



**Econ Healthcare (Asia) Limited
and its subsidiaries
Registration Number: 200400965N**

Condensed consolidated interim financial statements
For the six-month period ended 30 September 2021

Econ Healthcare (Asia) Limited and its subsidiaries

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Certain numerical figures set out in this Announcement, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments, and, as a result, the totals of the data in this Announcement may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in paragraph 4 of other information required by Listing Rule 7.2 of this Announcement are approximate figures and have been calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in this Announcement, as applicable, and not using the numerical data in the narrative description thereof.

Econ Healthcare (Asia) Limited and its subsidiaries

**Condensed consolidated interim income statement
For the six-month period ended 30 September 2021**

	Note	For the six-month period ended 30 September		Change
		2021 \$'000	2020 \$'000	%
Revenue	5	10,397	10,234	1.6
Operating subvention grants	6	9,339	8,407	11.1
Other income	7	813	3,113	(73.9)
Supplies and consumables		(2,904)	(2,627)	10.5
Staff costs		(9,671)	(9,221)	4.9
Depreciation of property, plant and equipment		(631)	(521)	21.1
Depreciation of right-of-use assets		(2,638)	(2,574)	2.5
Lease expense		–	(1)	N.M.
Utilities expenses		(491)	(494)	(0.6)
Impairment losses on trade receivables		(2)	(10)	(80.0)
Other operating expenses		(1,877)	(1,371)	36.9
Results from operating activities		<u>2,335</u>	<u>4,935</u>	(52.7)
Finance income		2	10	(80.0)
Finance costs - leases		(444)	(507)	(12.4)
Finance costs - others		(143)	(220)	(35.0)
Finance costs		(587)	(727)	(19.3)
Net finance costs		<u>(585)</u>	<u>(717)</u>	(18.4)
Share of profit of joint venture, net of tax		–	5	N.M.
Profit before tax		<u>1,750</u>	<u>4,223</u>	(58.6)
Tax expense	9	(329)	(686)	(52.0)
Profit for the period	8	<u>1,421</u>	<u>3,537</u>	(59.8)
Profit attributable to:				
Owner of the Company		1,612	3,652	(55.9)
Non-controlling interests		(191)	(115)	66.1
Profit for the period		<u>1,421</u>	<u>3,537</u>	(59.8)
Earnings per share				
Basic and diluted earnings per share (cents)	17	<u>0.63</u>	<u>1.76</u>	(64.4)

N.M. – Not meaningful

Econ Healthcare (Asia) Limited and its subsidiaries

**Condensed consolidated interim statement of comprehensive income
For the six-month period ended 30 September 2021**

	For the six-month period ended 30 September		Change
	2021	2020	
	\$'000	\$'000	%
Profit for the period	1,421	3,537	(59.8)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences – foreign operations	49	(29)	N.M.
Total comprehensive income for the period	<u>1,470</u>	<u>3,508</u>	(58.1)
Total comprehensive income attributable to:			
Owner of the Company	1,641	3,616	(54.6)
Non-controlling interests	(171)	(108)	58.3
Total comprehensive income for the period	<u>1,470</u>	<u>3,508</u>	(58.1)

N.M. – Not meaningful

Econ Healthcare (Asia) Limited and its subsidiaries

**Condensed consolidated interim statements of financial position
As at 30 September 2021**

	Note	Group		Company	
		30 September 2021 \$'000	31 March 2021 \$'000	30 September 2021 \$'000	31 March 2021 \$'000
Assets					
Property, plant and equipment	10	16,760	16,476	878	938
Right-of-use assets	11	24,845	27,154	4,623	5,454
Investment property	12	8,155	8,154	–	–
Joint venture		–	–	–	–
Trade and other receivables	13	1,160	1,128	2,246	1,581
Deferred tax assets		70	31	1	3
Finance lease receivables		1	18	–	–
Subsidiaries		–	–	23,922	23,922
Associate		83	–	–	–
Non-current assets		51,074	52,961	31,670	31,898
Trade and other receivables	13	3,220	3,352	668	701
Cash and cash equivalents		26,575	16,095	16,840	5,097
Inventories		9	14	–	–
Finance lease receivables		35	36	–	–
Current tax assets		264	196	–	–
Current assets		30,103	19,693	17,508	5,798
Total assets		81,177	72,654	49,178	37,696
Equity					
Share capital	14	28,255	15,000	28,255	15,000
Currency translation reserve	15	(2,811)	(2,840)	–	–
Merger reserve	15	(99)	(99)	–	–
Accumulated profits		12,263	12,656	4,977	6,851
Equity attributable to owner of the Company		37,608	24,717	33,232	21,851
Non-controlling interests		343	514	–	–
Total equity		37,951	25,231	33,232	21,851
Liabilities					
Loans and borrowings	18	3,852	4,536	–	–
Deferred tax liabilities		347	364	–	–
Deferred capital grants		1,196	277	–	–
Provision for restoration costs		492	504	216	215
Lease liabilities		21,320	23,677	3,113	3,973
Non-current liabilities		27,207	29,358	3,329	4,188
Loans and borrowings	18	3,877	5,825	–	–
Trade and other payables	19	5,964	5,977	10,869	9,910
Lease liabilities		5,250	5,084	1,705	1,667
Current tax liabilities		928	1,179	43	80
Current liabilities		16,019	18,065	12,617	11,657
Total liabilities		43,226	47,423	15,946	15,845
Total equity and liabilities		81,177	72,654	49,178	37,696

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**Unaudited condensed consolidated interim statement of changes in equity
For the six-month period ended 30 September 2021**

Group	Share capital \$'000	Currency translation reserve \$'000	Merger reserve \$'000	Accumulated profits \$'000	Total equity attributable to owner of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 April 2021	15,000	(2,840)	(99)	12,656	24,717	514	25,231
Total comprehensive income for the period							
Profit/(loss) for the period	–	–	–	1,612	1,612	(191)	1,421
<i>Other comprehensive income</i>							
Foreign currency translation differences – foreign operations	–	29	–	–	29	20	49
Total comprehensive income for the period	–	29	–	1,612	1,641	(171)	1,470
<i>Transactions with owner, recognised directly in equity</i>							
Dividends paid	–	–	–	(2,005)	(2,005)	–	(2,005)
Shares issued	14,000	–	–	–	14,000	–	14,000
Offset of listing expenses	(745)	–	–	–	(745)	–	(745)
Total contributions by and distribution to owner	13,255	–	–	(2,005)	11,250	–	11,250
At 30 September 2021	28,255	(2,811)	(99)	12,263	37,608	343	37,951

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**Unaudited condensed consolidated interim statement of changes in equity
For the six-month period ended 30 September 2021**

Group	Share capital \$'000	Currency translation reserve \$'000	Merger reserve \$'000	Accumulated profits \$'000	Total equity attributable to owner of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 April 2020	15,000	(2,588)	(99)	6,956	19,269	(131)	19,138
Total comprehensive income for the period							
Profit for the period	–	–	–	3,652	3,652	(115)	3,537
<i>Other comprehensive income</i>							
Foreign currency translation differences – foreign operations	–	(36)	–	–	(36)	7	(29)
Total comprehensive income for the period	–	(36)	–	3,652	3,616	(108)	3,508
<i>Transactions with owner, recognised directly in equity</i>							
Capital contribution by non- controlling interests	–	–	–	–	–	467	467
At 30 September 2020	15,000	(2,624)	(99)	10,608	22,885	228	23,113

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**Unaudited condensed interim statements of changes in equity
For the six-month period ended 30 September 2021**

Company	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
At 1 April 2021	15,000	6,851	21,851
Total comprehensive income for the period			
Profit for the period	–	131	131
Total comprehensive income for the period	–	131	131
<i>Transactions with owner, recognised directly in equity</i>			
Dividends paid	–	(2,005)	(2,005)
Share issued	14,000	–	14,000
Offset of listing expenses	(745)	–	(745)
Total transactions with owners	13,255	(2,005)	11,250
At 30 September 2021	28,255	4,977	33,232
At 1 April 2020	15,000	7,251	22,251
Total comprehensive income for the period			
Profit for the period	–	306	306
Total comprehensive income for the period	–	306	306
At 30 September 2020	12,645	7,557	22,557

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**Unaudited condensed consolidated interim statement of cash flows
For the six-month period ended 30 September 2021**

	For the six-month period ended 30 September	
	2021 \$'000	2020 \$'000
Cash flows from operating activities		
Profit for the period	1,421	3,537
Adjustments for:		
Amortisation of deferred capital grant	(79)	(11)
Loss on disposal of property, plant and equipment	–	2
Depreciation of property, plant and equipment	631	521
Depreciation of right-of-use assets	2,638	2,574
Loss on disposal of joint venture	–	5
Impairment losses on trade receivables	2	10
Write-off of property, plant and equipment	18	–
Interest income	(2)	(10)
Interest expense	571	718
Rent concessions	(133)	(501)
Unwinding of discount on provisions	1	2
Reversal of provision for restoration cost	–	(8)
Tax expense	329	686
Share of profit of joint venture , net of tax	–	(5)
	5,397	7,520
Changes in:		
- Inventories	4	(6)
- Trade and other receivables	(194)	(2,155)
- Trade and other payables	136	637
Cash generated from operations	5,343	5,996
Tax paid	(702)	(416)
Net cash from operating activities	4,641	5,580
Cash flows from investing activities		
Change in non-trade amounts due from immediate holding company	–	(2,820)
Change in non-trade amounts due from a related company	–	488
Change in non-trade amounts due from non-controlling interests	–	(9)
Finance lease received	18	18
Proceeds from disposal of plant and equipment	–	–*
Proceeds from disposal of joint venture	–	–*
Investment in associate	(83)	–
Purchase of property, plant and equipment	(1,048)	(1,102)
Placement of fixed deposits with licensed banks	–	(1)
Restricted cash held with bank	–	(30)
Capital grants received	998	–
Interest received	1	9
Net cash used in investing activities	(114)	(3,447)

* Less than \$1,000

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**Unaudited condensed consolidated interim statement of cash flows (cont'd)
For the six-month period ended 30 September 2021**

	For the six-month period ended 30 September	
	2021	2020
	\$'000	\$'000
Cash flows from financing activities		
Capital contribution by non-controlling interests	–	319
Change in non-trade amounts due to non-controlling interests	–	279
Proceeds from borrowings	97	2,294
Repayment of borrowings	(2,730)	(753)
Payment of lease liabilities	(2,432)	(1,892)
Interest paid	(561)	(682)
Dividends paid	(2,005)	–
Proceeds from issuance of shares pursuant to initial public offering	14,000	–
Payment of initial public offering transaction costs	(409)	–
Net cash from/(used in) financing activities	5,960	(435)
Net increase in cash and cash equivalents	10,487	1,698
Cash and cash equivalents at 1 April	16,029	7,301
Effect of exchange rate fluctuations on cash held	(8)	3
Cash and cash equivalents at 30 September	26,508	9,002

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	For the six-month period ended 30 September	
	2021	2020
	\$'000	\$'000
Cash at bank and fixed deposits	26,575	9,067
Less: Fixed deposits with maturity more than 90 days at period end	(35)	(35)
Less: Restricted fixed deposit	(32)	(30)
Cash and cash equivalents in consolidated statement of cash flows	26,508	9,002

Econ Healthcare (Asia) Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2021

1 Corporate information

The Company was incorporated on 28 January 2004 under the name of EHL (S) Pte. Ltd and is domiciled in 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 (“SGX-ST”) 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.

These condensed interim consolidated financial statements of the Group as at and for the period ended 30 September 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 of which are incorporated in 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, ambulance services and investment holding.

2 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* by the Accounting Standards Council Singapore. The condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements. However, selected explanatory notes are included to explain the events and transactions that are significant to understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed consolidated interim financial statements are presented in Singapore dollar (“\$”) and all values are rounded to the nearest thousand (“\$’000”), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

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

Econ Healthcare (Asia) Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2021

2.2 Use of judgements and estimates

In preparing the condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

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.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the period under review.

4 Segment information

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.

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**Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 September 2021**

Information about reportable segments

	Medicare centres and nursing homes \$'000	Other operation and ancillary services \$'000	Eliminations \$'000	Total \$'000
For the six-month period ended 30 September 2021				
Revenue and operating subvention grants				
External revenue	9,980	417	–	10,397
Inter-segment revenue	–	4,210	(4,210)	–
Operating subvention grants	9,339	–	–	9,339
	<u>19,319</u>	<u>4,627</u>	<u>(4,210)</u>	<u>19,736</u>
Results:				
Segment results	2,304	31	–	2,415
Finance income	1	1	–	2
Finance costs	(526)	(61)	–	(587)
Unallocated expenses: Listing expenses	–	–	–	(80)
Profit before tax	<u>1,779</u>	<u>51</u>	<u>–</u>	<u>1,750</u>
Significant non-cash items				
Depreciation of property, plant and equipment	542	89	–	631
Depreciation of right-of-use assets	1,744	894	–	2,638
Impairment losses on trade receivables	2	–	–	2
For the six-month period ended 30 September 2020				
Revenue and operating subvention grants				
External revenue	9,593	641	–	10,234
Inter-segment revenue	–	2,593	(2,593)	–
Operating subvention grants	8,407	–	–	8,407
	<u>18,000</u>	<u>3,234</u>	<u>(2,593)</u>	<u>18,641</u>
Results:				
Segment results	4,314	621	–	4,935
Finance income	9	1	–	10
Finance costs	(631)	(96)	–	(727)
Share of results of joint venture	–	5	–	5
Segment profit before tax	<u>3,692</u>	<u>531</u>	<u>–</u>	<u>4,223</u>

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**Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 September 2021**

	Medicare centres and nursing homes \$'000	Other operation and ancillary services \$'000	Eliminations \$'000	Total \$'000
Other material items				
Depreciation of property, plant and equipment	410	111	–	521
Depreciation of right-of-use assets	1,693	881	–	2,574
Impairment losses on trade receivables	10	–	–	10
As at 30 September 2021				
Assets:				
Investment in associate	–	83	–	83
Segment assets	64,935	71,154	(55,329)	80,760
Tax assets	287	47	–	334
Total assets	65,222	71,284	(55,329)	81,177
Liabilities:				
Segment liabilities	54,870	43,110	(56,041)	41,939
Tax liabilities	1,231	45	–	1,276
Unallocated liabilities: Accrued listing expenses	–	–	–	11
Total liabilities	56,101	43,155	(56,041)	43,226
Capital expenditure	878	19	–	897
As at 31 March 2021				
Assets:				
Segment assets	69,540	58,354	(55,804)	72,090
Tax assets	179	48	–	227
Unallocated assets: Prepaid listing expenses	–	–	–	337
Total assets	69,719	58,403	(55,804)	72,654
Liabilities:				
Segment liabilities	60,662	41,980	(57,579)	45,063
Tax liabilities	1,463	80	–	1,543
Unallocated liabilities: Accrued listing expenses	–	–	–	817
Total liabilities	62,126	42,060	(57,579)	47,423
Capital expenditure	2,646	107	–	2,753

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Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2021

Geographical information

External customers of the Group are located in Singapore, Malaysia and China. The Group carries out its operations in Singapore, Malaysia and China and all the Group's non-current assets are located in Singapore, Malaysia and China.

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

	For the six-month period ended 30 September	
	2021	2020
	\$'000	\$'000
Aggregate revenue and operating subvention grants		
Singapore	17,053	16,059
Malaysia	2,522	2,582
China	161	–
Consolidated revenue	<u>19,736</u>	<u>18,641</u>
	30 September	31 March
	2021	2021
	\$'000	\$'000
Non-current assets⁽¹⁾		
Singapore	24,929	26,778
Malaysia	23,730	23,919
China	2,345	2,234
Consolidated total non-current assets	<u>51,004</u>	<u>52,931</u>

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

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**Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 September 2021**

5 Revenue

For the six-month period ended 30 September	Medicare centres and nursing homes fees		Ancillary fees					Total \$'000
	Home fees \$'000	Home care and day care and other nursing home services \$'000	Ambulance fees \$'000	Course fees \$'000	Management fee \$'000	Traditional Chinese medicine ("TCM") clinics services \$'000	Other ancillary services \$'000	
2021								
Third parties								
- Singapore	5,638	1,659	–	1	–	404	–	7,702
- Malaysia	1,704	818	–	–	–	–	–	2,522
- China	107	54	–	–	–	–	–	161
	<u>7,449</u>	<u>2,531</u>	<u>–</u>	<u>1</u>	<u>–</u>	<u>404</u>	<u>–</u>	<u>10,385</u>
Affiliated corporation								
- Singapore	–	–	–	–	12	–	–	12
	<u>7,449</u>	<u>2,531</u>	<u>–</u>	<u>1</u>	<u>12</u>	<u>404</u>	<u>–</u>	<u>10,397</u>
2020								
Third parties								
- Singapore	5,635	1,377	–	–*	–	315	–*	7,327
- Malaysia	1,843	739	–	–	–	–	–	2,582
	<u>7,478</u>	<u>2,116</u>	<u>–</u>	<u>–*</u>	<u>–</u>	<u>315</u>	<u>–*</u>	<u>9,909</u>
Related corporation								
- Singapore	–	–	–*	1	315	–	–	316
Affiliated corporation								
- Singapore	–	–	–	–	9	–	–	9
	<u>7,478</u>	<u>2,116</u>	<u>–*</u>	<u>1</u>	<u>324</u>	<u>315</u>	<u>–*</u>	<u>10,234</u>

* Less than \$1,000

Home fees generally relates to contracts with patients in which performance obligations are to provide nursing home healthcare services to individual patients in Singapore, Malaysia and China. Home care and day care fees generally relate 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 corporations 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.

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Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2021

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.

6 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 receive adequate level of nursing care in their own homes, require 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.

7 Other income

	For the six-month period ended 30 September	
	2021 \$'000	2020 \$'000
Other government grants:		
- Grants on special employment credit, temporary employment credit and wages credit scheme	17	42
- Grant on Senior Activity Centres	–	180
- Grants on Jobs Support Scheme	128	807
- Foreign worker levy rebate	–	491
- Grants on staff accommodation	60	751
- Grants on Jobs Growth Incentive	137	–
Rent concessions	133	501
Rental income	125	104
Amortisation of deferred capital grants	79	11
Service fees	53	53
Property tax rebate	–	41
Others	81	132
	<hr/>	<hr/>
	813	3,113

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Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2021

8 Profit for the period

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

	For the six-month period ended 30 September	
	2021 \$'000	2020 \$'000
Exchange loss, net	14	7
Interest expense on bank borrowings	128	211
Initial public offering expenses	80	–
Write-off of property, plant and equipment	18	–
Loss on disposal of property, plant and equipment	–	2
Expenses relating to short-term leases presented in “lease expense” and “staff costs”	135	1
Repair and maintenance expenses	546	376
Contributions to defined contribution plans included in staff costs	483	408
Directors fees	43	27

9 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense for the six months ended 30 September 2021 and 2020 are:

	For the six-month period ended 30 September	
	2021 \$'000	2020 \$'000
Current tax expense	385	722
Deferred tax expense	(56)	(36)
	<u>329</u>	<u>686</u>

10 Property, plant and equipment

Acquisitions and disposals

During the six-month period ended 30 September 2021, the Group acquired property, plant and equipment of \$897,000 (six-month period ended 30 September 2020: \$1,102,000).

There was no assets disposed during the six-month period ended 30 September 2021 (six-month period ended 30 September 2019: \$2,400), resulting in a loss of \$Nil (six-month period ended 30 September 2019: loss of \$2,100) in profit or loss.

Assets with carrying amounts of \$18,000 were written off during the six-month period ended 30 September 2021 (six-month period ended 30 September 2019: \$Nil).

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**Notes to the condensed consolidated interim financial statements
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11 Right-of-use assets

Additions

During the six-month period ended 30 September 2021, the Group recognised right-of-use assets of \$302,000 (six-month period ended 30 September 2020: \$1,535,000), of which \$Nil (six-month period 30 September 2020: 1,352,000) relates to lease modification.

12 Investment property

	30 September 2021 \$'000	31 March 2021 \$'000
At beginning of the period/year, at cost	8,154	8,281
Translation differences on consolidation	1	(127)
At end of the period/year	<u>8,155</u>	<u>8,154</u>

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

Amounts recognised in profit or loss

	For the six-month period ended 30 September	
	2021 \$'000	2020 \$'000
Rental income	105	83
Direct operating expenses	(3)	(3)

The fair value of the investment property amount to \$8,114,000 (31 March 2021: \$8,112,000).

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

The investment property is categorised under Level 3 of the fair value measurement hierarchy. 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.

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13 Trade and other receivables

	Group		Company	
	30 September 2021 \$'000	31 March 2021 \$'000	30 September 2021 \$'000	31 March 2021 \$'000
Trade receivables – third parties	1,872	1,668	–	–
Less: Impairment losses	(226)	(228)	–	–
	<u>1,646</u>	<u>1,440</u>	<u>–</u>	<u>–</u>
Trade amounts due from:				
- subsidiaries	–	–	1,978	1,245
Impairment losses	–	–	(356)	(356)
Total trade receivables	<u>1,646</u>	<u>1,440</u>	<u>1,622</u>	<u>889</u>
Government grant receivables for operating subvention grants	954	817	–	–
Other government grant receivables	66	166	–	–
Other receivables	17	90	–	21
Staff advances	13	25	–	–
Deposits	1,368	1,302	763	763
Non-trade amounts due from:				
- subsidiaries	–	–	685	465
Impairment losses	–	–	(341)	(341)
Financial assets at amortised cost	4,064	3,840	2,729	1,797
Prepayments	316	183	185	97
Prepaid listing expenses	–	337	–	337
Government grant receivables for Jobs Support Scheme	–	120	–	51
	<u>4,380</u>	<u>4,480</u>	<u>2,914</u>	<u>2,282</u>
Non-current	1,160	1,128	2,246	1,582
Current	3,220	3,352	668	702
	<u>4,380</u>	<u>4,480</u>	<u>2,914</u>	<u>2,282</u>

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.

Econ Healthcare (Asia) Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2021

14 Share capital

	Number of shares		Amount	
	30 September 2021	31 March 2021	30 September 2021 \$'000	31 March 2021 \$'000
Group and Company				
Issued and fully paid ordinary shares, at par value:				
In issue at beginning of the period/year	207,000,000	15,000,000	15,000	15,000
Shares arising from share split	–	192,000,000	–	–
Shares issued pursuant to initial public offering	50,000,000	–	13,255*	–
In issue at end of the period/year	<u>257,000,000</u>	<u>207,000,000</u>	<u>28,255</u>	<u>15,000</u>

* Comprise of listing expenses of \$745,000 offset against proceeds from shares issued pursuant to initial public offering of \$14,000,000.

Ordinary shares

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

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").

Initial public offering

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

As at 30 September 2021 and 31 March 2021, there were no treasury shares held by the Company and there were no subsidiary holdings.

15 Reserves

Currency translation reserve

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

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Merger reserve

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

Dividends

During the six months ended 30 September 2021, the Group declared and paid dividends in amount of \$2,005,000 (S\$0.0078 per ordinary share) (six-month period ended 30 September 2020: \$Nil).

16 Net asset value per share

	Group		Company	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021
Net asset value per ordinary share (in cents)	14.63	11.94	12.93	10.56

17 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 September 2021 is based on the profit attributable to ordinary shareholders of \$1,612,000 (six-month period ended 30 September 2020: \$3,652,000) 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 beginning of the period	207,000,000	15,000,000
Sub-division of ordinary shares via share split	–	207,000,000
Shares issued pursuant to initial public offering	50,000,000	–
Weighted-average number of ordinary shares at end of the period	257,000,000	207,000,000

Diluted earnings per share

As at 30 September 2021, there were no outstanding dilutive potential ordinary shares.

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18 Loans and borrowings

	30 September 2021 \$'000	31 March 2021 \$'000
Non-current liabilities		
Bank loans	3,852	4,536
Current liabilities		
Bank loans	3,877	5,825
	<u>7,729</u>	<u>10,361</u>

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 \$'000	Carrying amount \$'000
30 September 2021 Group						
Unsecured bank loans	A	SGD	SIBOR + 2%	2023	2,519	2,519
			Base lending rate –			
Secured bank loans	B	MYR	1.25%	2027	2,938	2,938
Unsecured revolving credit	C	MYR	Cost of funds + 1.50%	2021	2,272	2,272
					<u>7,729</u>	<u>7,729</u>
31 March 2021 Group						
Secured bank loans	A	SGD	SIBOR + 2%	2023	3,082	3,082
Secured advance facility	A	SGD	SIBOR + 2%	2021	2,004	2,004
			Base lending rate –			
Secured bank loans	B	MYR	1.25%	2027	3,101	3,101
Secured revolving credit	C	MYR	Cost of funds + 1.50%	2021	2,174	2,174
					<u>10,361</u>	<u>10,361</u>

- A) As at 31 March 2021, the bank loan was secured by corporate guarantee from immediate holding company, joint and several personal guarantees from the directors of the Company and subsidiaries and on the immediate holding company's freehold land and building with a carrying value of \$17,478,000 and an affiliated company's investment properties with a carrying value of \$4,208,000. Affiliated company is the company controlled by the common directors. Pursuant to a deed of release dated 24 March 2021 provided by the bank, the corporate guarantee and personal guarantees from the directors of the Company and subsidiaries have been discharged on 9 April 2021. Mortgages over aforementioned freehold land, buildings and investment properties have been discharged on 9 April 2021. As at 30 September 2021, the bank loan is unsecured, and the Company shall maintain on a consolidated basis, a Gross Debt / EBITDA ratio of not more than 3.50 times.

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Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2021

- B) The bank loan was secured by corporate guarantee from the Company and immediate holding company and on the Group's freehold land and building amounting to \$9,408,000 (31 March 2021: \$9,502,000). 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 was 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. As at 30 September 2021, the bank loan is unsecured and a subsidiary of the Group shall maintain a tangible net worth of not less than RM 40,000,000 and gearing ratio shall not exceed 0.75 times.

19 Trade and other payables

	Group		Company	
	30 September 2021 \$'000	31 March 2021 \$'000	30 September 2021 \$'000	31 March 2021 \$'000
Trade payables				
- third parties	678	746	-	-
- subsidiaries	-	-	7	524
	678	746	7	524
Non-trade amount due to subsidiaries	-	-	9,408	7,570
Accrued operating expenses	2,319	1,533	858	490
Interest payables	31	21	-	-
Other payables	390	279	81	20
Payables to suppliers of property, plant and equipment	491	642	330	330
Refundable deposits	1,387	1,470	-	-
Accrued listing expenses	11	817	11	817
Financial liabilities at amortised cost	5,307	5,508	10,695	9,751
Deferred grant income	240	253	-	88
Liability for short-term accumulated compensated absences	323	156	174	71
Home fees collected in advance	94	60	-	-
	5,964	5,977	10,869	9,910

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

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Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2021

20 Related parties

Key management personnel compensation

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

	For the six-month period ended 30 September	
	2021 \$'000	2020 \$'000
Post-employment benefits	22	25
Short term employee benefits including director fees	522	504
Non-monetary benefit	7	7
	<u>551</u>	<u>536</u>

Other related party transactions

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

	For the six-month period ended 30 September	
	2021 \$'000	2020 \$'000
Immediate holding company		
Payment made on behalf	–	(3)
Related corporation		
Pharmacy expenses	–	36
Other ancillary service income	–	(2)
Management fee income	–	(315)
Payment made on behalf	–	(28)
Affiliated company		
Management fee income	(9)	(9)
Rental income	(2)	(2)

21 Subsequent events

On 12 October 2021, a subsidiary of the Group had given notice to terminate the tenancy agreement for ECON Medicare Centre and Nursing Home – Pudu (Pudu Nursing Home). The Group expects to vacate from the premises by February 2022. The closure of the Pudu Nursing Home is not expected to have a significant impact on the Group's financials.

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Other information required by Listing Rule Appendix 7.2

1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim consolidated statement of financial position of the Group as at 30 September 2021 and the related interim consolidated profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six months period ended 30 September 2021 and selected explanatory notes have not been audited or reviewed by our auditors.

2 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

3 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

(A) Statement of comprehensive income

6M2022 vs 6M2021

Aggregate revenue and operating subvention grants

Aggregate revenue and operating subvention grants increased 5.9% or S\$1.1 million, from S\$18.6 million to S\$19.7 million. This was due to an increase in revenue of S\$0.4 million and increase in operating subvention grants of S\$0.9 million for subsidised residents, which was offset by a decrease in ancillary fees of S\$0.2 million.

The increase in aggregate revenue and operating subvention grants was attributable to (i) increase of S\$0.2 million from China due to commencement of operations of ECON Medicare Centre and Nursing Home – Chongqing in May 2021, (ii) increase of S\$1.0 million from Singapore as a result of overall increase in bed occupancy, (iii) commencement of operations for ECON Medicare Centre and Nursing Home – Puchong in December 2020, contributing S\$0.3 million to Malaysia. These increases were partially offset by S\$0.4 million decrease in the ECON Medicare Centre and Nursing Home – Pudu as a result of the

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COVID-19 situation in Malaysia. Overall, our bed occupancy increased from an average of 1,094 beds in 6M2021 to an average of 1,119 beds in 6M2022. The total bed capacity was 1,238 and 1,420 for 6M2021 and 6M2022 respectively.

Ancillary fees decreased by S\$0.2 million from S\$0.6 million to S\$0.4 million mainly due to the cessation of management fees charged to our related corporation, West Point Hospital Pte. Ltd, which owned and operated West Point Hospital, following the cessation of operation of West Point Hospital in August 2020. The decrease is offset with the TCM revenue increased by S\$0.1 million period to period.

Other income

Other income decrease by S\$2.3 million from S\$3.1 million in 6M2021 to S\$0.8 million in 6M2022. The decrease was mainly attributed to decrease in (i) the Job Support Scheme grants and foreign worker levy rebates of S\$1.2 million; (ii) rent concessions and property tax rebates of S\$0.4 million; and (iii) the staff accommodation grants of S\$0.7 million, collectively the “Exceptional grant”, as a result of COVID-19 pandemic.

Supplies and consumables

Our cost of supplies and consumables increased by 10.5%, or S\$0.3 million, from S\$2.6 million in 6M2021 to S\$2.9 million in 6M2022. The increase was mainly due to the purchase of additional consumables for patients, such as food and milk feed, facemasks and dressing material, as the number of residents increase. There were also purchase of additional personal protective equipment, and disinfectants due to step up of the infection control & environmental hygiene practices due to the COVID-19 situation.

Staff costs

Our staff costs increased by 4.9% or S\$0.5 million from S\$9.2 million in 6M2021 to S\$9.7 million in 6M2022. This was mainly attributable to an increase of S\$0.2 million of staff costs in Malaysia and China due to commencement of operations of the ECON Medicare Centre and Nursing Home – Puchong and ECON Medicare Centre and Nursing Home – Chongqing as productivity is not yet at the desirable stage as the private nursing homes take time to ramp up. As the border control restrictions continue, we incurred additional staff costs relating to overtime payment, short-term contracted fee payment, as well as salary increment amounting to S\$0.3 million.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by 21.1%, or S\$0.1 million, from S\$0.5 million in 6M2021 to S\$0.6 million in 6M2022 due to depreciation charge from the fixed assets for ECON Medicare Centre and Nursing Home – Puchong and ECON Medicare Centre and Nursing Home – Chongqing as they commenced operations in December 2020 and May 2021 respectively.

Depreciation of right-of-use assets

Depreciation of right-of-use assets remained constant at S\$2.6 million for 6M2021 and 6M2022.

Utilities expenses

Utilities expenses remained constant at S\$0.5 million for 6M2021 and 6M2022.

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Other information required by Listing Rule Appendix 7.2

Other operating expenses

Other operating expenses increased by 36.9%, or S\$0.5 million, from S\$1.4 million in 6M2021 to S\$1.9 million in 6M2022. The increase in other operating expenses was due to (i) fees of S\$80,000 that the Group incurred for IPO project (“IPO Expense”); (ii) increased in repair and maintenance expenses incurred of S\$0.2 million in relation to the upkeep for existing facilities, which was defer last year due to lockdown; and (iii) professional fees of S\$0.2 million for Sponsor and counsel.

Results from operating activities

Our operating profit decreased by 52.7%, or S\$2.6 million, from S\$4.9 million in 6M2021 to S\$2.3 million in 6M2022. The decline in operating profit was mainly brought about by the decrease in other income of S\$2.3 million which comprise mostly of grants, increase in IPO expense of S\$80,000 and increase in professional fees of S\$0.2 million.

Excluding the net Exceptional Grants as well as IPO expense and staff accommodation and welfare expenses, our operating profit for 6M2022 would have been S\$2.1 million, a decrease of S\$0.9 million compared to 6M2021. This is mainly due to ECON Medicare Centre and Nursing Home – Puchong and ECON Medicare Centre and Nursing Home – Chongqing ramping up, staff costs increase as a result of step up protective personal equipment and disinfection cleaning, and occupancy of ECON Medicare Centre and Nursing Home – Pudu affected by the COVID-19 situation.

Finance costs

Finance costs decreased by 18.4%, or S\$0.1 million, from S\$0.7 million in 6M2021 to S\$0.6 million in 6M2022 due to the decrease in bank borrowings and lease liabilities.

Tax expense

Tax expense decreased by 52%, or S\$0.4 million, from S\$0.7 million in 6M2021 to S\$0.3 million in 6M2022 due to the decrease in profit before tax by S\$2.5 million.

Profit attributable to owner of the company (PATMI)

As a result of the foregoing, our PATMI decreased by 55.9% or S\$2.1 million, from S\$3.7 million in 6M2021 to S\$1.6 million in 6M2022. PATMI margin decreased from 19.6% to 8.2% in 6M2022.

Earnings per share (EPS) on a fully diluted basis for 6M2022 was 0.63 cent compared to 1.76 cents for 6M2021.

Net asset value (NAV) per share was 14.63 cents as at 30 September 2021 compared to 11.94 cents as at 31 March 2021 mainly due to higher share capital following the listing of the Company.

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Other information required by Listing Rule Appendix 7.2

(B) Statement of financial position

Non-current assets

As at 30 September 2021, our non-current assets of S\$51.1 million accounted for 62.9% of our total assets. Our non-current assets comprised of the following:

- (i) property, plant and equipment, which amounted to S\$16.8 million, and comprised freehold land and buildings, properties under construction, leasehold improvements and renovations, nursing homes and hospital equipment, ambulances and medical equipment, furniture, fittings and office equipment, computers and accessories and motor vehicles;
- (ii) right-of-use assets, which amounted to S\$24.8 million, and comprised nursing homes, office premise and health and wellness centres, office equipment, staff accommodation and motor vehicles;
- (iii) investment property, which amounted to S\$8.2 million, and is related to a freehold land that we own in Cheras, Malaysia. The land was leased to a third party lessee to operate an education centre;
- (iv) trade and other receivables, which amounted to S\$1.2 million, and is related to security deposits paid to our landlords and utilities providers;
- (v) deferred tax assets, which amounted to S\$70,000, and comprised right-of-use assets, provisions and tax loss carry-forwards; and
- (vi) investment in an associate amounting to S\$83,000, of which the Group's interest is 20%.

The decrease in non-current assets due mainly to the decrease in right-of-use assets, for S\$2.3 million, offset with the increase in property, plant and equipment for S\$0.3 million and increase in investment in associate of S\$83,000. The decrease in right-of-use assets was due to the depreciation of right-of-use assets of S\$2.6 million, offset with the additions in right-of-use assets of S\$0.3 million. The increase in property, plant and equipment was due to additions of S\$0.9 million offset with the depreciation of S\$0.6 million and write-off of property, plant and equipment of S\$18,000.

Current assets

As at 30 September 2021, our current assets of S\$30.1 million accounted for 37.1% of our total assets. Our current assets mainly comprised:

- (i) trade and other receivables, which amounted to S\$3.2 million, comprising S\$1.6 million of net third party trade receivables, S\$1.0 million of government grant receivables, S\$0.3 million prepayments, and cumulatively accounted for 92.6% of total trade and other receivables;
- (ii) finance lease receivables, which amounted to S\$35,000;
- (iii) cash and cash equivalents, which amounted to S\$26.6 million or 88.3% of total current assets; and
- (iv) current tax assets, which amounted to S\$0.3 million.

The increase in current asset of S\$10.4 million was due to increase in cash and bank balances of S\$10.5 million, offset with the decrease in trade and other receivables of S\$0.1 million. The decrease in trade and other receivables was mainly due to receipt of government grants of S\$0.1 million for ECON Medicare Centre and Nursing Home – Taman Perling under the wage subsidy program. The wage subsidy program is part of Malaysia government relief

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Other information required by Listing Rule Appendix 7.2

measure, to retain employees and support employers whose operations was affected by the pandemic.

Non-current liabilities

As at 30 September 2021, our non-current liabilities of S\$27.2 million accounted for 62.9% of our total liabilities. Our non-current liabilities mainly comprised:

- (i) loans and borrowings, which amounted to S\$3.9 million, and is related to funding for the expansion of our Group's operations and general working capital purposes;
- (ii) deferred tax liabilities, which amounted to S\$0.3 million, and is related to differences arising from the recognition of depreciation expenses for our property, plant and equipment after the offsetting of tax losses carried forward;
- (iii) Deferred capital grants, which amounted to S\$1.2 million, and comprise government grants received for the purpose of equipping and furnishing the nursing homes.
- (iv) provision for restoration costs, which amounted to S\$0.5 million, and is related to the estimated costs of reinstating our leased premises to their original state upon termination or expiration of the leases; and
- (v) lease liabilities, which amounted to S\$21.3 million, being the present value of the future lease payments.

The decrease in non-current liabilities by 7.3% or S\$2.2 million, from S\$29.4 million to S\$27.2 million was mainly due to the decrease in loans and borrowings and lease liabilities of S\$0.7 million and S\$2.4 million respectively. The decrease was partially offset with an increase in the deferred capital grants of S\$0.9 million mainly due to receipts of government grants relating to the upgrade to electrical beds project for the nursing homes under the Healthcare Productivity Fund.

Current liabilities

As at 30 September 2021, our current liabilities of S\$16.0 million accounted for 37.1% of our total liabilities. Our current liabilities mainly comprised:

- (i) loans and borrowings, which amounted to S\$3.9 million, and is related to funding for the expansion of our Group's operations and general working capital purposes;
- (ii) trade and other payables, which amounted to S\$6.0 million, comprising S\$1.4 million of refundable deposits received from residents, S\$0.7 million of trade payables and S\$2.3 million of accrued operating expenses, and cumulatively accounted for 73.5% of total trade and other payables;
- (iii) lease liabilities, which amounted to S\$5.2 million, being the present value of the future lease payments; and
- (iv) current tax liabilities, which amounted to S\$0.9 million.

The decrease in current liabilities by 11.3% or S\$2.1 million, from S\$18.1 million as at 31 March 2021 to S\$16.0 million as at 30 September 2021. This was mainly due to decrease in loans and borrowings of S\$1.9 million as the secured advance facility loan denominated in Singapore dollars was been fully repaid during the period and current tax liabilities decreased by S\$0.3 million as a result of lower profit before tax for 6M2022 as compared to 6M2021. The decline was partially offset by the increase in lease liabilities of S\$0.2 million due to additions of staff accommodation leases.

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Other information required by Listing Rule Appendix 7.2

(C) Statement of cash flows

Cash flow before changes in working capital for 6M2022 amounted to S\$5.4 million. Net cash generated from operations was S\$5.4 million due to decrease in trade and other receivables of S\$0.2 million and increase in trade and other payables of S\$0.1 million. As a result, net cash generated from operating activities after adjusting for cash paid for tax was S\$4.6 million.

Net cash flow used in investing activities was S\$0.1 million in 6M2022. Net cash flows used were primarily for purchase of property, plant and equipment amounting to S\$1.0 million and capital injection of S\$83,000 for its 20% of interest in an associate. This was offset with capital grants received of S\$1.0 million.

Net cash flow from financing activities was S\$6.0 million in 6M2022. This was attributable to the proceeds from shares issued pursuant to initial public offering of S\$14.0 million, and proceeds from bank borrowings of S\$97,000. These increases were partially offset by the repayment of bank borrowings and lease liabilities of S\$2.7 million and S\$2.4 million respectively, dividends paid to shareholders of the Company of S\$2.0 million, interest paid of S\$0.6 million and payment of initial public offering transaction costs of S\$0.4 million.

Overall, the Group reported a net increase in cash and cash equivalents of S\$10.5 million for 6M2022, ending the period with cash and cash equivalents of S\$26.5 million.

5 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

6 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The extended lockdowns in the earlier months due to the COVID-19 pandemic across various markets has hampered the region's recovery momentum in Malaysia and China. However, against the backdrop of high vaccination rate and economic recovery, we are optimistic on achieving growth organically, and with new facilities in the pipeline.

In Singapore, we are expecting a new 236-bedded facility in Henderson to commence operations during 1H 2022, and a 732-bedded facility to be operational in 2025. By consolidating our Malaysia operations, we expect to leverage on operational efficiencies and achieve growth by ramping up of occupancy in existing facilities.

We continue to pursue opportunities in China, with our Changshou Nursing home in Chongqing expected to commence operations in 2H 2022.

Econ Healthcare (Asia) Limited and its subsidiaries

Other information required by Listing Rule Appendix 7.2

7 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommend); and

Yes. The Company does not have a fixed dividend policy. As disclosed in the offer document, the Board intends to recommend and distribute dividends of at least 35% of net profit after tax attributed to our Shareholders generated in each of FY2021, FY2022 and FY2023, as the Group wishes to reward its Shareholders for participating in the Group's growth.

(b)(i) Amount per share (in cents)

Name of dividend	Interim
Dividend type	Cash
Dividend amount per ordinary share	0.22 Singapore cent (tax exempt one-tier)

(b)(ii) Amount per share (in cents) for the previous corresponding period

No dividend was declared for 6M2021.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Tax exempt one-tier.

(d) The date the dividend is payable

10 December 2021

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 29 November 2021 ("Record Date") for the purpose of determining members' entitlement to the interim dividend.

Duly completed registrable transfers received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., 30 Cecil Street #19-08 Prudential Tower Singapore 049712, up to 5.00 p.m. on 29 November 2021 will be registered before entitlements to the dividend are determined.

(f) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable

Econ Healthcare (Asia) Limited and its subsidiaries

Other information required by Listing Rule Appendix 7.2

- 8 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Name of Interested Person	Aggregate value (\$'000) of all IPTs during the financial period under review	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
(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	845	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	176	
(3) Econ Healthcare Pte Ltd (a) Sub lease agreement for Chai Chee Nursing Home	352	
(4) Ekang International Holdings Pte. Ltd. (a) Lease of Hexacube office	244	
(5) TMI Technologies Pte Ltd (a) Sub lease arrangement for Hexacube office (b) Accounting service agreement	6	

- 9 Negative confirmation pursuant to Rule 705(5).**

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim condensed financial statements for the period ended 30 September 2021 to be false or misleading in any material aspect.

- 10 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Catalist Rules.

Econ Healthcare (Asia) Limited and its subsidiaries

Other information required by Listing Rule Appendix 7.2

- 11 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Koh Hin Ling	67	Wife of Ong Chu Poh (Executive Chairman and Group Chief Executive Officer); and Mother of Ong Hui Ming (Executive Director and Deputy Chief Executive Officer)	Director of TCM, TCM practitioner and Director of the Group's principal subsidiaries, with effect from 1994	N.A.
Ong Xin De	36	Son of Ong Chu Poh (Executive Chairman and Group Chief Executive Officer); and Brother of Ong Hui Ming (Executive Director and Deputy Chief Executive Officer)	Head, Development, with effect from 2017, overseeing strategic development, growth, technology and innovation of the Group	N.A.

Econ Healthcare (Asia) Limited and its subsidiaries

Other information required by Listing Rule Appendix 7.2

12 Use of IPO proceeds

Pursuant to the initial public offering on 19 April 2021, the Company received gross proceeds of S\$14.0 million from the placement of new shares. As at the date of this announcement, the IPO net proceeds have been utilised as follows:

	Amount allocated (as disclosed in the offer document) \$'000	Amount utilised as at the date of this condensed interim financial statements \$'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	471	7,029
Upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure	2,000	50	1,950
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 ⁽¹⁾	70
Total	14,000	2,951	11,049

⁽¹⁾ The amount utilised as at the date of this condensed interim financial statements refer to the expenses billed to date and amount paid up to date.

BY ORDER OF THE BOARD

Ong Chu Poh
Executive Chairman and Group Chief Executive Officer
9 November 2021

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

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.