Ltd.</li> <li>• FMS Tech Pte Ltd</li> <li>• Mike &amp; Ong Investments Pte. Ltd.</li> <li>• Pei Hwa Foundation Limited</li> <li>• TMI Holdings (1997) Pte Ltd</li> <li>• TMI Technologies Pte Ltd</li> <li>• VC Medi Project Pte. Ltd.</li> <li>• West Point Hospital (Singapore) Pte. Ltd.</li> <li>• West Point Hospital Pte. Ltd.</li> <li>• Chengdu Tianli Group Co., Ltd</li> <li>• Econ (Suzhou) Healthcare Management Co. Ltd</li> <li>• China Healthcare Pte. Ltd.</li> <li>• Econ Elderly Mgmt &amp; Consultancy (Beijing) Co., Ltd</li> <li>• Victoria Healthcare Vietnam Ltd</li> <li>• Medical Services &amp; Healthcare Investment LLC</li> </ul>			

Details	Name of Director			
	Ong Chu Poh	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
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	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	No	No
c. Whether there is any unsatisfied judgment against him?	No	No	No	No

## Corporate Governance

Details	Name of Director			
	Ong Chu Poh	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
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	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	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	No	No



Details	Name of Director			
	Ong Chu Poh	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
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	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	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	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-				
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	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	No	No

## Corporate Governance

Details	Name of Director			
	Ong Chu Poh	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (cont'd)				
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	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	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	No	No

Details	Name of Director			
	Ong Chu Poh	Siau Kai Bing	Lim Yian Poh	Ong Seh Hong
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.	Not applicable. This is a re-election of a Director.			
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.	Not applicable. This is a re-election of a Director.			

## Financial Statements

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# Directors' Statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 March 2021.

In our opinion:

- (a) the financial statements set out on pages 57 to 128 are drawn up 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 2021 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## Directors

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

Mr Ong Chu Poh  
 Ms Ong Hui Ming  
 Mr Siau Kai Bing (Appointed on 22 March 2021)  
 Mr Lim Yian Poh (Appointed on 22 March 2021)  
 Dr Ong Seh Hong (Appointed on 22 March 2021)

## Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 ('the Act'), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants or share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
<b>Mr Ong Chu Poh</b>		
<b>Econ Healthcare (Asia) Limited</b>		
- Ordinary shares	15,000,000	207,000,000 <sup>(1)</sup>
- deemed interest		

<sup>(1)</sup> These amounts have been adjusted to take into account the share split on 23 March 2021.

# Directors' Statement

## Directors' interests (cont'd)

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
<b>Ultimate holding company</b>		
<b>Mr Ong Chu Poh</b>		
<b>Econ Investment Holdings Pte. Ltd.</b>		
- 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, either at the beginning of the financial year, or date of appointment if later, 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 2021.

## Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

## 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 statement 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 Listing Manual).

# Directors' Statement

## Audit Committee (cont'd)

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 the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the 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, KPMG 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 has made its recommendations to the Board of Directors and the Board of Directors is satisfied with the proposed appointment of Ernst & Young LLP as external auditors of the Company in place of the retiring auditors, KPMG LLP, at the forthcoming annual general meeting of the Company.

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

## Auditors

The retiring auditors, KPMG LLP, will not be seeking re-appointment at the forthcoming annual general meeting of the Company. Ernst & Young LLP has expressed its willingness to accept appointment as auditors of the Company for the financial year ending 31 March 2022.

On behalf of the Board of Directors

**Ong Chu Poh**  
Director

**Ong Hui Ming**  
Director

6 July 2021

# Independent Auditors' Report

The Board of Directors  
Econ Healthcare (Asia) Limited

## 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 ('the Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2021, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 128.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the 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 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ('ACRA Code') together with the ethical requirements that are relevant to our audit of the 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.

Valuation of property, plant and equipment and right-of-use assets (Refer to Notes 4 and 5 of the financial statements)	
The key audit matter	How the matter was addressed in our audit
<p>The Group has property, plant and equipment, and right-of-use assets in the consolidated statement of financial position, with a carrying amounts of \$16.5 million and \$27.2 million respectively as at 31 March 2021. These assets account for 60% of the Group's total assets.</p> <p>Management has identified each nursing home or clinic as a separate cash generating unit ("CGU").</p> <p>In view of the losses incurred by certain CGUs and uncertain economic conditions, management has identified the existence of impairment indicators and performed an impairment assessment on its property, plant and equipment and right-of-use assets. This involved a comparison of the carrying amount of each CGU with its recoverable amount, which is determined by assessing the value in use based on discounted cash flow forecasts.</p> <p>The process of identifying indicators of impairment and assessing the recoverable amount of property, plant and equipment, and right-of-use assets by management involves significant judgement and estimation.</p>	<p>Our key procedures include the below, amongst others:</p> <ul style="list-style-type: none"> <li>- Discussed with management and evaluated their determination of CGUs and assessment of impairment indicators.</li> <li>- Reviewed the key assumptions relating to the estimated future cash flows, including discount rate, projected future growth rates for revenue and expenses, with reference to our understanding of the business, historical trends and available industry information; and</li> <li>- Considered the disclosures made in the financial statements.</li> </ul>



# Independent Auditors' Report

The Board of Directors  
Econ Healthcare (Asia) Limited

## *Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' Statement, Chairman's Message, The Year in Review, Financial Highlights, Financial Performance Summary, Geographical Presence, Our People, Awards & Accolades, Board of Directors, Other Key Management Team, Organisation Chart, Corporate Information, Corporate Governance and Statistics of Shareholding prior to the date of this auditors' report.

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.

## *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.

## *Auditors' 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 controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# Independent Auditors' Report

The Board of Directors  
Econ Healthcare (Asia) Limited

*Auditors' responsibilities for the audit of the financial statements (cont'd)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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 auditors' 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 auditors' report is Tan Yek Lee Doreen.

**KPMG LLP**  
Public Accountants and  
Chartered Accountants

**Singapore**  
6 July 2021

# Statements of Financial Position

As at 31 March 2021

	Note	Group		Company	
		2021 \$	2020 \$	2021 \$	2020 \$
<b>Assets</b>					
Property, plant and equipment	4	16,476,352	15,114,106	938,447	1,031,148
Right-of-use assets	5	27,154,219	29,001,111	5,454,432	5,458,347
Investment property	6	8,153,915	8,281,218	-	-
Joint venture	7	-	-	-	-
Trade and other receivables	8	1,128,171	1,161,970	1,580,949	805,159
Deferred tax assets	14	30,998	78,344	2,796	45,572
Finance lease receivables	26	18,208	53,900	-	-
Subsidiaries	33	-	-	23,921,674	22,633,415
<b>Non-current assets</b>		<b>52,961,863</b>	<b>53,690,649</b>	<b>31,898,298</b>	<b>29,973,641</b>
Trade and other receivables	8	3,352,350	5,335,563	700,262	2,057,989
Cash and cash equivalents	9	16,094,606	7,333,704	5,097,007	1,664,737
Inventories	10	13,685	7,205	-	-
Finance lease receivables	26	35,692	34,649	-	-
Current tax assets		195,894	23,463	-	-
<b>Current assets</b>		<b>19,692,227</b>	<b>12,734,584</b>	<b>5,797,269</b>	<b>3,722,726</b>
<b>Total assets</b>		<b>72,654,090</b>	<b>66,425,233</b>	<b>37,695,567</b>	<b>33,696,367</b>
<b>Equity</b>					
Share capital	11	15,000,000	15,000,000	15,000,000	15,000,000
Currency translation reserve	12	(2,840,568)	(2,587,783)	-	-
Merger reserve	12	(99,293)	(99,293)	-	-
Accumulated profits		12,655,729	6,955,680	6,850,507	7,250,519
<b>Equity attributable to owner of the Company</b>		<b>24,715,868</b>	<b>19,268,604</b>	<b>21,850,507</b>	<b>22,250,519</b>
Non-controlling interests	34	513,823	(131,098)	-	-
<b>Total equity</b>		<b>25,229,691</b>	<b>19,137,506</b>	<b>21,850,507</b>	<b>22,250,519</b>
<b>Liabilities</b>					
Loans and borrowings	13	4,535,714	6,165,114	-	-
Deferred tax liabilities	14	364,331	374,424	-	-
Deferred capital grants	15	276,625	245,906	-	-
Provision for restoration costs	17	504,208	507,911	215,317	214,095
Lease liabilities	18	23,676,666	25,691,027	3,973,120	4,090,071
<b>Non-current liabilities</b>		<b>29,357,544</b>	<b>32,984,382</b>	<b>4,188,437</b>	<b>4,304,166</b>
Loans and borrowings	13	5,825,466	3,472,807	-	-
Amount due to immediate holding company	16	-	698,086	-	698,086
Trade and other payables	19	5,977,762	4,928,417	9,909,856	4,872,486
Lease liabilities	18	5,084,310	4,707,751	1,667,243	1,571,110
Current tax liabilities		1,179,317	496,284	79,524	-
<b>Current liabilities</b>		<b>18,066,855</b>	<b>14,303,345</b>	<b>11,656,623</b>	<b>7,141,682</b>
<b>Total liabilities</b>		<b>47,424,399</b>	<b>47,287,727</b>	<b>15,845,060</b>	<b>11,445,848</b>
<b>Total equity and liabilities</b>		<b>72,654,090</b>	<b>66,425,233</b>	<b>37,695,567</b>	<b>33,696,367</b>

The accompanying notes form an integral part of these financial statements.

# Consolidated Income Statement

Year ended 31 March 2021

	Note	2021 \$	2020 \$
Revenue	20	20,378,463	21,925,210
Operating subvention grants	21	17,530,653	15,394,321
Other income	22	6,219,030	588,301
Supplies and consumables		(5,462,264)	(4,934,486)
Staff costs		(18,469,430)	(16,947,026)
Depreciation of property, plant and equipment	4	(1,123,158)	(1,009,497)
Depreciation of right-of-use assets	5	(5,174,426)	(5,113,735)
Lease expense		-	(28,210)
Utilities expenses		(947,815)	(1,034,946)
Impairment losses on trade receivables		(13,955)	(8,710)
Other operating expenses		(4,762,498)	(3,016,289)
<b>Results from operating activities</b>		<b>8,174,600</b>	<b>5,814,933</b>
Finance income		19,118	28,394
Finance costs – leases		(987,820)	(1,015,482)
Finance costs – others		(383,982)	(468,590)
Finance costs		(1,371,802)	(1,484,072)
<b>Net finance costs</b>	24	<b>(1,352,684)</b>	<b>(1,455,678)</b>
Share of profit/(loss) of joint venture (net of tax)	7	4,591	(3,566)
<b>Profit before tax</b>		<b>6,826,507</b>	<b>4,355,689</b>
Tax expense	25	(1,455,543)	(475,661)
<b>Profit for the year</b>	23	<b>5,370,964</b>	<b>3,880,028</b>
Profit attributable to:			
Owner of the Company		5,700,049	4,037,196
Non-controlling interests		(329,085)	(157,168)
<b>Profit for the year</b>		<b>5,370,964</b>	<b>3,880,028</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (cents)	31	2.75	1.95

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Comprehensive Income

Year ended 31 March 2021

	2021 \$	2020 \$
<b>Profit for the year</b>	5,370,964	3,880,028
<b>Other comprehensive income</b>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences – foreign operations	(212,112)	(105,268)
<b>Total comprehensive income for the year</b>	<u>5,158,852</u>	<u>3,774,760</u>
<b>Total comprehensive income attributable to:</b>		
Owner of the Company	5,447,264	3,931,919
Non-controlling interests	(288,412)	(157,159)
<b>Total comprehensive income for the year</b>	<u>5,158,852</u>	<u>3,774,760</u>

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

Year ended 31 March 2021

Note	Share capital \$	Currency translation reserve \$	Merger reserve \$	Accumulated profits \$	Total equity attributable to owner of the Company \$	Non-controlling interests \$	Total equity \$	
At 1 April 2019	15,000,000	(2,486,184)	(99,293)	5,748,663	18,163,186	-	18,163,186	
<b>Total comprehensive income for the year</b>								
Profit for the year	-	-	-	4,037,196	4,037,196	(157,168)	3,880,028	
<b>Other comprehensive income</b>								
Foreign currency translation differences – foreign operations	-	(105,277)	-	-	(105,277)	9	(105,268)	
<b>Total comprehensive income for the year</b>	-	(105,277)	-	4,037,196	3,931,919	(157,159)	3,774,760	
<b>Transactions with owner, recognised directly in equity</b>								
Sale of equity interests to non-controlling interest without change in control	33	-	3,678	-	69,821	73,499	26,061	99,560
Dividends declared	12	-	-	-	(2,900,000)	(2,900,000)	-	(2,900,000)
Total transactions with owner		-	3,678	-	(2,830,179)	(2,826,501)	26,061	(2,800,440)
At 31 March 2020		15,000,000	(2,587,783)	(99,293)	6,955,680	19,268,604	(131,098)	19,137,506

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

Year ended 31 March 2021

	Share capital \$	Currency translation reserve \$	Merger reserve \$	Accumulated profits \$	Total equity attributable to owner of the Company \$	Non-controlling interests \$	Total equity \$
At 1 April 2020	15,000,000	(2,587,783)	(99,293)	6,955,680	19,268,604	(131,098)	19,137,506
<b>Total comprehensive income for the year</b>							
Profit for the year	-	-	-	5,700,049	5,700,049	(329,085)	5,370,964
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	-	(252,785)	-	-	(252,785)	40,673	(212,112)
<b>Total comprehensive income for the year</b>	-	(252,785)	-	5,700,049	5,447,264	(288,412)	5,158,852
<b>Transactions with owner, recognised directly in equity</b>							
Capital contributions by non-controlling interests	-	-	-	-	-	933,333	933,333
Total transactions with owner	-	-	-	-	-	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 notes form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

Year ended 31 March 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Profit for the year		5,370,964	3,880,028
Adjustments for:			
Amortisation of deferred capital grant		(41,818)	(39,758)
Loss on disposal of property, plant and equipment		-	19,194
Write-off of property, plant and equipment		31,674	4,845
Depreciation of property, plant and equipment		1,123,158	1,009,497
Depreciation of right-of-use assets		5,174,426	5,113,735
Re-measurement from lease modification		38,226	37,903
Loss on termination of leases		11,144	-
Impairment losses on trade receivables		13,955	8,710
Impairment losses on property, plant and equipment		61,599	9,959
Interest income		(19,118)	(27,888)
Interest expense		1,350,015	1,480,742
Rent concessions		(501,440)	-
Unwinding of discount on provisions		3,078	3,330
Reversal of provision for restoration cost		(6,781)	(31,631)
Tax expense		1,455,543	475,661
Loss on disposal of joint venture		4,590	-
Share of (profit)/loss of joint venture, net of tax		(4,591)	3,566
		<b>14,064,624</b>	<b>11,947,893</b>
Changes in:			
- Trade and other receivables		1,794,942	(1,616,165)
- Trade and other payables		673,936	951,344
- Inventories		(6,480)	(7,205)
		<b>16,527,022</b>	<b>11,275,867</b>
<b>Cash generated from operations</b>		<b>16,527,022</b>	<b>11,275,867</b>
Reinstatement cost paid		-	(4,550)
Tax paid		(913,237)	(686,472)
<b>Net cash from operating activities</b>		<b>15,613,785</b>	<b>10,584,845</b>
<b>Cash flows from investing activities</b>			
Change in non-trade amounts due from immediate holding company		(698,086)	(1,455,344)
Change in non-trade amounts due from a related corporation		487,973	(178,228)
Finance lease received		36,720	36,720
Interest received		17,047	25,605
Proceeds from disposal of property, plant and equipment		267	28,800
Purchase of property, plant and equipment		(2,441,003)	(1,890,379)
Proceeds from sale of equity interests to non-controlling interest		-	99,560
Proceed from disposal of joint venture		1	-
Restricted fixed deposit held with bank		(30,771)	-
(Placement)/Withdrawal of fixed deposits with licensed banks		(1,501)	166,103
Capital grants received		72,537	285,664
<b>Net cash used in investing activities</b>		<b>(2,556,816)</b>	<b>(2,881,499)</b>

The accompanying notes form an integral part of these financial statements.



# Consolidated Statement of Cash Flows

Year ended 31 March 2021

	Note	2021 \$	2020 \$
<b>Cash flows from financing activities</b>			
Capital contribution by non-controlling interests		933,333	-
Proceeds from borrowings	13	2,360,163	1,153,015
Change in non-trade amount due to immediate holding company	13	-	(1,700,212)
Repayment of borrowings	13	(1,553,806)	(1,453,834)
Payment of lease liabilities	13	(4,462,626)	(4,643,539)
Interest paid	13	(1,286,430)	(1,466,794)
Prepayment of initial public offering transaction costs	8	(336,516)	-
<b>Net cash used in financing activities</b>		<b>(4,345,882)</b>	<b>(8,111,364)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at 1 April		7,300,749	7,717,671
Effect of exchange rate fluctuations on cash held		17,543	(8,904)
<b>Cash and cash equivalents at 31 March</b>	9	<b>16,029,379</b>	<b>7,300,749</b>

## Significant non-cash transactions

During the year and 31 March 2021, the Group has the following significant non-cash transactions:

### Dividends paid

In 2020, the Company declared an interim dividend of \$2,900,000 of which the same corresponding amount was settled via set-off against the non-trade amounts due from immediate holding company.

### Acquisition of property, plant and equipment

The Group acquired property, plant and equipment with an aggregate cost of \$2,752,812 (2020: \$2,147,193), of which \$Nil (2020: \$256,814) relates to provision for restoration costs and \$311,809 (2020: \$Nil) has yet to be settled.

### 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 forego lease payments amounting to \$501,440 (2020: \$Nil). See Notes 13 and 26.

# Notes to the Financial Statements

These notes form an integral part of the financial statements.

These financial statements were authorised for issue by the Board of Directors on 6 July 2021.

## 1 DOMICILE AND ACTIVITIES

### 1.1 The Company

The Company was incorporated on 28 January 2004 under the name of EHL (S) Pte. Ltd and is domiciled in the Republic of Singapore. On 16 February 2006, the Company changed its name to Econ Healthcare (S) Pte. Ltd. On 29 March 2021, the Company was converted into a public company limited by shares and changed its name to Econ Healthcare (Asia) Limited. The Company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited on 19 April 2021. The Company's registered address and principal place of business is at 160 Changi Road, #05-01-13 Hexacube, Singapore 419728.

The financial statements of the Group as at and for the year ended 31 March 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The immediate and ultimate holding companies are Econ Healthcare Pte. Ltd. and Econ Investment Holdings Pte. Ltd. respectively. Both are incorporated in the Republic of Singapore.

The principal activities of the Group are those relating to the operation of medicare centres and nursing homes, provision of hospital extension ward management services, homecare services and ambulance services, letting of properties and investment holding.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to significant accounting policies are described in Note 2.5.

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

### 2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Impairment assessment of property, plant and equipment and right-of-use assets
- Note 4 – Useful lives and residual values of property, plant and equipment
- Note 27 – Measurement of expected credit loss ("ECL") allowance for trade and other receivables
- Note 33 – Impairment assessment of investment in subsidiaries

# Notes to the Financial Statements

## 2 BASIS OF PREPARATION (CONT'D)

### 2.4 Use of estimates and judgements (cont'd)

There are no critical judgments in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements.

#### *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has an overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1* : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3* : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 27 – Financial risk management.

### 2.5 Changes in accounting policies

#### **New standards and amendments**

The Group has applied the following amendments to SFRS(I)s for the first time for the annual period beginning on 1 April 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business (Amendments to SFRS(I) 3)*
- *Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)*
- *Interest Rate Benchmark Reform (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)*

The application of these amendments to standards does not have a material effect on the financial statements.

The Group has early adopted *Covid-19-Related Rent Concessions – Amendment to SFRS(I) 16* issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee, i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequences of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on accumulated profits at 1 April 2020.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 3.1 Basis of consolidation

#### (i) *Business combinations*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substance process and whether the acquired set has the ability to produce outputs.

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.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### (ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

#### (iii) *Acquisitions from entities under common control*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Group's controlling shareholder. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Basis of consolidation (cont'd)

#### (iv) *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### (v) *Investment in an associate and joint venture (equity-accounted investee)*

An associated company is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in associate and joint venture is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

#### (vi) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising (except for foreign currency transaction gains or losses) from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (vii) *Subsidiaries, associate and joint venture in the separate financial statements*

Investments in subsidiaries, associates and joint venture are stated in the Company's statement of financial position at cost less accumulated impairment losses.

### 3.2 Foreign currency

#### (i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.2 Foreign currency (cont'd)

#### (ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

### 3.3 Financial instruments

#### (i) Recognition and initial measurement

##### Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (ii) Classification and subsequent measurement

##### Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

##### Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

#### (ii) *Classification and subsequent measurement (cont'd)*

##### **Financial assets: Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

##### **Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

#### (ii) *Classification and subsequent measurement (cont'd)*

##### **Non-derivative financial assets: Subsequent measurement and gains and losses**

###### **Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### **Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

#### (iii) *Derecognition*

##### **Financial assets**

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

##### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### (iv) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### (v) *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits placed with financial institutions.



# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Financial instruments (cont'd)

#### (vi) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

### 3.4 Property, plant and equipment

#### (i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### (ii) *Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### (iii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that assets, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Freehold land and properties under construction are not depreciated.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.4 Property, plant and equipment (cont'd)

#### (iii) Depreciation (cont'd)

The estimated useful lives for the current and comparative years are as follows:

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

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

#### (iv) Reclassification to investment property

When the use of property changes from owner-occupied to investment property, the property is measured at cost and reclassified accordingly.

### 3.5 Investment property

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

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

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

### 3.6 Leases

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

#### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.6 Leases (cont'd)

#### (i) As a lessee (cont'd)

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities in the statements of financial position.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### *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.

#### (ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.6 Leases (cont'd)

#### (ii) As a lessor (cont'd)

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

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

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 3.7). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

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

### 3.7 Impairment

#### (i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost and finance lease receivables.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

#### **Simplified approach**

The Group applies the simplified approach to provide for ECLs for all trade receivables (including finance lease receivables). The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

#### **General approach**

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.7 Impairment (cont'd)

#### (i) *Non-derivative financial assets (cont'd)*

##### **General approach (cont'd)**

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due, taking into consideration historical payment track records, current macroeconomics situation as well as the general industry trend.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### **Measurement of ECLs**

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### **Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

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

##### **Presentation of allowance for ECLs in the statements of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

##### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.7 Impairment (cont'd)

#### (ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

### 3.8 Inventories

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

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

### 3.9 Employee benefits

#### (i) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

#### (ii) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

### 3.11 Revenue

#### *Rendering of services*

Revenue from home fees, ambulance fees, course fees, management fees and rendering of other ancillary services in the ordinary course of business are recognised when services are rendered. Revenue services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

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

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

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

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

### 3.12 Government grants

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

Grants for Intermediate and Long-Term Care ("ILTC") sector is recognised in profit or loss as "operating subvention grants" when the grant becomes receivable. An unconditional government grant other than operating subvention grant is recognised in profit or loss as "other income" when the grant becomes receivable.

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.

Cash grants received from the government in relation to the wage credit scheme, special employment credit and temporary employment credit are recognised as income upon receipt.

# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.13 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities; and
- the unwinding of the discount on provisions.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

### 3.14 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.



# Notes to the Financial Statements

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.14 Income tax (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company and individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

### 3.15 Inter-group financial guarantees

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

### 3.16 Earnings per share

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

### 3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by 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

### 4 PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land	Freehold buildings	Properties under construction	Leasehold improvements and renovations	Nursing homes equipment	Ambulances and equipment	Furniture, fittings and office equipment	Computers and accessories	Motor vehicles	Total
Cost		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 April 2019		9,668,653	9,831,449	19,420	6,239,489	2,619,411	292,315	2,271,571	521,462	147,593	31,611,363
Additions		-	-	-	1,437,842	430,741	-	132,549	92,920	53,141	2,147,193
Disposals		-	-	-	-	(47,768)	(292,315)	(50,544)	(22,479)	-	(413,106)
Reclassification to investment property	6	(8,280,299)	-	-	-	-	-	-	-	-	(8,280,299)
Write off		-	-	-	(231,981)	(19,016)	-	(3,851)	-	-	(254,848)
Translation differences on consolidation		(65,384)	(65,550)	(130)	(11,594)	(2,909)	-	(2,991)	(369)	(428)	(149,355)
At 31 March 2020		1,322,970	9,765,899	19,290	7,433,756	2,980,459	-	2,346,734	591,534	200,306	24,660,948
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		1,302,633	9,615,773	50,874	8,841,373	3,483,771	-	2,501,370	786,567	198,495	26,780,856

# Notes to the Financial Statements

## 4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land	Freehold buildings	Properties under construction	Leasehold improvements and renovations	Nursing homes equipment	Ambulances and equipment	Furniture, fittings and office equipment	Computers and accessories	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Accumulated depreciation and impairment losses</b>										
At 1 April 2019	-	1,054,137	-	4,244,943	1,830,462	263,732	1,375,907	340,418	49,095	9,158,694
Depreciation charge for the year	-	195,296	-	261,641	141,707	2,333	245,377	122,891	40,252	1,009,497
Disposals	-	-	-	-	(39,946)	(266,065)	(36,622)	(22,479)	-	(365,112)
Impairment loss	-	-	-	-	8,982	-	977	-	-	9,959
Write off	-	-	-	(231,981)	(14,954)	-	(3,068)	-	-	(250,003)
Translation differences on consolidation	-	(7,007)	-	(5,022)	(1,828)	-	(1,780)	(284)	(272)	(16,193)
At 31 March 2020	-	1,242,426	-	4,269,581	1,924,423	-	1,580,791	440,546	89,075	9,546,842
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	-	1,415,642	-	4,632,776	1,725,385	-	1,831,574	574,534	124,593	10,304,504
<b>Carrying amounts</b>										
At 1 April 2019	9,668,653	8,777,312	19,420	1,994,546	788,949	28,583	895,664	181,044	98,498	22,452,669
At 31 March 2020	1,322,970	8,523,473	19,290	3,164,175	1,056,036	-	765,943	150,988	111,231	15,114,106
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

## Notes to the Financial Statements

### 4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold improvements and renovations \$	Furniture, fittings and office equipment \$	Computers and accessories \$	Motor vehicles \$	Total \$
<b>Company</b>					
<b>Cost</b>					
At 1 April 2019	2,397,035	151,384	129,000	82,477	2,759,896
Additions	76,815	-	8,918	-	85,733
At 31 March 2020	2,473,850	151,384	137,918	82,477	2,845,629
Additions	-	2,250	77,559	-	79,809
At 31 March 2021	2,473,850	153,634	215,477	82,477	2,925,438
<b>Accumulated depreciation</b>					
At 1 April 2019	1,573,608	5,300	26,561	7,855	1,613,324
Depreciation charge for the year	97,656	27,346	59,659	16,496	201,157
At 31 March 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	1,748,734	52,446	144,965	40,846	1,986,991
<b>Carrying amounts</b>					
At 1 April 2019	823,427	146,084	102,439	74,622	1,146,572
At 31 March 2020	802,586	118,738	51,698	58,126	1,031,148
At 31 March 2021	725,116	101,188	70,512	41,631	938,447

- (i) The carrying amounts of freehold land and buildings of the Group mortgaged as security for banking facilities (Note 13) are as follow:

	2021 \$	2020 \$
Freehold land	1,302,633	1,322,970
Freehold buildings	8,200,131	8,523,473
	<b>9,502,764</b>	<b>9,846,443</b>

- (ii) Transfer to investment property:

During 2020, a commercial property was transferred to investment property upon signing of a lease to a third party. The freehold land was transferred to investment property at cost with no remeasurement to fair value.

- (iii) Property, plant and equipment under construction:

Included in the carrying amount of leasehold improvements and renovations of the Group is construction-in-progress of \$Nil (2020: \$1,658,288).

# Notes to the Financial Statements

## 4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(iv) The following are the significant accounting estimates on the Group's property, plant and equipment and right-of-use assets:

### (a) *Impairment assessment*

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

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

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to property, plant and equipment and right-of-use assets 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 Group's economic benefits derived from the CGUs which provides Traditional Chinese Medicine ("TCM") clinics services (2020: skill training programmes) continues on a declining trend. The recoverable amount was estimated based on its value-in-use. The Group tested the property, plant and equipment for impairment and recognised an impairment loss of \$61,599 (2020: \$9,959) with respect to the remaining carrying amount of property, plant and equipment held by the CGUs which provide TCM clinics services (2020: skill training programmes). The discount rate used in the estimate of value in use is 9.23% (2020: 9.09%) and was based on the Group's weighted-average cost of capital.

### (b) *Depreciation expense, useful lives and residual value*

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded at each financial year. Useful lives are derived based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Due to the long lives of assets, changes to the estimates used can result in significant variations in the carrying value.

Changes in the expected level of use of the assets and the Group's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of these assets; therefore future depreciation charge could be revised. The residual value is reviewed at each reporting date, with any change in estimate accounted for prospectively.

## Notes to the Financial Statements

### 5 RIGHT-OF-USE ASSETS

	Nursing homes, office premises and health and wellness centres \$	Office equipment \$	Staff accommodation \$	Motor vehicles \$	Total \$
<b>Group</b>					
<b>Cost</b>					
At 1 April 2019	29,624,111	68,340	167,929	456,819	30,317,199
Additions	1,749,533	-	-	-	1,749,533
Lease modification	10,429,597	-	-	-	10,429,597
Derecognition of right-of-use assets*	(283,886)	-	-	(110,494)	(394,380)
Translation differences on consolidation	10,878	-	-	-	10,878
At 31 March 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 of right-of-use assets*	-	(68,340)	-	-	(68,340)
Translation differences on consolidation	(46,109)	-	-	-	(46,109)
At 31 March 2021	44,260,887	113,041	471,071	559,713	45,404,712
<b>Accumulated depreciation and impairment losses</b>					
At 1 April 2019	8,131,001	32,327	83,964	110,494	8,357,786
Depreciation charge for the year	4,960,533	17,307	55,976	79,919	5,113,735
Derecognition of right-of-use assets*	(283,888)	-	-	(110,492)	(394,380)
Re-measurement from lease modification	37,903	-	-	-	37,903
Translation differences on consolidation	(3,328)	-	-	-	(3,328)
At 31 March 2020	12,842,221	49,634	139,940	79,921	13,111,716
Depreciation charge for the year	4,977,757	20,534	89,101	87,034	5,174,426
Derecognition of right-of-use assets*	-	(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	17,841,525	12,972	229,041	166,955	18,250,493
<b>Carrying amounts</b>					
At 1 April 2019	21,493,110	36,013	83,965	346,325	21,959,413
At 31 March 2020	28,688,012	18,706	27,989	266,404	29,001,111
At 31 March 2021	26,419,362	100,069	242,030	392,758	27,154,219

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

# Notes to the Financial Statements

## 5 RIGHT-OF-USE ASSETS (CONT'D)

	Nursing homes and office premises \$	Office equipment \$	Motor vehicles \$	Total \$
<b>Company</b>				
<b>Cost</b>				
At 1 April 2019 and 31 March 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	<u>9,723,061</u>	<u>43,540</u>	<u>559,713</u>	<u>10,326,314</u>
<b>Accumulated depreciation</b>				
At 1 April 2019	1,650,362	-	-	1,650,362
Depreciation charge for the year	1,518,874	-	79,921	1,598,795
At 31 March 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	<u>4,699,931</u>	<u>4,996</u>	<u>166,955</u>	<u>4,871,882</u>
<b>Carrying amounts</b>				
At 1 April 2019	<u>6,710,817</u>	-	346,325	7,057,142
At 31 March 2020	<u>5,191,943</u>	-	266,404	5,458,347
At 31 March 2021	<u>5,023,130</u>	<u>38,544</u>	<u>392,758</u>	<u>5,454,432</u>

## 6 INVESTMENT PROPERTY

	Note	Group 2021 \$	Group 2020 \$
At 1 April, at cost		<b>8,281,218</b>	-
Reclassification from property, plant and equipment	4	-	8,280,299
Translation differences on consolidation		<b>(127,303)</b>	919
At 31 March, at cost		<u><b>8,153,915</b></u>	<u>8,281,218</u>

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. See Note 26 for further information.

### Amounts recognised in profit or loss

	Group 2021 \$	Group 2020 \$
Rental income	<b>182,701</b>	172,007
Direct operating expenses	<b>(5,642)</b>	(3,746)

The fair value of the investment property, description of valuation techniques and inputs used in fair value measurement are disclosed in Note 27.

## Notes to the Financial Statements

### 7 JOINT VENTURE

	Group	
	2021 \$	2020 \$
Unquoted equity investment, net	-	25,000
Shareholder loan, net	-	375,000
	-	400,000
Share of loss of joint venture	-	(400,000)
Interest in joint venture	-	-
<b>Group's interest in net assets of investee at beginning of the year</b>	-	3,566
Share of total comprehensive income/(loss)	4,591	(3,566)
Disposal	(4,591)	-
<b>Carrying amount of interest in investee at end of the year</b>	-	-

The Group has not recognised share of losses totalling \$Nil (2020: \$24,603) 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		Voting rights held	
		2021 %	2020 %	2021 %	2020 %
Econ Advance Renal Care Pte. Ltd.	Singapore	-	50	-	40
Provision of renal dialysis and related services					

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 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 during the year (See Note 22).

The Group via a wholly-owned subsidiary - Econ Health & Wellness Centre Pte. Ltd., the previous joint venture partner, 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 shareholders agreement relating to EARC.



# Notes to the Financial Statements

## 8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Trade receivables – third parties	1,668,712	1,545,141	-	-
Less: Impairment losses	(228,362)	(233,922)	-	-
	<b>1,440,350</b>	<b>1,311,219</b>	<b>-</b>	<b>-</b>
Trade amounts due from:				
- subsidiaries	-	-	1,244,379	568,438
- related corporation	-	1,492,004	-	1,263,028
- joint venture	-	325,842	-	-
Impairment losses	-	-	(355,722)	(226,252)
Total trade receivables	<b>1,440,350</b>	<b>3,129,065</b>	<b>888,657</b>	<b>1,605,214</b>
Government grant receivables for operating subvention grants	817,591	792,741	-	-
Other government grant receivables	166,213	-	-	-
Other receivables	89,519	63,264	20,559	1,645
Staff advances	24,613	15,303	-	-
Deposits	1,301,926	1,385,612	762,989	799,359
Non-trade amounts due from:				
- related corporation	-	487,973	-	-
- subsidiaries	-	-	465,276	190,000
Impairment losses	-	-	(340,945)	(50,000)
	<b>3,840,212</b>	<b>5,873,958</b>	<b>1,796,536</b>	<b>2,546,218</b>
Prepayments	183,312	206,374	97,447	100,017
Prepaid listing expenses	336,516	-	336,516	-
Government grant receivables for Jobs Support Scheme	120,481	417,201	50,712	216,913
	<b>4,480,521</b>	<b>6,497,533</b>	<b>2,281,211</b>	<b>2,863,148</b>
Non-current	<b>1,128,171</b>	1,161,970	<b>1,580,949</b>	805,159
Current	<b>3,352,350</b>	5,335,563	<b>700,262</b>	2,057,989
	<b>4,480,521</b>	<b>6,497,533</b>	<b>2,281,211</b>	<b>2,863,148</b>

Non-trade amounts due from a related corporation and 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 22) 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 27.

## Notes to the Financial Statements

### 9 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Cash at bank and in hand	16,029,379	6,462,249	5,097,007	1,664,737
Fixed deposits	65,227	871,455	-	-
Cash and cash equivalents in statements of financial position	16,094,606	7,333,704	5,097,007	1,664,737
Less: Fixed deposits with maturity more than 90 days at year end	(34,456)	(32,955)		
Less: Restricted fixed deposit	(30,771)	-		
Cash and cash equivalents in consolidated statement of cash flows	16,029,379	7,300,749		

The Group's effective interest rate relating to fixed deposits with financial institutions was 1.15% (2020: range between 0.59% and 3.35%) 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% per annum.

### 10 INVENTORIES

	Group	
	2021 \$	2020 \$
Medical and general supplies	13,685	7,205

In 2021, cost of inventories recognised in profit or loss amounted to \$76,716 (2020: \$2,183).

### 11 SHARE CAPITAL

	Number of shares		Amount	
	2021	2020	2021 \$	2020 \$
<b>Group and Company</b>				
Issued and fully paid ordinary shares, at par value:				
In issue at 1 April	15,000,000	15,000,000	15,000,000	15,000,000
Shares arising from share split	192,000,000	-	-	-
In issue at 31 March	207,000,000	15,000,000	15,000,000	15,000,000

#### Ordinary shares

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

#### Share split

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").

# Notes to the Financial Statements

## 12 RESERVES

### *Currency translation reserve*

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

### *Merger reserve*

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

### *Dividends*

The following exempt (one-tier) dividends were declared, paid and payables by the Group:

	Group and Company	
	2021	2020
	\$	\$

#### **Paid/payable to the owner of the Company**

##### *Dividends on ordinary shares*

- Interim exempt (one-tier) dividend for 2020 of 19 cents per share	-	2,900,000
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After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors, subject to shareholders' approval at the Annual General Meeting. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	2021	2020
	\$	\$

0.78 cent per qualifying ordinary share (2020: \$Nil)	2,004,600	-
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## 13 LOANS AND BORROWINGS

	Group	
	2021	2020
	\$	\$

### **Non-current liabilities**

Secured bank loans	4,535,714	6,165,114
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### **Current liabilities**

Secured bank loans	5,825,466	3,472,807
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	<b>10,361,180</b>	<b>9,637,921</b>
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Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 27.

## Notes to the Financial Statements

### 13 LOANS AND BORROWINGS (CONT'D)

#### Terms and debt repayment schedule

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

	Note	Currency	Nominal interest rate %	Year of maturity	Face value \$	Carrying amount \$
<b>31 March 2021</b>						
<b>Group</b>						
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
					<u>10,361,180</u>	<u>10,361,180</u>
<b>31 March 2020</b>						
<b>Group</b>						
Secured bank loans	A	SGD	SIBOR + 2%	2023	4,188,411	4,188,411
Secured bank loans	B	MYR	Base lending rate - 1.25%	2027	3,602,013	3,602,013
Secured revolving credit	C	MYR	Cost of funds + 1.50%	2020	1,847,497	1,847,497
					<u>9,637,921</u>	<u>9,637,921</u>

- A) The bank loan is secured by corporate guarantee from immediate holding company, joint and several personal guarantees from the directors of the Company and subsidiaries and on the immediate holding company's freehold land and building with a carrying value of \$17,477,871 (2020: \$17,630,363) and an affiliated company's investment properties with a carrying value of \$4,208,000 (2020: \$4,220,800). 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 is secured by corporate guarantee from the Company and immediate holding company and on the Group's freehold land and building amounting to \$9,502,764 (2020: \$9,846,443) (Note 4). 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.

# Notes to the Financial Statements

## 13 LOANS AND BORROWINGS (CONT'D)

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

	Liabilities				Total \$
	Amount due to immediate holding company \$	Secured bank loans and revolving credit \$	Lease liabilities \$	Interest payable \$	
<b>Balance at 1 April 2019</b>	1,700,212	9,970,122	22,832,908	13,172	34,516,414
<b>Changes from financing cash flows</b>					
Proceed from borrowings	-	1,153,015	-	-	1,153,015
Non-trade amount due to immediate holding company	(1,700,212)	-	-	-	(1,700,212)
Repayment of borrowings	-	(1,453,834)	-	-	(1,453,834)
Payment of lease liabilities	-	-	(4,643,539)	-	(4,643,539)
Interest paid	-	-	(998,367)	(468,427)	(1,466,794)
<b>Total changes from financing cash flows</b>	(1,700,212)	(300,819)	(5,641,906)	(468,427)	(8,111,364)
The effect of change in foreign exchange rates	-	(31,382)	13,164	-	(18,218)
<b>Liability-related other changes</b>					
New leases	-	-	1,749,533	-	1,749,533
Lease modification	-	-	10,429,597	-	10,429,597
Dividend	698,086	-	-	-	698,086
Interest expense	-	-	1,015,482	465,260	1,480,742
<b>Total liability-related other changes</b>	698,086	-	13,194,612	465,260	14,357,958
<b>Balance at 31 March 2020</b>	698,086	9,637,921	30,398,778	10,005	40,744,790

## Notes to the Financial Statements

### 13 LOANS AND BORROWINGS (CONT'D)

#### Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

	Note	Liabilities				Total \$
		Amount due to immediate holding company \$	Secured bank loans and revolving credit \$	Lease liabilities \$	Interest payable \$	
<b>Balance at 1 April 2020</b>		698,086	9,637,921	30,398,778	10,005	40,744,790
<b>Changes from financing cash flows</b>						
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)
<b>Total changes from financing cash flows</b>		-	806,357	(5,397,918)	(351,138)	(4,942,699)
The effect of change in foreign exchange rates		-	(83,098)	(132,598)	-	(215,696)
<b>Liability-related other changes</b>						
New leases		-	-	396,964	-	396,964
Lease modification	5	-	-	3,009,370	-	3,009,370
Set-off against non-trade amount due from immediate holding company		(698,086)	-	-	-	(698,086)
Rent concessions	22, 26	-	-	(501,440)	-	(501,440)
Interest expense		-	-	987,820	362,195	1,350,015
<b>Total liability-related other changes</b>		(698,086)	-	3,892,714	362,195	3,556,823
<b>Balance at 31 March 2021</b>		-	10,361,180	28,760,976	21,062	39,143,218

# Notes to the Financial Statements

## 14 DEFERRED TAX

### *Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Group</b>				
Property, plant and equipment	–	–	<b>689,920</b>	491,606
Right-of-use assets and lease liabilities	<b>(270,654)</b>	(116,058)	–	–
Provisions	<b>(25,184)</b>	(43,061)	–	–
Tax loss and capital allowance carry-forwards	<b>(60,749)</b>	(36,407)	–	–
Deferred tax (assets)/liabilities	<b>(356,587)</b>	(195,526)	<b>689,920</b>	491,606
Set-off of tax	<b>325,589</b>	117,182	<b>(325,589)</b>	(117,182)
Net deferred tax (assets)/liabilities	<b>(30,998)</b>	(78,344)	<b>364,331</b>	374,424

	Assets		Liabilities	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Company</b>				
Property, plant and equipment	–	–	<b>69,265</b>	46,794
Right-of-use assets and lease liabilities	<b>(59,943)</b>	(55,970)	–	–
Provisions	<b>(12,118)</b>	(36,396)	–	–
Deferred tax (assets)/liabilities	<b>(72,061)</b>	(92,366)	<b>69,265</b>	46,794
Set-off of tax	<b>69,265</b>	46,794	<b>(69,265)</b>	(46,794)
Net deferred tax (assets)/liabilities	<b>(2,796)</b>	(45,572)	–	–

## Notes to the Financial Statements

### 14 DEFERRED TAX (CONT'D)

#### Movements in deferred tax balances

	As at 1 April 2019 \$	Recognised in profit or loss (Note 25) \$	Exchange difference \$	As at 31 March 2020 \$	Recognised in profit or loss (Note 25) \$	Exchange difference \$	As at 31 March 2021 \$
<b>Group</b>							
Property, plant and equipment	558,128	(64,173)	(2,349)	491,606	195,919	2,395	689,920
Right-of-use assets and lease liabilities	(166,870)	53,262	(2,450)	(116,058)	(155,366)	770	(270,654)
Provisions	(29,747)	(13,314)	-	(43,061)	17,877	-	(25,184)
Tax loss and capital allowance carry-forwards	(48,153)	11,424	322	(36,407)	(25,127)	785	(60,749)
	<u>313,358</u>	<u>(12,801)</u>	<u>(4,477)</u>	<u>296,080</u>	<u>33,303</u>	<u>3,950</u>	<u>333,333</u>

	As at 1 April 2019 \$	Recognised in profit or loss \$	As at 31 March 2020 \$	Recognised in profit or loss \$	As at 31 March 2021 \$
<b>Company</b>					
Property, plant and equipment	37,460	9,334	46,794	22,471	69,265
Right-of-use assets and lease liabilities	(45,757)	(10,213)	(55,970)	(3,973)	(59,943)
Provisions	(23,082)	(13,314)	(36,396)	24,278	(12,118)
	<u>(31,379)</u>	<u>(14,193)</u>	<u>(45,572)</u>	<u>42,776</u>	<u>(2,796)</u>

#### Unrecognised deferred tax assets

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

	Group	
	2021 \$	2020 \$
Deductible temporary differences	141,016	71,455
Tax losses	860,411	18,226
	<u>1,001,427</u>	<u>89,681</u>

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.



# Notes to the Financial Statements

## 15 DEFERRED CAPITAL GRANTS

		Group	
	Note	2021 \$	2020 \$
At 1 April		245,906	-
Capital grants received during the year		72,537	285,664
Amortisation for the year	22	(41,818)	(39,758)
At 31 March		<u>276,625</u>	<u>245,906</u>

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

## 16 AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

	Group and Company	
	2021 \$	2020 \$
Dividend payable	-	<u>698,086</u>

## 17 PROVISION FOR RESTORATION COSTS

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
At 1 April	507,911	283,948	214,095	135,779
Provision made during the year	-	256,814	-	76,814
Provision reversed during the year	(6,781)	(31,631)	-	-
Utilised	-	(4,550)	-	-
Unwinding of discount	3,078	3,330	1,222	1,502
At 31 March	<u>504,208</u>	<u>507,911</u>	<u>215,317</u>	<u>214,095</u>

## Notes to the Financial Statements

### 18 LEASE LIABILITIES

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Non-current liabilities	23,676,666	25,691,027	3,973,120	4,090,071
Current liabilities	5,084,310	4,707,751	1,667,243	1,571,110
	<b>28,760,976</b>	<b>30,398,778</b>	<b>5,640,363</b>	<b>5,661,181</b>

The terms and conditions of lease liabilities are as follows:

	Currency	Nominal interest rate %	Year of maturity	Face value \$	Carrying amount \$
<b>Group</b>					
<b>31 March 2021</b>					
Lease liabilities	SGD	2.07%-3.13%	2021-2034	26,884,301	24,192,695
	MYR	4.92%-5.67%	2023-2039	5,126,474	3,513,623
	RMB	4.90%	2039	1,615,093	1,054,658
				<b>33,625,868</b>	<b>28,760,976</b>
<b>31 March 2020</b>					
Lease liabilities	SGD	2.07%-3.13%	2021-2034	28,723,358	25,487,308
	MYR	4.92%-5.67%	2022-2039	5,679,226	3,833,309
	RMB	4.90%	2039	1,679,074	1,078,161
				<b>36,081,658</b>	<b>30,398,778</b>
<b>Company</b>					
<b>31 March 2021</b>					
Lease liabilities	SGD	2.07%-3.01%	2026	5,869,375	5,640,363
<b>31 March 2020</b>					
Lease liabilities	SGD	2.07%-2.87%	2026	5,964,827	5,661,181

In 2020, a lease liability of \$180,000 was secured by the personal guarantee from a director of the Group. On 5 March 2021, the personal guarantee had been released and cancelled by the bank.

# Notes to the Financial Statements

## 19 TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Trade payables				
- third parties	<b>745,886</b>	1,111,136	-	-
- related corporation	-	244,789	-	-
- immediate holding company	-	64,253	-	19,260
- subsidiaries	-	-	<b>524,355</b>	-
	<b>745,886</b>	1,420,178	<b>524,355</b>	19,260
Non-trade amount due to subsidiaries	-	-	<b>7,570,078</b>	3,946,040
Accrued operating expenses	<b>1,533,407</b>	710,747	<b>489,371</b>	232,140
Interest payables	<b>21,062</b>	10,005	-	-
Other payables	<b>279,699</b>	335,615	<b>19,600</b>	80,067
Payables to suppliers of property, plant and equipment	<b>642,087</b>	330,278	<b>330,278</b>	330,278
Refundable deposits	<b>1,469,784</b>	1,404,017	-	-
Accrued listing expenses	<b>817,120</b>	-	<b>817,120</b>	-
Financial liabilities at amortised cost	<b>5,509,045</b>	4,210,840	<b>9,750,802</b>	4,607,785
Deferred grant income	<b>252,509</b>	597,201	<b>87,771</b>	216,913
Liability for short-term accumulated compensated absences	<b>156,176</b>	92,657	<b>71,283</b>	47,788
Home fees collected in advance	<b>60,032</b>	27,719	-	-
	<b>5,977,762</b>	4,928,417	<b>9,909,856</b>	4,872,486

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

Deferred grant income includes Jobs Support Scheme amounted to \$132,533 (2020: \$417,201). The Jobs Support Scheme is announced at the Budget 2020 whereby the government will provide grants to the eligible organisations during the period of economic uncertainty due to the Coronavirus (COVID-19) outbreak. The purpose of the scheme is to provide wage support to employers to help them retain their local employees.

The Group exposures to currency risk and liquidity risk related to trade and other payables are disclosed in Note 27.

## Notes to the Financial Statements

### 20 REVENUE

	Medicare centres and nursing homes fees		Ancillary fees					Total
	Home fees	Home care and day care and other nursing home services	Ambulance fees	Course fees	Management fee	Traditional Chinese medicine ("TCM") clinics services	Other ancillary services	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2021</b>								
Third parties								
- Singapore	10,570,394	3,600,180	-	2,486	-	728,592	170	14,901,822
- Malaysia	3,729,406	1,407,235	-	-	-	-	-	5,136,641
	<b>14,299,800</b>	<b>5,007,415</b>	<b>-</b>	<b>2,486</b>	<b>-</b>	<b>728,592</b>	<b>170</b>	<b>20,038,463</b>
Related corporation								
- Singapore	-	-	-	1,500	314,800	-	-	316,300
Affiliated corporation								
- Singapore	-	-	-	-	23,700	-	-	23,700
	<b>14,299,800</b>	<b>5,007,415</b>	<b>-</b>	<b>3,986</b>	<b>338,500</b>	<b>728,592</b>	<b>170</b>	<b>20,378,463</b>
<b>2020</b>								
Third parties								
- Singapore	10,928,296	3,619,674	176,750	16,338	-	914,467	7,221	15,662,746
- Malaysia	3,882,262	1,401,305	-	-	-	-	-	5,283,567
	<b>14,810,558</b>	<b>5,020,979</b>	<b>176,750</b>	<b>16,338</b>	<b>-</b>	<b>914,467</b>	<b>7,221</b>	<b>20,946,313</b>
Related corporation								
- Singapore	-	-	13,915	170	944,400	1,096	476	960,057
Affiliated corporation								
- Singapore	-	-	-	-	18,840	-	-	18,840
	<b>14,810,558</b>	<b>5,020,979</b>	<b>190,665</b>	<b>16,508</b>	<b>963,240</b>	<b>915,563</b>	<b>7,697</b>	<b>21,925,210</b>

Home fees generally relates to contracts with patients in which performance obligations are to provide nursing home healthcare services to individual patients in Singapore and Malaysia. Home care and day care fees generally relates to contracts with patients in which performance obligations are to provide healthcare services to individual patients at their homes. Ambulance fees relate to provision of medical and passenger transport services to individual patients and related corporation in Singapore. Course fees relates to contracts with corporate customers in which performance obligations are to provide training for nurses, nursing home managers and home caregivers in Singapore. Management fee relates to provision of management and consultancy services to a related corporation. Traditional Chinese Medicine ("TCM") clinic services relate to the offering of TCM services at TCM clinics.

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

# Notes to the Financial Statements

## 20 REVENUE (CONT'D)

The performance obligations for nursing home healthcare services, home care services, management services and training services are generally satisfied over time and revenue is recorded when the services are performed. The performance obligations for medical and passenger transport services and other ancillary services are generally satisfied at a point in time.

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

## 21 OPERATING SUBVENTION GRANTS

Operating subvention grants were provided by the government to the Group for the purposes of providing subsidised nursing home care services during the approved period. The scheme allows the Group to set aside a portion of its beds for eligible patients who meet the means test criteria to enjoy the subsidies. These patients are generally older persons who are unable to enjoy proper level of nursing care required in their own homes, and require supervision or assistance with their daily activities as well as persons who need further care and treatment after being discharged from an acute hospital.

Operating subvention grants are recognised in the profit or loss when conditions attached to its recognition are met by the Group.

## 22 OTHER INCOME

	Note	2021 \$	Group 2020 \$
Other government grants			
- Grants on special employment credit, temporary employment credit and wages credit scheme		99,313	46,291
- Grant on Senior Activity Centres		180,000	60,000
- Grants on Jobs Support Scheme		1,277,106	-
- Foreign worker levy rebate		650,609	-
- Grants on staff accommodation		1,831,950	-
- S Pass levy transition support		241,061	-
- Employment grant		238,699	-
- Replacement ratio funding		30,161	-
- Grants on Senior Management Associate Scheme		90,696	-
- Grant on Scale-up SG Programme		70,000	-
- Community Care Training Grants		29,368	-
Rent concessions		501,440	-
Rental income		224,233	215,985
Amortisation of deferred capital grants	15	41,818	39,758
Service fees		105,948	114,637
Property tax rebate		53,707	-
Recovery of shareholder loans	7	375,000	-
Others		177,921	111,630
		<b>6,219,030</b>	<b>588,301</b>

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.

## Notes to the Financial Statements

### 22 OTHER INCOME(CONT'D)

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

The Group had been given foreign worker levy rebate for each work permit or S pass holder at \$750 for the months of April and May 2020. This assistance supported the Group with workers who are unable to work due to the circuit breaker and/or Stay-Home Notice measures.

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

Replacement ratio funding are provided to the Group to promote workforce development as well as to improve the safety and quality of patient care.

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.

Community Care Training Grants are provided to the Group with the objective to support the staff learning and development needs for courses which are not funded under the Agency for Integrated Care (AIC) Learning Network or any other government funding.

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 forego lease payments during the period of the rent concession.

### 23 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Group	
	2021	2020
	\$	\$
Audit fees:		
- auditors of the Company	796,961	195,100
- other auditors	69,608	15,817
Non-audit fees:		
- auditors of the Company	16,750	4,950
- other auditors	25,000	28,000
Initial public offering expenses	1,647,254	-
Expenses relating to short-term leases presented in 'lease expense' and 'staff costs'	224,760	28,210
Repair and maintenance expenses	800,447	560,305
Loss on disposal of property, plant and equipment	-	19,194
Write-off of property, plant and equipment	31,674	4,845
Contributions to defined contribution plans included in staff costs	912,751	836,137
Directors fees	56,352	54,599

## Notes to the Financial Statements

### 23 PROFIT FOR THE YEAR (CONT'D)

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 8) is an amount of \$129,701 paid to auditor of the Company in connection with the listing of the Company.

### 24 FINANCE INCOME AND COSTS

	Group	
	2021 \$	2020 \$
Exchange gain, net	-	506
Interest income from bank deposits	<b>17,047</b>	25,605
Interest income from finance lease receivables	<b>2,071</b>	2,283
Finance income	<b>19,118</b>	28,394
Exchange loss, net	<b>(18,709)</b>	-
Interest expense from borrowings	<b>(362,195)</b>	(465,260)
Unwinding of discount on provision for restoration cost	<b>(3,078)</b>	(3,330)
Interest expense from lease liabilities	<b>(987,820)</b>	(1,015,482)
Finance costs	<b>(1,371,802)</b>	(1,484,072)
Net finance costs	<b>(1,352,684)</b>	(1,455,678)

## Notes to the Financial Statements

### 25 TAX EXPENSE

	Note	2021 \$	Group 2020 \$
<b>Current tax expense</b>			
Current year		1,361,416	700,888
Changes in estimates related to prior years		60,824	(212,426)
		<u>1,422,240</u>	<u>488,462</u>
<b>Deferred tax expense</b>			
Origination and reversal of temporary differences		(71,524)	26,237
Changes in estimates related to prior years		104,827	(39,038)
	14	<u>33,303</u>	<u>(12,801)</u>
Tax expense		<u>1,455,543</u>	<u>475,661</u>
<b>Reconciliation of effective tax rate</b>			
Profit before tax		<u>6,826,507</u>	<u>4,355,689</u>
Tax using the Singapore tax rate of 17% (2020: 17%)		1,160,506	740,467
Effect of tax rates in foreign jurisdictions		(115,361)	5,132
Effect of result of equity-accounted investee presented net of tax		-	606
Non-deductible expenses		374,247	15,331
Tax exempt income, incentives and rebate		(349,294)	(54,659)
Changes in estimates related to prior years		165,651	(251,464)
Current year losses for which no deferred tax asset was recognised		219,794	20,248
		<u>1,455,543</u>	<u>475,661</u>

In 2020, the tax incentives comprise mainly enhanced Productivity and Innovation Credit of 400% for certain plant and equipment purchases.

In 2020, a related corporation transferred tax losses to the Group under group relief for financial year ended 31 March 2020 resulting in a overprovision of prior years' tax amounting to \$200,670.

### 26 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 \$17,768,790 (2020: \$17,894,407) 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.



# Notes to the Financial Statements

## 26 LEASES (CONT'D)

### Leases as lessee (cont'd)

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

### Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented separately (see Note 5).

### Amounts recognised in profit or loss

	2021	Group	2020
	\$		\$
Interest expense on lease liabilities	987,820		1,015,482
Interest income from finance lease arrangements	(2,071)		(2,283)
Income from sub-leasing right-of-use assets presented in 'other income'	(41,532)		(37,332)
Expenses relating to short-term leases presented in 'lease expense' and 'staff costs'	224,760		28,210

### Amounts recognised in consolidated statement of cash flows

	2021	Group	2020
	\$		\$
<b>Total cash outflow for leases</b>	<b>5,397,918</b>		<b>5,641,906</b>

### Extension options

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has assessed at lease commencement date that it is reasonably certain for the Group to exercise the extension option and has included the extension options in the computation of the lease asset.

### Leases as lessor

The Group leases out its leased property as well as investment property (see Note 6). All leases are classified as operating leases from a lessor perspective with the exception of a sub-lease, which the Group has classified as a finance sub-lease.

### Finance lease

The Group has sub-leased one of its health and wellness centres that has been presented as part of a right-of-use asset.

In 2021, the Group recognised interest income on finance lease receivables of \$2,071 (2020: \$2,283).

## Notes to the Financial Statements

### 26 LEASES (CONT'D)

#### Finance lease (cont'd)

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	
	2021	2020
	\$	\$
Less than one year	36,720	36,720
One to two years	18,360	36,720
Two to three years	-	18,360
Three to four years	-	-
Four to five years	-	-
More than five years	-	-
<b>Total undiscounted lease receivable</b>	<b>55,080</b>	91,800
Unearned finance income	<b>(1,180)</b>	(3,251)
<b>Net investment in the lease</b>	<b>53,900</b>	88,549
Within one year	35,692	34,649
One to five years	18,208	53,900
Beyond five years	-	-
<b>Total discounted lease receivable</b>	<b>53,900</b>	88,549

#### Operating lease

The Group leases out its investment property and sub-leases out its health and wellness centres and office premises. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from property sublease and investment property recognised by the Group during 2021 was \$224,233 (2020: \$215,985).

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

	Group	
	2021	2020
	\$	\$
Less than one year	262,200	274,582
One to two years	1,556	240,361
Two to three years	-	-
Three to four years	-	-
Four to five years	-	-
More than five years	-	-
<b>Total</b>	<b>263,756</b>	514,943

# Notes to the Financial Statements

## 26 LEASES (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 \$501,440 (2020: \$Nil). (See Note 22)

## 27 FINANCIAL RISK MANAGEMENT

### Overview

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

- credit risk
- liquidity risk
- market risk

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.

## Notes to the Financial Statements

### 27 FINANCIAL RISK MANAGEMENT (CONT'D)

#### Credit risk (cont'd)

##### Financial assets measured at amortised cost

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

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

##### Exposure to credit risk

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

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Singapore	3,211,383	5,386,771	1,796,536	2,546,218
Malaysia	619,944	487,187	-	-
China	8,885	-	-	-
	<b>3,840,212</b>	<b>5,873,958</b>	<b>1,796,536</b>	<b>2,546,218</b>

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	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Group</b>				
Individuals	1,299,085	1,311,219	-	-
Corporations	1,443,191	1,385,612	762,989	799,359
Government	983,804	792,741	-	-
Related corporation	-	1,979,977	-	1,263,028
Subsidiaries	-	-	1,012,988	482,186
Joint venture	-	325,842	-	-
Others	114,132	78,567	20,559	1,645
	<b>3,840,212</b>	<b>5,873,958</b>	<b>1,796,536</b>	<b>2,546,218</b>

# Notes to the Financial Statements

## 27 FINANCIAL RISK MANAGEMENT (CONT'D)

### Credit risk (cont'd)

#### Exposure to credit risk (cont'd)

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

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Group</b>				
Medicare centres and nursing homes	2,883,080	3,431,147	-	-
Other operation and ancillary services	957,132	2,442,811	1,796,536	2,546,218
	<b>3,840,212</b>	<b>5,873,958</b>	<b>1,796,536</b>	<b>2,546,218</b>

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:

	2021		2020	
	Not credit- impaired \$	Credit- impaired \$	Not credit- impaired \$	Credit- impaired \$
<b>Group</b>				
No credit terms	2,399,861	-	2,174,787	-
Not past due	658,432	-	582,091	-
Past due 1 - 30 days	269,171	2,085	573,086	-
Past due 31 - 180 days	481,427	8,160	862,321	-
Past due 181 - 365 days	48,644	8,245	668,170	-
More than one year	6,331	186,218	1,076,152	171,273
Total gross carrying amount	3,863,866	204,708	5,936,607	171,273
Loss allowance	(23,654)	(204,708)	(62,649)	(171,273)
	<b>3,840,212</b>	<b>-</b>	<b>5,873,958</b>	<b>-</b>

	2021		2020	
	Not credit- impaired \$	Credit- impaired \$	Not credit- impaired \$	Credit- impaired \$
<b>Company</b>				
No credit terms	907,879	340,945	941,004	50,000
Not past due	837,083	-	372,895	15,087
Past due 1 - 30 days	-	15,087	-	-
Past due 31 - 180 days	51,574	23,861	474,545	75,435
Past due 181 - 365 days	-	90,522	505,254	90,522
More than one year	-	226,252	252,520	45,208
Total gross carrying amount	1,796,536	696,667	2,546,218	276,252
Loss allowance	-	(696,667)	-	(276,252)
	<b>1,796,536</b>	<b>-</b>	<b>2,546,218</b>	<b>-</b>

## Notes to the Financial Statements

### 27 FINANCIAL RISK MANAGEMENT (CONT'D)

#### Credit risk (cont'd)

##### Expected credit loss assessment for third parties trade receivables

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

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

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

	Weighted average loss rate %	Gross \$	Impairment losses \$
<b>Group</b>			
<b>31 March 2021</b>			
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)
		<b>1,668,712</b>	<b>(228,362)</b>
<b>31 March 2020</b>			
Not past due	0.36%	643,652	(2,336)
Past due 1 – 30 days	2.66%	307,420	(8,185)
Past due 31 – 180 days	6.71%	369,164	(24,787)
Past due 181 – 365 days	37.68%	29,409	(11,080)
More than one year	95.93%	195,496	(187,534)
		<b>1,545,141</b>	<b>(233,922)</b>

##### 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	
	2021 \$	2020 \$
At 1 April	233,922	234,701
Impairment loss recognised	13,955	8,710
Utilised	(19,515)	(9,489)
At 31 March	<b>228,362</b>	233,922

# Notes to the Financial Statements

## 27 FINANCIAL RISK MANAGEMENT (CONT'D)

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

#### *Cash and cash equivalents*

The Group and Company held cash with a bank, which is rated AA-, based on S&P's ratings as at 31 March 2021 and 31 March 2020.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and Company consider that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and low credit risk of the exposures. The amount of the allowance on cash and cash equivalents was negligible.

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

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

#### *Trade amounts due from joint venture and a related corporation*

Based on the Group's historical experience in the collection of trade amounts due from joint venture and a related corporation, no credit loss was incurred. The management reviews the financials and forecast of these related parties periodically to assess for changes in financial standing. The Group considers that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant.

#### *Non-trade amounts due from a related corporation*

Non-trade amounts extended to a related corporation are to satisfy its funding requirements. The loss allowance was measured at an amount equal to 12-month ECLs unless the credit risk has increased significantly and for such receivables, the loss allowance was measured at an amount equal to lifetime expected credit losses. The Group considers that these receivables to have low credit risk based on the amount of the allowance on these balances is insignificant.

#### *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 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	
	2021 \$	2020 \$
At 1 April	226,252	-
Impairment loss recognised	129,470	226,252
At 31 March	355,722	226,252

## Notes to the Financial Statements

### 27 FINANCIAL RISK MANAGEMENT (CONT'D)

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

##### *Non-trade amounts due from subsidiaries - Company*

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

	<b>Company</b>	
	<b>Lifetime ECL - credit impaired</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
At 1 April	50,000	-
Impairment loss recognised	290,945	50,000
At 31 March	<u>340,945</u>	<u>50,000</u>

#### **Liquidity risk**

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

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group was in net current liabilities position and had net negative cash outflow as at 31 March 2020. However, the Group is confident that the cash flows generated from its operations will be adequate and that it has sufficient funds arising from net proceeds from the offering for its operational needs. The Group has not breached any financial covenants as stipulated under the bank facilities agreements as a result of the net current liabilities position and net negative cash outflow as at 31 March 2020.

Management believes that the Group will have the continued support of its bankers to renew its bank facilities as and when they fall due.



# Notes to the Financial Statements

## 27 FINANCIAL RISK MANAGEMENT (CONT'D)

### Liquidity risk (cont'd)

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

	Carrying amount \$	Contractual cash flows \$	Cash flows		
			Within 1 year \$	1 to 5 years \$	More than 5 years \$
<b>Group</b>					
<b>31 March 2021</b>					
<b>Non-derivative financial liabilities</b>					
Secured bank loans	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)	-	-
	<b>44,631,201</b>	<b>(50,638,136)</b>	<b>(17,482,727)</b>	<b>(22,198,010)</b>	<b>(10,957,399)</b>
<b>31 March 2020</b>					
<b>Non-derivative financial liabilities</b>					
Secured bank loans	9,637,921	(10,492,630)	(3,761,313)	(5,638,057)	(1,093,260)
Lease liabilities	30,398,778	(36,081,658)	(5,667,750)	(18,599,247)	(11,814,661)
Trade and other payables*	4,210,840	(4,210,840)	(4,210,840)	-	-
Amount due to immediate holding company	698,086	(698,086)	(698,086)	-	-
	<b>44,945,625</b>	<b>(51,483,214)</b>	<b>(14,337,989)</b>	<b>(24,237,304)</b>	<b>(12,907,921)</b>
<b>Company</b>					
<b>31 March 2021</b>					
<b>Non-derivative financial liabilities</b>					
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)	-	-
	<b>15,391,165</b>	<b>(15,620,177)</b>	<b>(11,517,199)</b>	<b>(4,102,978)</b>	<b>-</b>
<b>31 March 2020</b>					
<b>Non-derivative financial liabilities</b>					
Lease liabilities	5,661,181	(5,964,827)	(1,715,159)	(4,249,668)	-
Trade and other payables*	4,607,785	(4,607,785)	(4,607,785)	-	-
Amount due to immediate holding company	698,086	(698,086)	(698,086)	-	-
	<b>10,967,052</b>	<b>(11,270,698)</b>	<b>(7,021,030)</b>	<b>(4,249,668)</b>	<b>-</b>

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

## Notes to the Financial Statements

### 27 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	
	2021 \$	2020 \$
<b>Group</b>		
<b>Fixed rate instruments</b>		
Fixed deposits	65,227	871,455
Finance lease receivables	53,900	88,549
Lease liabilities	(28,760,976)	(30,398,778)
	<b>(28,641,849)</b>	<b>(29,438,774)</b>
<b>Variable rate instruments</b>		
Secured bank loans	(10,361,180)	(9,637,921)
<b>Company</b>		
<b>Fixed rate instruments</b>		
Lease liabilities	(5,640,363)	(5,661,181)

#### Fair value sensitivity analysis for fixed rate instruments

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

#### Cash flows sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for years ended 31 March 2020 and 31 March 2021.

	Group	
	100bp increase \$	100bp decrease \$
<b>31 March 2021</b>		
Profit or loss	(103,612)	103,612
<b>31 March 2020</b>		
Profit or loss	(96,379)	96,379

# Notes to the Financial Statements

## 27 FINANCIAL RISK MANAGEMENT (CONT'D)

### Market risk (cont'd)

#### Foreign currency risk

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

#### Accounting classifications and fair values

The fair value hierarchy is not included as the carrying amounts of financial assets and financial liabilities is a reasonable approximation of fair value.

	Note	Carrying amount		Total carrying amount \$
		Amortised cost \$	Other financial liabilities \$	
<b>Group</b>				
<b>31 March 2021</b>				
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	9	16,094,606	-	16,094,606
Trade and other receivables^	8	3,840,212	-	3,840,212
		<b>19,934,818</b>	<b>-</b>	<b>19,934,818</b>
<b>Financial liabilities not measured at fair value</b>				
Secured bank loans	13	-	(10,361,180)	(10,361,180)
Trade and other payables *	19	-	(5,509,045)	(5,509,045)
		<b>-</b>	<b>(15,870,225)</b>	<b>(15,870,225)</b>
<b>31 March 2020</b>				
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	9	7,333,704	-	7,333,704
Trade and other receivables^	8	5,873,958	-	5,873,958
		<b>13,207,662</b>	<b>-</b>	<b>13,207,662</b>
<b>Financial liabilities not measured at fair value</b>				
Secured bank loans	13	-	(9,637,921)	(9,637,921)
Amount due to immediate holding company	16	-	(698,086)	(698,086)
Trade and other payables *	19	-	(4,210,840)	(4,210,840)
		<b>-</b>	<b>(14,546,847)</b>	<b>(14,546,847)</b>

## Notes to the Financial Statements

### 27 FINANCIAL RISK MANAGEMENT (CONT'D)

#### Accounting classifications and fair values (cont'd)

	Note	Carrying amount		Total carrying amount \$
		Amortised cost \$	Other financial liabilities \$	
<b>Company</b>				
<b>31 March 2021</b>				
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	9	5,097,007	-	5,097,007
Trade and other receivables <sup>^</sup>	8	1,796,536	-	1,796,536
		<b>6,893,543</b>	<b>-</b>	<b>6,893,543</b>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables*	19	-	(9,750,802)	(9,750,802)
<b>31 March 2020</b>				
<b>Financial assets not measured at fair value</b>				
Cash and cash equivalents	9	1,664,737	-	1,664,737
Trade and other receivables <sup>^</sup>	8	2,546,218	-	2,546,218
		<b>4,210,955</b>	<b>-</b>	<b>4,210,955</b>
<b>Financial liabilities not measured at fair value</b>				
Amount due to immediate holding company	16	-	(698,086)	(698,086)
Trade and other payables*	19	-	(4,607,785)	(4,607,785)
		<b>-</b>	<b>(5,305,871)</b>	<b>(5,305,871)</b>

<sup>^</sup> 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.

#### Measurement of fair values

##### Other short-term financial assets and liabilities

The notional amount of financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their fair values because of the short period to maturity.

##### Secured bank loans

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

# Notes to the Financial Statements

## 27 FINANCIAL RISK MANAGEMENT (CONT'D)

### Accounting classifications and fair values (cont'd)

#### 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 \$
<b>Group</b>				
<b>31 March 2021</b>				
Investment property	-	-	8,112,125	8,112,125
<b>31 March 2020</b>				
Investment property	-	-	8,238,775	8,238,775

#### Determination of fair values

The fair value of investment property located in Malaysia is determined by an independent valuer who has appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

The fair value of investment property is based on market value 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.

## 28 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 cash equivalents. Equity comprises all components of equity.

	Group	
	2021 \$	2020 \$
Total liabilities	47,424,399	47,287,727
Less: cash and cash equivalents	(16,094,606)	(7,333,704)
Net debt	31,329,793	39,954,023
Total equity	25,229,691	19,137,506
Net debt to equity ratio	1.24	2.09

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## Notes to the Financial Statements

### 29 FINANCIAL GUARANTEES

Bank loan 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. These financial guarantees contracts are accounted for as insurance contracts.

There are no terms and conditions attached to the financial guarantee contracts that would have a material effect on the amount, timing and certainty of the Group's 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:

	2021 \$	2020 \$
Bank loans jointly guaranteed by the Group and Company in respect of facilities drawn down by ultimate holding company*		
Facility amount		
- Non-revolving fixed advance facility	26,305,000	26,305,000
- Term loan	<u>20,160,000</u>	<u>20,160,000</u>
Outstanding amount		
- Non-revolving fixed advance facility	10,935,683	26,012,439
- Term loan	<u>11,531,520</u>	<u>14,420,416</u>
Bank loan guaranteed by the Group in respect of facilities drawn down by immediate holding company**		
Facility amount		
- Mortgage loan	-	<u>8,000,000</u>
Outstanding amount		
- Mortgage loan	-	<u>5,159,472</u>
Hire purchase guaranteed by the Group in respect of facilities taken up by joint venture^		
Facility amount	-	<u>95,860</u>
Outstanding amount	-	<u>38,711</u>
Bank loan guaranteed by the Company in respect of facilities drawn down by a subsidiary		
Facility amount		
- Term loan^^	5,613,591	6,824,552
- Revolving credit#	<u>2,271,395</u>	<u>2,353,792</u>
Outstanding amount		
- Term loan^^	3,100,683	3,602,013
- Revolving credit#	<u>2,174,132</u>	<u>1,847,497</u>

# Notes to the Financial Statements

## 29 FINANCIAL GUARANTEES (CONT'D)

- \* The bank loans are secured by the immediate holding company's freehold land and building with a carrying value of \$17,477,871 (2020: \$17,630,363), an affiliated company's investment properties with a carrying value of \$4,208,000 (2020: \$4,220,800) and a related corporation's leasehold building with a carrying value of \$Nil (2020: \$1,973,235). Pursuant to deeds 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 loan was secured by the immediate holding company's freehold land and building with a carrying value of \$7,800,668 as at 31 March 2020. The bank loan was settled in full and there are no amounts outstanding under the facility as at 31 March 2021 and thus the corporate guarantee provided by the Group has been fully discharged.
- ^ The hire purchase was settled in full and there are no amounts outstanding under the facility as at 31 March 2021 and thus the corporate guarantee provided by the Group has been fully discharged.
- ^^ The bank loan is secured by corporate guarantee from the Company and immediate holding company and on the Group's freehold land and building amounting to \$9,502,764 (2020: \$9,846,443) (Note 4). 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 13 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 13 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.

## 30 RELATED PARTIES

### *Key management personnel compensation*

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

	Group	
	2021	2020
	\$	\$
Post-employment benefits	47,495	44,761
Non-monetary benefit	13,978	13,978
Short term employee benefits including director fees	959,634	962,558
	<b>1,021,107</b>	1,021,297

Non-monetary benefit consists of company-funded motor vehicle where the benefit is estimated based on the value of benefit derived from the key management personnel's business usage of the motor vehicle. Two directors have waived their entitlement under the profit sharing scheme for years ended 31 March 2020 and 2021.

## Notes to the Financial Statements

### 30 RELATED PARTIES (CONT'D)

#### *Other related party transactions*

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	Group	
	2021	2020
	\$	\$
<b>Immediate holding company</b>		
Service fee expenses	-	18,000
Payment made on behalf	<b>(2,513)</b>	<b>(21,338)</b>
<b>Related corporation</b>		
Rental of ambulance expenses	-	20,865
Lease expense	-	59,078
Pharmacy, medical and administrative expenses	<b>36,561</b>	798,479
Course fee income	<b>(1,500)</b>	(170)
Rehabilitation service income	-	(476)
Ambulance service income	-	(13,915)
Treatment income	-	(1,096)
Management fee income	<b>(314,800)</b>	(944,400)
Payment made on behalf	<b>(27,906)</b>	722
<b>Affiliated companies</b>		
Management fee income	<b>(18,840)</b>	(18,840)
Rental income	<b>(4,560)</b>	(4,560)
Payment made on behalf	<b>(2,172)</b>	-



# Notes to the Financial Statements

## 31 EARNINGS PER SHARE

### *Basic earnings per share*

Pursuant to directors' resolutions on 23 March 2021, each ordinary share in the existing issued share capital of the Company was sub-divided into 13.8 shares ("Share Split").

The calculation of basic earnings per share at 31 March 2020 and 31 March 2021 is based on the profit attributable to ordinary shareholders of \$4,037,196 and \$5,700,049, respectively and the weighted-average number of ordinary shares outstanding during the years, as follows:

	Group	
	2021 No. of shares	2020 No. of shares
Issued ordinary shares at 1 April	15,000,000	15,000,000
Sub-division of ordinary shares via share split	207,000,000	207,000,000
Weighted-average number of ordinary shares at 31 March	207,000,000	207,000,000

The Company's pre-invitation number of ordinary shares of 207,000,000 has been used in the calculation of basic earnings per share for all periods presented as pre-invitation number of ordinary shares reflects the weighted average number of shares for all periods adjusting the changes in number of shares arising from the Share Split.

### *Diluted earnings per share*

As at 31 March 2021, there were no outstanding dilutive potential ordinary shares.

## 32 OPERATING SEGMENTS

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

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

- Medicare centres and nursing homes : Include provision of residential nursing care services, home care services, physiotherapy and rehabilitation services, clinical services and TCM treatments in medicare centres and nursing homes.
- Other operation and ancillary services : Include provision of management services, ambulance services, healthcare training services, the offering of TCM services at our TCM clinics and the operation of senior activity centres in Singapore.

Information regarding the results of each reportable segments is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

## Notes to the Financial Statements

### 32 OPERATING SEGMENTS (CONT'D)

#### Information about reportable segments

	Medicare centres and nursing homes \$	Other operation and ancillary services \$	Eliminations \$	Total \$
<b>Group</b>				
<b>2021</b>				
<b>Revenue and operating subvention grants</b>				
External revenue	19,307,215	1,071,248	-	20,378,463
Inter-segment revenue	-	7,322,368	(7,322,368)	-
Operating subvention grants	17,530,653	-	-	17,530,653
<b>Results:</b>				
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
<b>Assets:</b>				
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
<b>Liabilities:</b>				
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
<b>Capital expenditure</b>	2,646,190	106,622	-	2,752,812
<b>Significant non-cash items</b>				
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

## 32 OPERATING SEGMENTS (CONT'D)

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

	Medicare centres and nursing homes \$	Other operation and ancillary services \$	Eliminations \$	Total \$
<b>Group</b>				
<b>2020</b>				
<b>Revenue and operating subvention grants</b>				
External revenue	19,831,537	2,093,673	-	21,925,210
Inter-segment revenue	-	5,006,050	(5,006,050)	-
Operating subvention grants	15,394,321	-	-	15,394,321
<b>Results:</b>				
Segment results	6,526,173	(2,053,058)	1,341,818	5,814,933
Finance income	(6,881)	2,283	32,992	28,394
Finance costs	(1,266,644)	(200,313)	(17,115)	(1,484,072)
Share of results of joint venture	-	(3,566)	-	(3,566)
Profit/(loss) before tax	5,252,648	(2,254,654)	1,357,695	4,355,689
<b>Assets:</b>				
Segment assets	63,027,561	49,998,030	(46,702,165)	66,323,426
Tax assets	39,264	62,543	-	101,807
Total assets	63,066,825	50,060,573	(46,702,165)	66,425,233
<b>Liabilities:</b>				
Segment liabilities	60,759,740	13,761,147	(28,103,868)	46,417,019
Tax liabilities	850,044	29,442	(8,778)	870,708
Total liabilities	61,609,784	13,790,589	(28,112,646)	47,287,727
<b>Capital expenditure</b>	2,003,381	143,812	-	2,147,193
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	699,268	271,404	38,825	1,009,497
Depreciation of right-of-use assets	3,348,027	1,765,708	-	5,113,735
Amortisation of deferred capital grant	(39,758)	-	-	(39,758)
Impairment losses on property, plant and equipment	-	9,959	-	9,959
Impairment losses on trade receivables	8,710	-	-	8,710

## Notes to the Financial Statements

### 32 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 and operating subvention grants is based on the geographical location of the customers and segment assets are based on the geographical location of the assets.

	Group	
	2021	2020
	\$	\$
<b>Aggregate revenue and operating subvention grants</b>		
Singapore	32,772,475	32,035,963
Malaysia	5,136,641	5,283,568
China	-	-
	<b>37,909,116</b>	<b>37,319,531</b>
<b>Non-current assets <sup>(1)</sup></b>		
Singapore	26,778,241	27,999,219
Malaysia	23,918,921	24,570,036
China	2,233,703	1,043,050
	<b>52,930,865</b>	<b>53,612,305</b>

<sup>(1)</sup> 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

## 33 SUBSIDIARIES

		Company	
	Note	2021 \$	2020 \$
Unquoted equity shares, at cost		8,390,226	8,390,226
Quasi equity loans to subsidiaries	A	17,322,291	16,132,291
Investment in subsidiaries		25,712,517	24,522,517
Impairment losses		(1,790,843)	(1,889,102)
		<b>23,921,674</b>	<b>22,633,415</b>

### Note A

It was agreed between the management of the parties involved that the quasi-equity 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 \$30,000 (2020: \$374,775) on its investments in a subsidiary because of the continued operating losses. An impairment loss of \$128,259 (2020: \$Nil) 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 comprise 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	
	2021 \$	2020 \$
At 1 April	1,889,102	1,514,327
(Reversal of) impairment loss recognised	(98,259)	374,775
At 31 March	<b>1,790,843</b>	<b>1,889,102</b>

## Notes to the Financial Statements

### 33 SUBSIDIARIES (CONT'D)

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

	Principal place of business/ Country of Incorporation	Ownership interest	
		2021 %	2020 %
<b>Held by the Company</b>			
Econ Nursing Home Services (1987) Pte Ltd <sup>(1)</sup>	Singapore	100	100
Econ Medicare Centre Pte Ltd <sup>(1)</sup>	Singapore	100	100
Sunnyville Nursing Home (1996) Pte Ltd <sup>(1)</sup>	Singapore	100	100
Econ TCM Services Pte. Ltd. <sup>(1)</sup>	Singapore	100	100
Econ Careskill Training Centre (ECTC) Pte. Ltd. <sup>(1)</sup>	Singapore	100	100
Econ Ambulance Services Pte Ltd <sup>(1)</sup>	Singapore	100	100
Econ Health & Wellness Centre Pte. Ltd. <sup>(1)</sup>	Singapore	100	100
Econ Healthcare (M) Pte. Ltd. <sup>(1)</sup>	Singapore	100	100
Econ Healthcare (China) Pte. Ltd. <sup>(1)</sup>	Singapore	100	100
Caleb Care (Singapore) Pte. Ltd. <sup>(1)</sup>	Singapore	100	100
<b>Held through Econ Healthcare (China) Pte. Ltd.</b>			
Chongqing Yikang Bailingbang Eldercare Co., Ltd. <sup>(3)</sup>	China	60	60
<b>Held through Econ Healthcare (M) Pte. Ltd.</b>			
Econ Medicare Centre and Nursing Home Sdn Bhd <sup>(2)</sup>	Malaysia	100	100
Econ Healthcare (M) Sdn Bhd <sup>(2)</sup>	Malaysia	70	70

<sup>(1)</sup> Audited by KPMG LLP (Singapore)

<sup>(2)</sup> Audited by Baker Tilly Monteiro Heng (Malaysia)

<sup>(3)</sup> Audited by Ernst & Young Hua Ming LLP (Chengdu Branch, China)

#### Econ Healthcare (M) Sdn Bhd

On 1 April 2019, the Group sold 30% shares in its wholly-owned subsidiary, Econ Healthcare (M) Sdn Bhd to non-controlling interests ("NCI") for a consideration \$99,560. The Group recognised a gain on disposal of \$69,821 (net of tax) in the equity.

# Notes to the Financial Statements

## 34 NON-CONTROLLING INTERESTS

Names of subsidiaries	Principal places of business / Country of incorporation	Ownership interests held by NCI	
		2021 %	2020 %
Econ Healthcare (M) Sdn Bhd	Malaysia	30	30
Chongqing Yikang Bailingbang Eldercare Co., Ltd.	China	40	40

The following summarised financial information for the above subsidiaries are prepared in accordance with Singapore Financial Reporting Standards (International), modified for differences in the Group's accounting policies.

	Econ Healthcare (M) Sdn Bhd \$	Chongqing Yikang Bailingbang Eldercare Co., Ltd. \$	Total \$
<b>Group</b>			
<b>2021</b>			
Revenue	110,441	-	110,441
Loss for the year	(654,554)	(331,798)	(986,352)
Other comprehensive income	81,744	40,374	122,118
<b>Total comprehensive income</b>	<b>(572,810)</b>	<b>(291,424)</b>	<b>(864,234)</b>
Attributable to NCI			
- Loss	(196,366)	(132,719)	(329,085)
- OCI	24,523	16,150	40,673
- <b>Total comprehensive income</b>	<b>(171,843)</b>	<b>(116,569)</b>	<b>(288,412)</b>
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)
<b>Net (liabilities)/assets</b>	<b>(973,780)</b>	<b>2,014,592</b>	<b>1,040,812</b>
<b>Net (liabilities)/assets attributable to NCI</b>	<b>(292,134)</b>	<b>805,957</b>	<b>513,823</b>
Cash flows used in 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
<b>Net increase in cash and cash equivalents</b>	<b>457,547</b>	<b>1,126,972</b>	<b>1,584,519</b>

## Notes to the Financial Statements

### 34 NON-CONTROLLING INTERESTS (CONT'D)

	Econ Healthcare (M) Sdn Bhd \$	Chongqing Yikang Bailingbang Eldercare Co., Ltd. \$	Total \$
<b>Group</b>			
<b>2020</b>			
Revenue	–	–	–
Loss for the year	(487,870)	(27,017)	(514,887)
Other comprehensive income	(633)	501	(132)
<b>Total comprehensive income</b>	(488,503)	(26,516)	(515,019)
Attributable to NCI			
- Loss	(146,361)	(10,807)	(157,168)
- OCI	(190)	199	9
- <b>Total comprehensive income</b>	(146,551)	(10,608)	(157,159)
Non-current assets	4,706,612	1,051,828	5,758,440
Current assets	130,851	–	130,851
Non-current liabilities	(2,833,290)	(1,032,401)	(3,865,691)
Current liabilities	(2,405,807)	(46,944)	(2,452,751)
<b>Net liabilities</b>	(401,634)	(27,517)	(429,151)
<b>Net liabilities attributable to NCI</b>	(120,490)	(10,608)	(131,098)
Cash flows used in operating activities	(455,191)	–	(455,191)
Cash flows used in investing activities	(1,790,847)	–	(1,790,847)
Cash flows from financing activities	2,256,096	–	2,256,096
<b>Net increase in cash and cash equivalents</b>	10,058	–	10,058

### 35 ASSOCIATE

	Group	
	2021 \$	2020 \$
Interest in associate	–	–



## Notes to the Financial Statements

### 35 ASSOCIATE (CONT'D)

Name of associate/ Principal activity	Principal place of business/ Country of incorporation	Ownership interest		Voting rights held	
		2021 %	2020 %	2021 %	2020 %
Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. Presently inactive, intended operation of a Nursing Home (pending establishment)	China	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. Subsequent to year end, the Group injected capital of \$83,000 into this associate.

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 has nominated one out of five directors of the Board of the entity.

### 36 COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2021 \$	2020 \$
Property, plant and equipment	<u>991,257</u>	190,731

# Notes to the Financial Statements

## 37 NEW STANDARDS AND INTERPRETATIONS NOT ADOPTED

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- *Annual Improvements to SFRS(I)s 2018 – 2020*

## 38 SUBSEQUENT EVENTS

On 19 April 2021, the Company was listed on the Catalist Board on the Singapore Exchange Securities Trading Limited and issued 50,000,000 shares representing approximately 19.46 percent of the Company's issued shares. The Company's share capital increased to 257,000,000 shares subsequent to the reporting date and raised approximately \$14 million.

On 30 April 2021, the Group via a wholly-owned subsidiary, Econ Healthcare (China) Pte. Ltd., and third party partners Chongqing Guangda Bailingbang Eldercare Industry Group Co. Ltd., Chongqing Mengxiangjia Technology Co., Ltd., incorporated a new entity for the purpose of leasing and operating a nursing home in Chongqing, China. The Group holds 70% of this newly incorporated entity named Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd.. The Group injected capital of \$87,500 into the entity subsequent to the date of incorporation.

# Statistics of Shareholding

As at 30 June 2021

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

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	237	12.53	228,100	0.09
1,001 - 10,000	1,139	60.23	3,922,800	1.53
10,001 - 1,000,000	508	26.87	24,918,300	9.69
1,000,001 AND ABOVE	7	0.37	227,930,800	88.69
<b>TOTAL</b>	<b>1,891</b>	<b>100.00</b>	<b>257,000,000</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	ECON HEALTHCARE PTE LTD	207,000,000	80.54
2	DBS NOMINEES (PRIVATE) LIMITED	12,898,600	5.02
3	BPSS NOMINEES SINGAPORE (PTE.) LTD.	2,678,000	1.04
4	PHILLIP SECURITIES PTE LTD	1,699,700	0.66
5	OCBC SECURITIES PRIVATE LIMITED	1,282,300	0.50
6	LIM HOCK ENG	1,203,700	0.47
7	IFAST FINANCIAL PTE. LTD.	1,168,500	0.45
8	CHONG NGIET FAH	1,000,000	0.39
9	UOB KAY HIAN PRIVATE LIMITED	951,300	0.37
10	RAFFLES NOMINEES (PTE.) LIMITED	788,800	0.31
11	ABN AMRO CLEARING BANK N.V	669,700	0.26
12	TAN SIEN CHUAN	500,000	0.19
13	NG POH MUI	450,000	0.18
14	LEE CHEOW YIN	400,000	0.16
15	ONG BOON SING	304,500	0.12
16	RACHEL KOR MEI HUI	300,000	0.12
17	HENG KAI KENG	260,000	0.10
18	TAN KEH JOO	231,800	0.09
19	TAN KOK CHOON	201,800	0.08
20	GHIN BOON SENG MICHAEL (YIN WENSHENG MICHAEL)	200,000	0.08
<b>TOTAL</b>		<b>234,188,700</b>	<b>91.13</b>

## Statistics of Shareholding

As at 30 June 2021

### SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2021

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Econ Healthcare Pte Ltd ("EHPL") <sup>(1)</sup>	207,000,000	80.54	-	-
Ong Chu Poh <sup>(1)</sup>	-	-	207,000,000	80.54
Econ Investment Holding Pte Ltd ("EIH") <sup>(1)</sup>	-	-	207,000,000	80.54

Notes:

<sup>(1)</sup> EHPL is wholly-owned by EIH, which is wholly-owned by Mr Ong Chu Poh. Accordingly, for the purposes of Section 4 of the SFA, each of Mr Ong Chu Poh and EIH is deemed to be interested in the Shares held by EHPL.

### PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 30 June 2021, 19.46% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

# Notice of Annual General Meeting

## ECON HEALTHCARE (ASIA) LIMITED

(Company Registration No. 200400965N)

(Incorporated in Singapore)

(the "Company")

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 Friday, 30 July 2021 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 2021, together with the Auditors' Report thereon.

(Resolution 1)

2. To declare a first and final dividend (one-tier tax exempt) of 0.78 Singapore cent per ordinary share for the financial year ended 31 March 2021.

(Resolution 2)

3. To approve the payment of Directors' fees of S\$41,945.21 for the financial year ended 31 March 2021.

(Resolution 3)

4. To approve the payment of Directors' fees of S\$71,000 for the financial year ending 31 March 2022, to be paid annually in arrears. (2021: S\$41,945.21)

(Resolution 4)

5. To re-elect the following Directors of the Company retiring pursuant to Regulation 94 and 100 of the Constitution of the Company, and who, being eligible, offer themselves for re-election, as Directors of the Company:

#### **Regulation 94**

- (i) Mr. Ong Chu Poh

(Resolution 5)

#### **Regulation 100**

- (ii) Mr. Siau Kai Bing  
(iii) Mr. Lim Yian Poh  
(iv) Dr. Ong Seh Hong

(Resolution 6)

(Resolution 7)

(Resolution 8)

[See Explanatory Notes (i)]

6. To appoint Messrs Ernst & Young LLP as auditors of the Company in place of retiring auditors of the Company, Messrs KPMG LLP, to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration and take such steps and exercise such discretion and do all such acts and things (including, without limitation, executing all such documents as may be required) as any Director of the Company may deem desirable, necessary, advisable or expedient to give effect to this Ordinary Resolution.

[See Explanatory Notes (ii)]

(Resolution 9)

7. 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:

#### **8. Authority to allot and issue shares**

That pursuant to Section 161 of the Companies Act, Chapter 50 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,

## Notice of Annual General Meeting

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

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

**(“Share Issue Mandate”)**

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred percent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under subparagraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time of passing of this Ordinary Resolution;
  - (b) (where applicable) new shares arising from exercising share options or vesting of share awards, provided that such share awards or share options (as the case may be) were granted in compliance with Part VIII of Chapter 8 the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares,

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

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

[See Explanatory Note (iii)]

**(Resolution 10)**

By Order of the Board

Shirley Tan Sey Liy  
Company Secretary

Singapore, 14 July 2021

# Notice of Annual General Meeting

## Explanatory Notes:

- (i) Mr. Ong Chu Poh will, upon re-election as a Director of the Company, remain as the Executive Chairman and Group Chief Executive Officer of the Company. Further detailed information on Mr. Ong Chu Poh can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report 2021.

Mr. Siau Kai Bing will, upon re-election as a Director of the Company, remain as the Lead Independent Director, the Chairman of the Audit Committee, a member of the Nominating Committee and the Remuneration Committee of the Company. The Board considers Mr. Siau Kai Bing to be independent for the purposes of Rule 704(7) of the Catalist Rules. Further detailed information on Mr. Siau Kai Bing can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report 2021.

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 2021.

Dr. Ong Seh Hong will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nominating Committee of the Company. The Board considers Dr. Ong Seh Hong to be independent for the purposes of Rule 704(7) of the Catalist Rules. Further detailed information on Dr. Ong Seh Hong can be found in the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Annual Report 2021.

- (ii) A Circular is attached to this notice to provide shareholders with information and the rationale relating to the Proposed Change of Auditors to be tabled at the AGM.

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) The retiring auditors of the Company, KPMG LLP ("**KPMG**"), have confirmed to Ernst & Young LLP ("**EY**") by way of letter dated 6 July 2021 that they are not aware of any professional reasons why EY should not accept appointment as the new auditors of the Company and its subsidiaries;
- (b) the Company confirms that there were no disagreements with the retiring auditors, KPMG on accounting treatments within the last 12 months and up to the date of the Circular;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders which has not been disclosed in the Circular;
- (d) the Company confirms that the rationale for the Proposed Change of Auditors are as disclosed in Section 2 of the Circular. The Company is of the view that it would be timely to effect a change of external auditors. Accordingly, KPMG has informed the Company that they will not be seeking re-election at the forthcoming AGM.; and
- (e) the Company has confirmed that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of EY as the new Auditors of the Company.
- (iii) The Ordinary Resolution 10, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

# Notice of Annual General Meeting

## Notes 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 and 6 April 2021 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/econhealthcare>.
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.

## 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 27 July 2021, being 72 hours before the time appointed for the AGM (“**Registration Deadline**”), at the following URL: <https://conveneagm.com/sg/econhealthcare> (“**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 29 July 2021 may contact the Company’s Share Registrar by 5.00 p.m. on 29 July 2021 for assistance at the following email address: [shareregistry@incorp.asia](mailto: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](mailto: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 the Registration Deadline 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 of the Company 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](mailto: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 21 July 2021, 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 2021 and the Notice of AGM dated 14 July 2021 and the Circular in relation to the Proposed Change of Auditors 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/company-announcements> and (iii) at the URL: <https://conveneagm.com/sg/econhealthcare>.

# Notice of Annual General Meeting

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) 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 (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), 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.*

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**ECON HEALTHCARE (ASIA) LIMITED**(Company Registration No. 200400965N)  
(Incorporated In the Republic of Singapore)**Annual General Meeting  
Proxy Form**

(Please see notes overleaf before completing this Form)

**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/econhealthcare>.
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.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co. Reg. No.)

of \_\_\_\_\_

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 Friday, 30 July 2021 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 2021			
2	Declaration of first and final dividend (one-tier tax exempt) of 0.78 Singapore cent per ordinary shares for the financial year ended 31 March 2021			
3	Approval of Directors' fees amounting to S\$41,945.21 for the financial year ended 31 March 2021			
4	Approval of Directors' fees amounting to S\$71,000 for the financial year ending 31 March 2022, to be paid annually in arrears			
5	Re-election of Mr. Ong Chu Poh as a Director			
6	Re-election of Mr. Siau Kai Bing as a Director			
7	Re-election of Mr. Lim Yian Poh as a Director			
8	Re-election of Dr. Ong Seh Hong as a Director			
9	To appoint Messrs Ernst & Young LLP as auditors of the Company in place of retiring auditors of the Company, Messrs KPMG LLP			
10	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 \_\_\_\_\_ 2021

Signature of Shareholder(s)

\*and/or Common Seal of Corporate Shareholder

\*Delete where inapplicable

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**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, Chapter 289 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/econhealthcare> ("ECON AGM Website"), in the electronic format accessible 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](mailto:shareregistry@incorp.asia), in either case by **no later than 10.00 a.m. on 27 July 2021, 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.**
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 (Cap. 19) 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 (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), 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 14 July 2021.

Fold here (1st fold).

**Affix  
stamp  
here**

Attention: Share Registrar

**In.Corp Corporate Services Pte. Ltd.**  
(formerly known as RHT Corporate Advisory Pte. Ltd.)  
30 Cecil Street  
#19-08 Prudential Tower  
Singapore 049712

Fold here (3rd fold) and glue overleaf. Do not staple.

Fold here (3rd fold) and glue overleaf. Do not staple.

Fold here (2nd fold) and glue overleaf. Do not staple.





**ECON Healthcare (Asia) Limited**

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