



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

Condensed consolidated financial statements  
For the six months and full year ended 31 March 2022

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

## Econ Healthcare (Asia) Limited 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 income statement

For the six months and full year ended 31 March 2022

	Note	Six months ended 31 March			Full year ended 31 March		
		2022 \$'000	2021 \$'000	Change %	2022 \$'000	2021 \$'000	Change %
Revenue	5	19,325	19,082	1.3	38,905	37,660	3.3
Other income	6	4,240	3,293	28.8	5,208	6,468	(19.5)
Supplies and consumables		(2,946)	(2,836)	3.9	(5,849)	(5,462)	7.1
Staff costs		(9,686)	(9,249)	4.7	(19,357)	(18,469)	4.8
Depreciation of property, plant and equipment		(748)	(602)	24.3	(1,379)	(1,123)	22.8
Depreciation of right-of-use assets		(3,377)	(2,601)	29.8	(6,014)	(5,174)	16.2
Utilities expenses		(560)	(454)	23.3	(1,051)	(948)	10.9
Impairment losses on trade receivables		(99)	(4)	2375.0	(101)	(14)	621.4
Loss on investment in quoted securities, net		(3,354)	–	N.M.	(3,354)	–	N.M.
Other operating expenses		(2,779)	(3,391)	(18.0)	(4,657)	(4,763)	(2.2)
		<u>16</u>	<u>3,238</u>	<u>(99.5)</u>	<u>2,351</u>	<u>8,175</u>	<u>(71.2)</u>
Finance costs, net	7	(875)	(635)	37.8	(1,460)	(1,353)	7.9
Share of result of associate and joint venture, net of tax		(30)	–	N.M.	(30)	5	(700.0)
<b>(Loss)/profit before tax</b>		<u>(889)</u>	<u>2,603</u>	<u>(134.2)</u>	<u>861</u>	<u>6,827</u>	<u>(87.4)</u>
Tax expense	9	(588)	(769)	(23.5)	(917)	(1,456)	(37.0)
<b>(Loss)/profit for the period/year</b>	8	<u>(1,477)</u>	<u>1,834</u>	<u>(180.5)</u>	<u>(56)</u>	<u>5,371</u>	<u>(101.0)</u>
<b>(Loss)/profit attributable to:</b>							
Owner of the Company		(1,262)	2,048	(161.6)	350	5,700	(93.9)
Non-controlling interests		(215)	(214)	0.5	(406)	(329)	23.4
<b>(Loss)/profit for the period/year</b>		<u>(1,477)</u>	<u>1,834</u>	<u>(180.5)</u>	<u>(56)</u>	<u>5,371</u>	<u>(101.0)</u>
<b>Earnings per share</b>							
Basic and diluted earnings per share (cents)	17	<u>(0.49)</u>	<u>0.99</u>	<u>(149.6)</u>	<u>0.14</u>	<u>2.75</u>	<u>(95.1)</u>

*N.M. – Not meaningful*

## Econ Healthcare (Asia) Limited and its subsidiaries

### Condensed consolidated income statement

For the six months and full year ended 31 March 2022

	Six months ended 31 March			Full year ended 31 March		
	2022 \$'000	2021 \$'000	Change %	2022 \$'000	2021 \$'000	Change %
<b>(Loss)/profit for the period/year</b>	(1,477)	1,834	(180.5)	(56)	5,371	(101.0)
<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	(101)	(183)	(44.8)	(51)	(212)	(75.9)
<b>Total comprehensive (loss)/income for the period/year</b>	<u>(1,578)</u>	<u>1,651</u>	(195.6)	<u>(107)</u>	<u>5,159</u>	(102.1)
<b>Total comprehensive income attributable to:</b>						
Owner of the Company	(1,374)	1,831	(175.0)	267	5,447	(95.3)
Non-controlling interests	<u>(204)</u>	<u>(180)</u>	13.3	<u>(374)</u>	<u>(288)</u>	29.9
<b>Total comprehensive (loss)/income for the period/year</b>	<u>(1,578)</u>	<u>1,651</u>	(195.6)	<u>(107)</u>	<u>5,159</u>	(102.1)

*N.M. – Not meaningful*

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Condensed consolidated statements of financial position  
As at 31 March 2022**

	Note	Group		Company	
		31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
<b>Assets</b>					
Property, plant and equipment	10	17,930	16,476	814	938
Right-of-use assets	11	40,858	27,154	3,791	5,454
Investment property	12	8,092	8,154	–	–
Joint venture		–	–	–	–
Trade and other receivables	13	1,757	1,128	1,912	1,581
Deferred tax assets		133	31	5	3
Finance lease receivables		–	18	–	–
Subsidiaries		–	–	23,899	23,922
Associate		53	–	–	–
<b>Non-current assets</b>		<b>68,823</b>	<b>52,961</b>	<b>30,421</b>	<b>31,898</b>
Trade and other receivables	13	5,552	3,352	2,738	700
Cash and cash equivalents		26,102	16,095	13,283	5,097
Inventories		13	14	–	–
Finance lease receivables		18	36	–	–
Current tax assets		230	196	–	–
<b>Current assets</b>		<b>31,915</b>	<b>19,693</b>	<b>16,021</b>	<b>5,797</b>
<b>Total assets</b>		<b>100,738</b>	<b>72,654</b>	<b>46,442</b>	<b>37,695</b>
<b>Equity</b>					
Share capital	14	28,255	15,000	28,255	15,000
Currency translation reserve	15	(2,923)	(2,841)	–	–
Merger reserve	15	(99)	(99)	–	–
Accumulated profits		10,436	12,656	9,891	6,851
<b>Equity attributable to owner of the Company</b>		<b>35,669</b>	<b>24,716</b>	<b>38,146</b>	<b>21,851</b>
Non-controlling interests		273	514	–	–
<b>Total equity</b>		<b>35,942</b>	<b>25,230</b>	<b>38,146</b>	<b>21,851</b>
<b>Liabilities</b>					
Loans and borrowings	18	3,147	4,536	–	–
Deferred tax liabilities		357	364	–	–
Deferred capital grants		1,606	277	–	–
Provision for restoration costs		632	504	217	215
Lease liabilities		35,748	23,677	2,247	3,973
<b>Non-current liabilities</b>		<b>41,490</b>	<b>29,358</b>	<b>2,464</b>	<b>4,188</b>
Loans and borrowings	18	3,997	5,825	–	–
Trade and other payables	19	11,250	5,978	4,046	9,910
Lease liabilities		7,083	5,084	1,725	1,666
Current tax liabilities		976	1,179	61	80
<b>Current liabilities</b>		<b>23,306</b>	<b>18,066</b>	<b>5,832</b>	<b>11,656</b>
<b>Total liabilities</b>		<b>64,796</b>	<b>47,424</b>	<b>8,296</b>	<b>15,844</b>
<b>Total equity and liabilities</b>		<b>100,738</b>	<b>72,654</b>	<b>46,442</b>	<b>37,695</b>

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Condensed consolidated statement of changes in equity  
For the full year ended 31 March 2022**

<b>Group</b>	<b>Share capital \$'000</b>	<b>Currency translation reserve \$'000</b>	<b>Merger reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity attributable to owner of the Company \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
At 1 April 2021	15,000	(2,841)	(99)	12,656	24,716	514	25,230
<b>Total comprehensive income for the year</b>							
Profit/(loss) for the year	–	–	–	350	350	(406)	(56)
<b><i>Other comprehensive income</i></b>							
Foreign currency translation differences – foreign operations	–	(82)	–	–	(82)	31	(51)
<b>Total comprehensive income for the year</b>	–	(82)	–	350	268	(375)	(107)
<b><i>Transactions with owner, recognised directly in equity</i></b>							
Dividends paid	–	–	–	(2,570)	(2,570)	–	(2,570)
Shares issued	14,000	–	–	–	14,000	–	14,000
Offset of listing expenses	(745)	–	–	–	(745)	–	(745)
Capital contribution by non- controlling interests	–	–	–	–	–	134	134
Total contributions by and distribution to owner	13,255	–	–	(2,570)	10,685	134	10,819
At 31 March 2022	28,255	(2,923)	(99)	10,436	35,669	273	35,942

**Econ Healthcare (Asia) Limited and its subsidiaries**

Econ Healthcare (Asia) Limited and its subsidiaries

Condensed consolidated statement of changes in equity  
For the full year ended 31 March 2022

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
<b>Total comprehensive income for the year</b>							
Profit/(loss) for the year	–	–	–	5,700	5,700	(329)	5,371
<i>Other comprehensive income</i>							
Foreign currency translation differences – foreign operations	–	(253)	–	–	(253)	41	(212)
<b>Total comprehensive income for the year</b>	–	(253)	–	5,700	5,447	(288)	5,159
<i>Transactions with owner, recognised directly in equity</i>							
Capital contribution by non-controlling interests	–	–	–	–	–	933	933
At 31 March 2021	15,000	(2,841)	(99)	12,656	24,716	514	25,230



**Econ Healthcare (Asia) Limited and its subsidiaries**

**Condensed statements of changes in equity  
For the full year ended 31 March 2022**

Company	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
At 1 April 2021	15,000	6,851	21,851
<b>Total comprehensive income for the year</b>			
Profit for the year	–	5,610	5,610
<b>Total comprehensive income for the year</b>	–	5,610	5,610
<i>Transactions with owner, recognised directly in equity</i>			
Dividends paid	–	(2,570)	(2,570)
Share issued	14,000	–	14,000
Offset of listing expenses	(745)	–	(745)
Total transactions with owners	13,255	(2,570)	10,685
At 31 March 2022	28,255	9,891	38,146
At 1 April 2020	15,000	7,251	22,251
<b>Total comprehensive income for the year</b>			
Loss for the year	–	(400)	(400)
<b>Total comprehensive income for the year</b>	–	(400)	(400)
At 31 March 2021	15,000	6,851	21,851

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Condensed consolidated statement of cash flows**  
**For the full year ended 31 March 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	861	6,827
Adjustments for:		
Amortisation of deferred capital grant	(178)	(42)
Write-off of property, plant and equipment	364	32
Depreciation of property, plant and equipment	1,379	1,123
Depreciation of right-of-use assets	6,014	5,174
Re-measurement from lease modification	–	38
(Gain)/loss on termination of leases	(76)	11
Impairment losses on trade receivables	101	14
Impairment losses on property, plant and equipment	–	62
Interest income	(3)	(19)
Interest expense	1,430	1,350
Rent concessions	(659)	(501)
Unwinding of discount on provisions	3	3
Reversal of provision for restoration cost	–	(7)
Loss on disposal of joint venture	–	5
Share of profit of joint venture, net of tax	–	(5)
Share of loss of associate, net of tax	30	–
Dividends income from investment in quoted securities	(8)	–
Loss on investment in quoted securities, net	3,354	–
	<u>12,612</u>	<u>14,065</u>
Changes in:		
- Trade and other receivables	(3,467)	1,795
- Trade and other payables	4,677	674
- Inventories	–*	(6)
<b>Cash generated from operations</b>	<u>13,822</u>	<u>16,528</u>
Tax paid	(1,264)	(914)
<b>Net cash from operating activities</b>	<u>12,558</u>	<u>15,614</u>
<b>Cash flows from investing activities</b>		
Change in non-trade amounts due from immediate holding company	–	(698)
Change in non-trade amounts due from a related company	–	488
Finance lease received	37	37
Interest received	2	17
Proceeds from disposal of plant and equipment	9	–
Proceeds from disposal of joint venture	–	–*
Investment in associate	(83)	–
Purchase of property, plant and equipment	(2,630)	(2,441)
Placement of fixed deposits with licensed banks	–*	(2)
Restricted cash held with bank	–	(31)
Capital grants received	1,505	73
Dividends income from investment in quoted securities	8	–
Investment in quoted securities	(5,104)	–
Proceeds from disposal of quoted securities	1,750	–
<b>Net cash used in investing activities</b>	<u>(4,506)</u>	<u>(2,557)</u>

\* Less than \$1,000

**Econ Healthcare (Asia) Limited and its subsidiaries****Condensed consolidated statement of cash flows (cont'd)  
For the full year ended 31 March 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>		
Capital contribution by non-controlling interests	134	933
Proceeds from borrowings	130	2,360
Repayment of borrowings	(3,306)	(1,554)
Payment of lease liabilities	(4,881)	(4,463)
Interest paid	(1,121)	(1,286)
Dividends paid	(2,570)	–
Proceeds from issuance of shares pursuant to initial public offering	14,000	–
Payment of initial public offering transaction costs	(408)	(337)
<b>Net cash from/(used in) financing activities</b>	<b>1,978</b>	<b>(4,347)</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,030</b>	<b>8,710</b>
Cash and cash equivalents at 1 April	16,029	7,301
Effect of exchange rate fluctuations on cash held	(24)	18
<b>Cash and cash equivalents at 31 March</b>	<b>26,035</b>	<b>16,029</b>

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

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and fixed deposits	26,102	16,095
Less: Fixed deposits with maturity more than 90 days at period end	(35)	(35)
Less: Restricted fixed deposit	(32)	(31)
Cash and cash equivalents in consolidated statement of cash flows	<b>26,035</b>	<b>16,029</b>

## **Econ Healthcare (Asia) Limited and its subsidiaries**

### **Notes to the condensed consolidated financial statements For the six months and full year period ended 31 March 2022**

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#### **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 consolidated financial statements of the Group as at and for the six months and full year ended 31 March 2022 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 financial statements for the six months and full year ended 31 March 2022 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 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 interim financial statements for the period ended 30 September 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 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 year, 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 financial statements For the six months and full year period ended 31 March 2022**

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#### **2.2 Use of judgements and estimates**

In preparing the condensed consolidated 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.

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022**

**Information about reportable segments**

	<b>Medicare centres and nursing homes \$'000</b>	<b>Other operation and ancillary services \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b>Six months ended 31 March 2022</b>				
<b>Revenue</b>				
External revenue	18,929	396	–	19,325
Inter-segment revenue	–	3,998	(3,998)	–
	<u>18,929</u>	<u>4,394</u>	<u>(3,998)</u>	<u>19,325</u>
<b>Results:</b>				
Segment results	2,728	674	(13)	3,389
Finance income	1	–	–	1
Finance costs	(981)	(52)	157	(876)
Share of results of associate	–	(30)	–	(30)
Unallocated expenses: Listing expenses	–	–	–	(19)
Unallocated expenses: Loss on investment in quoted securities	–	–	–	(3,354)
Segment profit/(loss) before tax	<u>1,748</u>	<u>592</u>	<u>144</u>	<u>(889)</u>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	652	96	–	748
Depreciation of right-of-use assets	2,465	912	–	3,377
Impairment losses on trade receivables	99	–	–	99
<b>Six months ended 31 March 2021</b>				
<b>Revenue</b>				
External revenue	18,652	430	–	19,082
Inter-segment revenue	–	4,729	(4,729)	–
	<u>18,652</u>	<u>5,159</u>	<u>(4,729)</u>	<u>19,082</u>
<b>Results:</b>				
Segment results	3,362	1,340	183	4,885
Finance income	8	1	–	9
Finance costs	(952)	(72)	380	(644)
Unallocated expenses: Listing expenses	–	–	–	(1,647)
Segment profit before tax	<u>2,418</u>	<u>1,269</u>	<u>563</u>	<u>2,603</u>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	474	128	–	602
Depreciation of right-of-use assets	1,712	889	–	2,601
(Reversal) of impairment losses on trade receivables	(94)	–	98	4

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022**

	Medicare centres and nursing homes \$'000	Other operation and ancillary services \$'000	Eliminations \$'000	Total \$'000
<b>Full year ended 31 March 2022</b>				
<b>Revenue</b>				
External revenue	38,092	813	–	38,905
Inter-segment revenue	–	8,208	(8,208)	–
	<u>38,092</u>	<u>9,021</u>	<u>(8,208)</u>	<u>38,905</u>
<b>Results:</b>				
Segment results	5,032	705	(13)	5,724
Finance income	2	1	–	3
Finance costs	(1,507)	(113)	157	(1,463)
Share of results of associate	–	(30)	–	(30)
Unallocated expenses: Listing expenses	–	–	–	(19)
Unallocated expenses: Loss on investment in quoted securities	–	–	–	(3,354)
Segment profit before tax	<u>3,515</u>	<u>563</u>	<u>144</u>	<u>861</u>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	1,195	184	–	1,379
Depreciation of right-of-use assets	4,209	1,805	–	6,014
Impairment losses on trade receivables	101	–	–	101
<b>Full year ended 31 March 2021</b>				
<b>Revenue</b>				
External revenue	36,588	1,072	–	37,660
Inter-segment revenue	–	7,322	(7,322)	–
	<u>36,588</u>	<u>8,394</u>	<u>(7,322)</u>	<u>37,660</u>
<b>Results:</b>				
Segment results	7,677	1,962	183	9,822
Finance income	17	2	–	19
Finance costs	(1,583)	(169)	380	(1,372)
Share of results of joint venture	–	5	–	5
Unallocated expenses: Listing expenses	–	–	–	(1,647)
Segment profit before tax	<u>6,111</u>	<u>1,800</u>	<u>563</u>	<u>6,827</u>
<b>Significant non-cash items</b>				
Depreciation of property, plant and equipment	885	238	–	1,123
Depreciation of right-of-use assets	3,404	1,770	–	5,174
(Reversal) of impairment losses on trade receivables	(84)	–	98	14

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022**

	<b>Medicare centres and nursing homes \$'000</b>	<b>Other operation and ancillary services \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b>As at 31 March 2022</b>				
<b>Assets:</b>				
Investment in associate	–	53	–	53
Segment assets	85,624	69,665	(54,967)	100,310
Tax assets	354	9	–	363
<b>Total assets</b>	<b>85,978</b>	<b>69,727</b>	<b>(54,967)</b>	<b>100,738</b>
<b>Liabilities:</b>				
Segment liabilities	81,556	36,399	(54,492)	63,463
Tax liabilities	1,272	61	–	1,331
<b>Total liabilities</b>	<b>82,828</b>	<b>36,460</b>	<b>(54,492)</b>	<b>64,796</b>
<b>Capital expenditure</b>	<b>3,177</b>	<b>48</b>	<b>–</b>	<b>3,225</b>
<b>As at 31 March 2021</b>				
<b>Assets:</b>				
Segment assets	69,540	58,354	(55,804)	72,090
Tax assets	179	48	–	227
Unallocated assets: Prepaid listing expenses	–	–	–	337
<b>Total assets</b>	<b>69,719</b>	<b>58,403</b>	<b>(55,804)</b>	<b>72,654</b>
<b>Liabilities:</b>				
Segment liabilities	60,662	41,980	(57,579)	45,063
Tax liabilities	1,463	80	–	1,543
Unallocated liabilities: Accrued listing expenses	–	–	–	817
<b>Total liabilities</b>	<b>62,126</b>	<b>42,060</b>	<b>(57,579)</b>	<b>47,423</b>
<b>Capital expenditure</b>	<b>2,646</b>	<b>107</b>	<b>–</b>	<b>2,753</b>



## Econ Healthcare (Asia) Limited and its subsidiaries

### Notes to the condensed consolidated financial statements For the six months and full year period ended 31 March 2022

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#### *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.

	Six months ended 31 March		Full year ended 31 March	
	2022	2021	2022 \$'000	2021 \$'000
<b>Revenue</b>				
Singapore	16,875	16,527	33,771	32,523
Malaysia	2,246	2,555	4,768	5,137
China	204	–	366	–
Consolidated revenue	<u>19,325</u>	<u>19,082</u>	<u>38,905</u>	<u>37,660</u>

	31 March 2022 \$'000	31 March 2021 \$'000
	<b>Non-current assets<sup>(1)</sup></b>	
Singapore	36,316	26,778
Malaysia	22,301	23,919
China	10,073	2,234
Consolidated total non-current assets	<u>68,690</u>	<u>52,931</u>

<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, non-current finance lease receivables and investment in associate.

Econ Healthcare (Asia) Limited and its subsidiaries

Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022

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Revenue

Six months ended 31 March	Medicare centres and nursing homes fees			Ancillary fees				Total \$'000
	Home fees \$'000	Home care and day care and other nursing home services \$'000	Operating subvention grant	Course fees \$'000	Management fee \$'000	Traditional Chinese medicine ("TCM") clinics services \$'000	Other ancillary services \$'000	
<b>2022</b>								
Third parties								
- Singapore	5,243	1,777	9,459	26	—	358	—*	16,863
- Malaysia	1,600	646	—	—	—	—	—	2,246
- China	37	167	—	—	—	—	—	204
	6,880	2,590	9,459	26	—	358	—*	19,301
Affiliated corporation								
- Singapore	—	—	—	—	12	—	—	12
	6,880	2,590	9,459	26	12	358	—*	19,325
<b>2021</b>								
Third parties								
- Singapore	4,935	2,224	8,938	2	—	414	—*	16,513
- Malaysia	1,887	668	—	—	—	—	—	2,555
	6,822	2,892	8,938	2	—	414	—*	19,068
Related corporation								
- Singapore	—	—	—	—	—	—	—	—
Affiliated corporation								
- Singapore	—	—	—	—	14	—	—	14
	6,822	2,892	8,938	2	14	414	—*	19,082
<b>Full year ended 31 March 2022</b>								
Third parties								
- Singapore	10,880	3,435	18,643	28	—	762	—*	33,748
- Malaysia	3,304	1,464	—	—	—	—	—	4,768
- China	65	301	—	—	—	—	—	366
	14,249	5,200	18,643	28	—	762	—*	38,882
Affiliated corporation								
- Singapore	—	—	—	—	23	—	—	23
	14,249	5,200	18,643	28	23	762	—*	38,905

\* Less than \$1,000

## Econ Healthcare (Asia) Limited and its subsidiaries

### Notes to the condensed consolidated financial statements For the six months and full year period ended 31 March 2022

Full year ended 31 March	Medicare centres and nursing homes fees			Ancillary fees				Total \$'000
	Home fees \$'000	Home care and day care and other nursing home services \$'000	Operating subvention grant	Course fees \$'000	Management fee \$'000	Traditional Chinese medicine ("TCM") clinics services \$'000	Other ancillary services \$'000	
<b>2021</b>								
Third parties								
- Singapore	10,570	3,600	17,282	2	-	729	-*	32,183
- Malaysia	3,730	1,407	-	-	-	-	-	5,137
	14,299	5,007	17,282	2	-	729	-*	37,320
Related corporation								
- Singapore	-	-	-	1	315	-	-	316
Affiliated corporation								
- Singapore	-	-	-	-	24	-	-	24
	14,299	5,007	17,282	3	339	729	-*	37,660

Home fees generally relate 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 relate to contracts with corporate customers in which performance obligations are to provide training for nurses, nursing home managers and home caregivers in Singapore. Management fee relates to provision of management and consultancy services to 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.

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.

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.

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022**

**6 Other income**

	Six months ended 31 March		Full year ended 31 March	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Other government grants:				
- Grants on special employment credit, temporary employment credit and wages credit scheme	90	57	107	99
- Grant on Senior Activity Centres	–	–	–	180
- Grants on Jobs Support Scheme	–	471	128	1,277
- Foreign worker levy rebate	–	159	–	651
- Grants on staff accommodation	158	1,081	218	1,832
- S Pass and work permit levy transition support	160	241	160	241
- Employment grant	24	239	24	239
- Grants on Senior Management Associate Scheme	152	91	152	91
- Grants on Scale-up SG Programme	–	70	–	70
- Grants on Jobs Growth Incentive	233	11	370	11
- Eldercare centre baseline service transition grants	420	–	420	–
- Grant for Equity Market Singapore	200	–	200	–
- Work-life Grants	70	–	70	–
- Grants on community care salary enhancements	384	–	384	–
- Grants on Healthcare Hiring In Advance Initiatives	312	–	312	–
Rent concessions	527	–	659	501
Rental income	135	120	259	224
Amortisation of deferred capital grants	99	31	178	42
Service fees	53	53	106	106
Property tax rebate	–	13	–	54
Recovery of shareholder loans	–	375	–	375
Dividends income from quoted securities	8	–	8	–
Gain on lease termination	76	–	76	–
Rental subsidy/subvention grants	830	187	986	249
Pre-operations funding	176	–	176	–
Others	133	94	215	226
	<u>4,240</u>	<u>3,293</u>	<u>5,208</u>	<u>6,468</u>

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022**

**7 Finance costs, net**

	<b>Six months ended 31 March</b>		<b>Full year ended 31 March</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest income from bank deposits	1	8	2	17
Interest income from finance lease receivables	–	1	1	2
Finance income	<u>1</u>	<u>9</u>	<u>3</u>	<u>19</u>
Exchange loss, net	(16)	(11)	(30)	(19)
Interest expense on bank borrowings	(135)	(151)	(263)	(362)
Unwinding of discount on provision of restoration cost	(2)	(1)	(3)	(3)
Interest expense from lease liabilities	<u>(723)</u>	<u>(481)</u>	<u>(1,167)</u>	<u>(988)</u>
Finance costs	<u>(876)</u>	<u>(644)</u>	<u>(1,463)</u>	<u>(1,372)</u>
Net finance costs	<u>(875)</u>	<u>(635)</u>	<u>(1,460)</u>	<u>(1,353)</u>

**8 (Loss)/profit for the period/year**

The following items have been included in arriving at (loss)/profit for the period/year:

	<b>Six months ended 31 March</b>		<b>Full year ended 31 March</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Initial public offering expenses	(19)	1,647	61	1,647
Write-off of property, plant and equipment	346	32	364	32
Expenses relating to short-term leases presented in “staff costs”	112	224	254	225
Repair and maintenance expenses	903	425	1,449	800
Contributions to defined contribution plans included in staff costs	584	505	1,048	913
Directors’ fees	<u>43</u>	<u>29</u>	<u>85</u>	<u>56</u>

## Econ Healthcare (Asia) Limited and its subsidiaries

### Notes to the condensed consolidated financial statements For the six months and full year period ended 31 March 2022

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#### 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 and full year ended 31 March 2022 and 2021 are:

	Six months ended 31 March		Full year ended 31 March	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current tax expense	637	700	1,023	1,423
Deferred tax (credit)/expense	(49)	69	(106)	33
	<u>588</u>	<u>769</u>	<u>917</u>	<u>1,456</u>

#### 10 Property, plant and equipment

During the year ended 31 March 2022, the Group acquired property, plant and equipment of \$3,225,000 (31 March 2021: \$2,753,000).

As at 31 March 2022, the Group has made commitments for capital expenditure of \$3,297,000 (31 March 2021: \$991,000).

#### 11 Right-of-use assets

During the year ended 31 March 2022, the Group recognised additions of right-of-use assets of \$20,015,000 (31 March 2021: \$397,000).

#### 12 Investment property

	31 March	31 March
	2022	2021
	\$'000	\$'000
At beginning of the year, at cost	8,154	8,281
Translation differences on consolidation	(62)	(127)
At end of the year	<u>8,092</u>	<u>8,154</u>

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

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022**

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**Amounts recognised in profit or loss**

	<b>Six months ended 31 March</b>		<b>Full year ended 31 March</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rental income	116	100	221	183
Direct operating expenses	(3)	(3)	(6)	(6)

The fair value of the investment property amount to \$8,082,000 (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 2 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 at the fair value of investment property.

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022**

**13 Trade and other receivables**

	Group		Company	
	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
Trade receivables – third parties	1,590	1,668	–	–
Less: Impairment losses	(324)	(228)	–	–
	<u>1,266</u>	<u>1,440</u>	<u>–</u>	<u>–</u>
Trade amounts due from:				
- subsidiaries	–	–	2,118	1,245
Impairment losses	–	–	(356)	(356)
Total trade receivables	<u>1,266</u>	<u>1,440</u>	<u>1,762</u>	<u>889</u>
Government grant receivables for operating subvention grants	1,206	817	–	–
Other government grant receivables	1,368	166	–	–
Other receivables	983	90	204	20
Staff advances	15	25	135	–
Deposits	2,004	1,302	766	763
Non-trade amounts due from:				
- subsidiaries	–	–	1,963	465
Impairment losses	–	–	(309)	(341)
Financial assets at amortised cost	6,842	3,840	4,521	1,796
Prepayments	467	183	129	97
Prepaid listing expenses	–	337	–	337
Government grant receivables for Jobs Support Scheme	–	120	–	51
	<u>7,309</u>	<u>4,480</u>	<u>4,650</u>	<u>2,281</u>
Non-current	1,757	1,128	1,912	1,581
Current	<u>5,552</u>	<u>3,352</u>	<u>2,738</u>	<u>700</u>
	<u>7,309</u>	<u>4,480</u>	<u>4,650</u>	<u>2,281</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 financial statements For the six months and full year period ended 31 March 2022

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#### 14 Share capital

	Number of shares		Amount	
	31 March 2022	31 March 2021	31 March 2022 \$'000	31 March 2021 \$'000
<b>Group and Company</b>				
Issued and fully paid ordinary shares, at par value:				
In issue at beginning of the 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 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 31 March 2022 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.

## Econ Healthcare (Asia) Limited and its subsidiaries

### Notes to the condensed consolidated financial statements For the six months and full year period ended 31 March 2022

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#### *Merger reserve*

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

#### *Dividends*

During the full year period ended 31 March 2022, the Group declared dividend in amount of \$2,005,000 (S\$0.0078 per ordinary share) for FY2021 and interim dividend in amount of \$565,000 (S\$0.0022 per ordinary share) for FY2022. The dividends were fully paid.

#### 16 Net asset value per share

	Group		Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Net asset value per ordinary share (in cents)	13.88	11.94	14.84	10.56

#### 17 Earnings per share

##### *Basic earnings per share*

The calculation of basic earnings per share for the six months ended 31 March 2022, full year ended 31 March 2022, six months ended 31 March 2021 and full year ended 31 March 2021 is based on the (loss)/profit attributable to ordinary shareholders of \$(1,262,000), \$350,000, \$2,048,000, and \$5,700,000 respectively and the weighted-average number of ordinary shares outstanding during the years, as follows:

	Six months ended 31 March		Full year ended 31 March	
	2022	2021	2022	2021
	No. of shares	No. of shares	No. of shares	No. of shares
Issued ordinary shares at beginning of the period/year	257,000,000	15,000,000	207,000,000	15,000,000
Sub-division of ordinary shares via share split	–	207,000,000	–	207,000,000
Shares issued pursuant to initial public offering	–	–	50,000,000	–
Weighted-average number of ordinary shares at end of the period/year	257,000,000	207,000,000	257,000,000	207,000,000

##### *Diluted earnings per share*

As at 31 March 2022 and 2021, there were no outstanding dilutive potential ordinary shares.

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022**

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**Loans and borrowings**

	<b>30 March 2022 \$'000</b>	<b>31 March 2021 \$'000</b>
<b>Non-current liabilities</b>		
Bank loans	3,147	4,536
<b>Current liabilities</b>		
Bank loans	3,997	5,825
	<u>7,144</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
<b>31 March 2022 Group</b>						
Unsecured bank loans	A	SGD	SIBOR + 2%	2023	1,949	1,949
			Base lending rate –			
Secured bank loans	B	MYR	1.25%	2027	2,907	2,907
Unsecured revolving credit	C	MYR	Cost of funds + 1.50%	2022	2,254	2,254
			Base lending rate –			
Overdraft	B	MYR	1.25%	2022	34	34
					<u>7,144</u>	<u>7,144</u>
<b>31 March 2021 Group</b>						
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 31 March 2022, 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.

## Econ Healthcare (Asia) Limited and its subsidiaries

### Notes to the condensed consolidated financial statements For the six months and full year period ended 31 March 2022

- B) The bank loans were secured by corporate guarantee from the Company and immediate holding company and on the Group's freehold land and building amounting to \$9,240,000 (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 31 March 2022, the bank loan is unsecured and a subsidiary of the Group shall maintain a tangible net worth of not less than Malaysian Ringgit 40,000,000 and gearing ratio shall not exceed 0.75 times.

## 19 Trade and other payables

	Group		Company	
	31 March 2022 \$'000	31 March 2021 \$'000	31 March 2022 \$'000	31 March 2021 \$'000
Trade payables				
- third parties	906	746	–	–
- subsidiaries	–	–	–	524
	906	746	–	524
Non-trade amount due to subsidiaries	–	–	2,548	7,570
Accrued operating expenses	3,604	1,533	941	490
Interest payables	4	21	164	–
Other payables	473	280	330	20
Payables to suppliers of property, plant and equipment	1,238	642	–	330
Refundable deposits	1,422	1,470	–	–
Accrued listing expenses	–	817	–	817
Financial liabilities at amortised cost	7,647	5,509	3,983	9,751
Deferred grant income	3,309	253	–	88
Liability for short-term accumulated compensated absences	147	156	63	71
Home fees collected in advance	147	60	–	–
	11,250	5,978	4,046	9,910

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

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Notes to the condensed consolidated financial statements  
For the six months and full year period ended 31 March 2022**

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**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.

	Six months ended 31 March		Full year ended 31 March	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Post-employment benefits	30	29	53	47
Short term employee benefits including director fees	603	582	1,125	960
Non-monetary benefit	20	7	26	14
	<u>653</u>	<u>618</u>	<u>1,204</u>	<u>1,021</u>

***Other related party transactions***

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

	Six months ended 31 March		Full year ended 31 March	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Ultimate holding company</b>				
Payment made on behalf	<u>(11)</u>	<u>–</u>	<u>(11)</u>	<u>–</u>
<b>Immediate holding company</b>				
Payment made on behalf	<u>–</u>	<u>–</u>	<u>–</u>	<u>(3)</u>
<b>Related corporation</b>				
Pharmacy expenses	–	–*	–	37
Other ancillary service income	–	–*	–	(2)
Management fee income	–	–	–	(315)
Payment made on behalf	<u>–</u>	<u>–</u>	<u>–</u>	<u>(28)</u>
<b>Affiliated company</b>				
Management fee income	(9)	(9)	(19)	(19)
Rental income	(2)	(2)	(5)	(5)
Payment made on behalf	<u>–</u>	<u>(2)</u>	<u>–</u>	<u>(2)</u>

\* Less than \$1,000

## Econ Healthcare (Asia) Limited and its subsidiaries

### Notes to the condensed consolidated financial statements For the six months and full year period ended 31 March 2022

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#### 21 Comparatives

Certain amounts in the financial statements for the financial year ended 31 March 2021 have been reclassified to conform to current year's presentation for the following reasons:

- Operating subvention grants provided by the Government to the Group for purposes of providing subsidised nursing home care services to eligible patients who meet means test criteria are reclassified to revenue.
- Rental subvention grants for the purpose of defraying rental costs are reclassified to other income.

Effects of the prior year reclassifications above are shown below:

<b>Income statement</b>	<b>Previously reported \$'000</b>	<b>Reclassifications \$'000</b>	<b>Balance as reported \$'000</b>
<b>Six months ended 31 March 2021</b>			
Revenue	10,144	8,938	19,082
Operating subvention grants	9,125	(9,125)	–
Other income	3,106	187	3,293
<b>Full year ended 31 March 2021</b>			
Revenue	20,378	17,282	37,660
Operating subvention grants	17,531	(17,531)	–
Other income	6,219	249	6,468

#### 22 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed consolidated financial statements.

## Econ Healthcare (Asia) Limited and its subsidiaries

### Other information required by Listing Rule Appendix 7.2

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

The condensed consolidated statement of financial position of the Group as at 31 March 2022 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 March 2022 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**

***FY2022 vs FY2021***

***Revenue***

Revenue increased 3.3% or S\$1.2 million, from S\$37.7 million to S\$38.9 million. This was due to an increase in revenue of S\$1.5 million for Medicare centres and nursing home fees, which was offset by a decrease in ancillary fees of S\$0.3 million.

The increase in revenue for Medicare centres and nursing home fees was attributable to (i) increase of S\$0.3 million from China due to commencement of operations of ECON Medicare Centre and Nursing Home – Chongqing in May 2021, (ii) increase of S\$1.6 million from Singapore as a result of net increase in bed occupancy of 11, fee adjustment and the improvement in our homecare business (iii) commencement of operations for ECON Medicare Centre and Nursing Home – Puchong in December 2020, contributing additional S\$1.0 million revenue to Malaysia. These increases were partially offset by S\$1.4 million

## **Econ Healthcare (Asia) Limited and its subsidiaries**

### **Other information required by Listing Rule Appendix 7.2**

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decrease from ECON Medicare Centre and Nursing Home – Pudu as a result of the closure of the home.

Overall, our monthly average bed occupancy was 1,117 beds in FY2021 and 1,037 beds in FY2022. The total bed capacity was 1,376 and 1,231 for FY2021 and FY2022 respectively. Hence, the overall occupancy rate had increase from 81.2% in FY2021 to 84.2% in FY2022. The bed occupancy of ECON Medicare Centre and Nursing Home – Pudu for FY2021 was 150 out of 189 bed capacity. The closure of ECON Medicare Centre and Nursing Home – Pudu had been fully completed as at 31 March 2022.

Ancillary fees decreased by S\$0.3 million from S\$1.1 million to S\$0.8 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.

#### ***Other income***

Other income decrease by S\$1.3 million from S\$6.5 million in FY2021 to S\$5.2 million in FY2022. The decrease was mainly attributed to decrease in (i) the Job Support Scheme grants and foreign worker levy rebates of S\$1.8 million; (ii) the staff accommodation grants of S\$1.6 million, collectively the “Exceptional grant”, as a result of COVID-19 pandemic. The decrease was partially offset by increase in new grants, such as S\$0.4 million of Job Growth Incentives grants, S\$0.4 million of Eldercare centre baseline service grants, S\$0.4 million of Community Care Salary Enhancement grants, S\$0.2 million of rental support scheme, and S\$0.7 million of rental subvention grants. In addition, there was a S\$8,000 dividend income received from investment in quoted securities.

#### ***Supplies and consumables***

Our cost of supplies and consumables increased by 7.1%, or S\$0.3 million, from S\$5.5 million in FY2021 to S\$5.8 million in FY2022. The increase was mainly due to the purchase of additional consumables for patients, such as food and milk feed, facemasks and dressing material, as revenue 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 4.8% or S\$0.9 million from S\$18.5 million in FY2021 to S\$19.4 million in FY2022. This was mainly due to (i) increase in staffs costs of S\$0.9 million relating to salary enhancements, overtime payment and short-term contracted fee payment in Singapore, (ii) increase of S\$0.2 million of staff costs in China due to commencement of operations of the ECON Medicare Centre and Nursing Home – Chongqing as productivity has yet to reach the desirable stage as the private nursing homes take time to ramp up. These was offset by decrease in S\$0.3 million staff costs in Malaysia mainly due to the closure of the ECON Medicare Centre and Nursing Home – Pudu.



## **Econ Healthcare (Asia) Limited and its subsidiaries**

### **Other information required by Listing Rule Appendix 7.2**

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#### ***Depreciation of property, plant and equipment***

Depreciation of property, plant and equipment increased by 22.8%, or S\$0.3 million, from S\$1.1 million in FY2021 to S\$1.4 million in FY2022 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 increased by 16.2%, or S\$0.8 million, from S\$5.2 million in FY2021 to S\$6.0 million in FY2022 due to depreciation incurred for ECON Care Residences (Henderson) and ECON Medicare Centre and Nursing Home – Changshou.

#### ***Utilities expenses***

Utilities expenses increased by S\$0.1 million from S\$0.9 million in FY2021 to S\$1.0 million in FY2022 mainly due to the increase in electricity tariff in Singapore.

#### ***Impairment losses on trade receivables***

Impairment losses on trade receivables of S\$0.1 million mainly relates to impairment of uncollectible debts from ECON Medicare Centre and Nursing Home – Pudu following its closure.

#### ***Loss on investment in quoted securities, net***

Net loss on investment in quoted securities amounted to S\$3.4 million mainly due to loss on disposal of Crosstec shares as announced on 12 January 2022.

#### ***Other operating expenses***

Other operating expenses decreased by 2.2%, or S\$0.1 million, from S\$4.8 million in FY2021 to S\$4.7 million in FY2022. The decrease in other operating expenses was due to the absence in fees of S\$1.6m that the Group incurred for IPO project (“IPO Expense”) in FY2021; offset by (i) increased in repair and maintenance expenses incurred of S\$0.6 million in relation to the upkeep for existing facilities, which was deferred last year due to lockdown; and (ii) increase in S\$0.5m expenses incurred for fixed assets written off, forfeiture of rental deposits, reinstatement costs for the closure of ECON Medicare Centre and Nursing Home – Pudu.

#### ***Finance costs, net***

Net finance costs increased by 7.9%, or S\$0.1 million, from S\$1.4 million in FY2021 to S\$1.5 million in FY2022 due to the increase in lease liabilities.

#### ***Profit before tax***

Profit before tax decreased by 87.4%, or S\$5.9 million, from S\$6.8 million in FY2021 to S\$0.9 million in FY2022. The decline in profit before tax was mainly brought about by the decrease in other income of S\$1.3 million which comprise mostly of grants, losses from the investment in quoted securities of S\$3.4 million and expenses incurred for the closure of ECON Medicare Centre and Nursing Home – Pudu of S\$0.5 million (“Pudu closure”).

## Econ Healthcare (Asia) Limited and its subsidiaries

### Other information required by Listing Rule Appendix 7.2

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The normalised profit before tax is S\$4.1 million, a decrease of S\$0.9 million compared to S\$5.0 million in FY2021. The normalised profit is derived after excluding net Exceptional grants of S\$0.7 million, loss on investment in quoted securities, IPO Expense and Pudu closure.

#### ***Tax expense***

Tax expense decreased by 37.0%, or S\$0.5 million, from S\$1.4 million in FY2021 to S\$0.9 million in FY2022 due to the decrease in profit before tax.

#### ***Profit attributable to owner of the company (PATMI)***

As a result of the foregoing, our PATMI decreased by 93.9% or S\$5.3 million, from S\$5.7 million in FY2021 to S\$0.4 million in FY2022. PATMI margin decreased from 15.1% in FY2021 to 0.9% in FY2022.

***Earnings per share (EPS)*** on a fully diluted basis for FY2022 was 0.14 cent compared to 2.75 cents for FY2021.

***Net asset value (NAV)*** per share was 13.88 cents as at 31 March 2022 compared to 11.94 cents as at 31 March 2021 mainly due to higher share capital following the listing of the Company.

### **(B) Statement of financial position**

#### ***Non-current assets***

As at 31 March 2022, our non-current assets of S\$68.8 million accounted for 68.2% of our total assets. Our non-current assets comprised the following:

- (i) property, plant and equipment, which amounted to S\$17.9 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\$40.9 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\$8.1 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\$1.8 million, and is related to security deposits paid to our landlords and utilities providers;
- (v) deferred tax assets, which amounted to S\$0.1 million, in relation to lease accounting, provisions and tax loss carry-forwards; and
- (vi) investment in an associate amounting to S\$53,000, of which the Group's interest is 20%.

The increase in non-current assets was mainly due to (i) increase in right-of-use assets of S\$13.7 million from the additions of lease contracts for ECON Care Residences (Henderson) and ECON Medicare Centre and Nursing Home – Changshou (ii) increase in property, plant and equipment for S\$1.5 million of the additions of construction-in-progress for ECON Medicare Centre and Nursing Home – Changshou and (iii) increase in trade and other receivables of S\$0.6 million due to security deposits paid to the landlord for ECON Care Residences (Henderson).

## Econ Healthcare (Asia) Limited and its subsidiaries

### Other information required by Listing Rule Appendix 7.2

#### *Current assets*

As at 31 March 2022, our current assets of S\$31.9 million accounted for 31.7% of our total assets. Our current assets mainly comprised:

- (i) trade and other receivables, which amounted to S\$5.6 million, comprising S\$1.3 million of net third party trade receivables, S\$2.6 million of government grant receivables, S\$1.0 million of other receivables, S\$0.4 million prepayments, and cumulatively accounted for 95.3% of total trade and other receivables;
- (ii) finance lease receivables, which amounted to S\$18,000;
- (iii) cash and cash equivalents, which amounted to S\$26.1 million or 81.5% of total current assets; and
- (iv) current tax assets, which amounted to S\$0.2 million.

The increase in current asset of S\$12.2 million was due to increase in cash and bank balances of S\$10.0 million and the increase in trade and other receivables of S\$2.2 million. The increase in trade and other receivables was mainly due to increase in government grant receivables for operating subvention grants of S\$0.4 million, other grant receivables of S\$1.2 million relating to rental subvention grants, grants on community care salary enhancements and healthcare hiring in advance initiatives, and other receivables of S\$0.9 million relating to the COVID-19 Healthcare Award provided by the Singapore government to recognise the contribution and dedication of healthcare staffs during the pandemic; offset by S\$0.3 million decrease in prepaid listing expenses.

#### *Non-current liabilities*

As at 31 March 2022, our non-current liabilities of S\$41.5 million accounted for 64.0% of our total liabilities. Our non-current liabilities mainly comprised:

- (i) loans and borrowings, which amounted to S\$3.1 million, and is related to funding for the expansion of our Group's operations and general working capital purposes;
- (ii) deferred tax liabilities, which amounted to S\$0.4 million, and is related to differences arising from the recognition of depreciation expenses for our property, plant and equipment after the offsetting of tax losses carried forward;
- (iii) Deferred capital grants, which amounted to S\$1.6 million, and relating to government grants received for the purpose of equipping and furnishing the nursing homes.
- (iv) provision for restoration costs, which amounted to S\$0.6 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\$35.7 million, being the non-current portion of the future lease payments.

The increase in non-current liabilities by 41.3% or S\$12.1 million, from S\$29.4 million to S\$41.5 million, which was due to the increase in the deferred capital grants of S\$1.3 million due to receipts of government grants relating to the upgrade to electric beds project for the nursing homes under the Healthcare Productivity Fund in Singapore and receipts of the renovation grants for ECON Medicare Centre and Nursing Home – Chongqing, increase in non-current lease liabilities of S\$12.1 million for the lease contracts for ECON Care Residences (Henderson) and ECON Medicare Centre and Nursing Home – Changshou; offset by a decrease in loan and borrowings of S\$1.4 million attributable to repayments of borrowings.

## Econ Healthcare (Asia) Limited and its subsidiaries

### Other information required by Listing Rule Appendix 7.2

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#### *Current liabilities*

As at 31 March 2022, our current liabilities of S\$23.3 million accounted for 36.0% of our total liabilities. Our current liabilities mainly comprised:

- (i) loans and borrowings, which amounted to S\$4.0 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\$11.3 million, comprising S\$1.4 million of refundable deposits received from residents, S\$0.9 million of trade payables and S\$3.6 million of accrued operating expenses, S\$3.3 million of deferred grant income and cumulatively accounted for 82.1% of total trade and other payables;
- (iii) lease liabilities, which amounted to S\$7.1 million, being the present value of the future lease payments; and
- (iv) current tax liabilities, which amounted to S\$1.0 million.

The increase in current liabilities by 29.1% or S\$5.2 million, from S\$18.1 million as at 31 March 2021 to S\$23.3 million as at 31 March 2022. This was mainly due to increase in lease liabilities of S\$2.0 million due to additions of nursing home contracts for ECON Care Residences (Henderson) and ECON Medicare Centre and Nursing Home – Changshou, increase in trade and other payables of S\$5.3 million mainly due to increase in deferred grant income by S\$3.1 million relating to the receipt of pre-operations funding for ECON Care Residences (Henderson) to facilitate the ramp up of the nursing home operations, increase in accrued operating expenses of S\$2.1 million relating to staffs' bonuses, rental payments, and directors' fees.

#### **(C) Statement of cash flows**

Cash flow before changes in working capital for FY2022 amounted to S\$12.6 million. Net cash generated from operations was S\$13.8 million due to increase in trade and other receivables of S\$3.5 million and increase in trade and other payables of S\$4.7 million. As a result, net cash generated from operating activities after adjusting for cash paid for tax was S\$12.6 million.

Net cash flow used in investing activities was S\$4.5 million in FY2022. Net cash flows used were primarily for purchase of property, plant and equipment amounting to S\$2.6 million, investment in quoted securities of S\$5.1 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\$1.5 million and proceeds from disposal of quoted securities of S\$1.7 million.

Net cash flow from financing activities was S\$2.0 million in FY2022. 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\$0.1 million, capital contribution by non-controlling interests of S\$0.1 million. These increases were partially offset by the repayment of bank borrowings and lease liabilities of S\$3.3 million and S\$4.9 million respectively, dividends paid to shareholders of the Company of S\$2.6 million, interest paid of S\$1.1 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\$10.0 million for FY2022, ending the period with cash and cash equivalents of S\$26.1 million.

## Econ Healthcare (Asia) Limited and its subsidiaries

### Other information required by Listing Rule Appendix 7.2

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**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.**

With the COVID-19 situation easing in Singapore and Malaysia, the Group is cautiously optimistic that it can achieve organic growth especially with new nursing homes in its pipeline.

Operationally, the Group launched its ninth nursing home in Singapore, the 236-bed Econ Care Residence, Henderson (“ECON Henderson”), which soft-opened in April 2022. With 40 residents to date, ECON Henderson is housed within the first-ever integrated space for childcare, healthcare and urban farming at the former Henderson Secondary School building. The co-location of ECON Henderson in this integrated space will facilitate collaboration opportunities for inter-generational and therapeutic programmes with its partners, contributing towards quality of care for seniors.

The Group remains keen to prudently explore suitable expansion opportunities both in its existing markets as well as in other new markets.

**7 Dividend**

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

There is no final dividend declared or recommended for FY2022. The Company had declared an interim dividend of S\$0.22 cents per ordinary share for FY2022 and declared final dividend of S\$0.78 cents per ordinary share for FY2021.

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

	<b>FY2022 \$'000</b>
Ordinary shares (tax exempt 1-tier)	
- Interim (0.22 Singapore cent per share)	565
- Final	-
Total annual dividend	565

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

The Company had declared a final dividend of S\$0.78 cents per ordinary share for FY2021.

## Econ Healthcare (Asia) Limited and its subsidiaries

### Other information required by Listing Rule Appendix 7.2

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- (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**

Not applicable

- (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**

Not applicable

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

No final dividend is declared or recommended as the Group had reported a significantly lower profit for FY2022. The Group plans to conserve cash for exploring further expansion of the Group.

## 8 Breakdown of revenue and profit after tax

	Group		Change (%)
	FY2022	FY2021	
(a) Sales reported for first half year	19,580	18,578	5.4
(b) Operating profit after tax before deducting minority interests reported for first half year	1,421	3,537	(59.8)
(c) Sales reported for second half year	19,325	19,082	1.3
(d) Operating (loss)/profit after tax before deducting minority interests reported for second half year	(1,477)	1,834	(180.5)

**Econ Healthcare (Asia) Limited and its subsidiaries**

**Other information required by Listing Rule Appendix 7.2**

- 9 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	1,532	Not applicable - the Group does not have a shareholders' mandate under Rule 920 for Interested Person Transactions
(2) Econ Medicare Centre Holdings Pte Ltd (a) Lease of ECON Medicare Centre and Nursing Home – Recreation Road (b) Lease of staff quarters at Recreation Road (c) Sublease agreement for Hexacube office (d) Accounting service agreement	327	
(3) Econ Healthcare Pte Ltd (a) Sub lease agreement for Chai Chee Nursing Home	704	
(4) Ekang International Holdings Pte. Ltd. (a) Lease of Hexacube office	488	
(5) TMI Technologies Pte Ltd (a) Sub lease arrangement for Hexacube office (b) Accounting service agreement	12	

- 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 7H) 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.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director, CEO and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Koh Hin Ling	68	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	38	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

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#### 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)	Amount utilised as at the date of this announcement	Balance
	\$'000	\$'000	\$'000
Expansion plans in Singapore as well as overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments	7,500	1,228	6,272
Upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure	2,000	60	1,940
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
Total	14,000	3,718	10,282

<sup>(1)</sup> The amount utilised as at the date of this announcement 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  
27 May 2022