



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

Condensed consolidated interim financial statements
For the six-month period ended 30 September 2023

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.

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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 2023**

	Note	For the six-month period ended 30 September		Change
		2023 S\$'000	2022 S\$'000	%
Revenue	5	24,823	21,215	17.0
Other income	6	2,768	3,496	(20.8)
Supplies and consumables		(3,338)	(2,967)	12.5
Staff costs		(13,890)	(11,408)	21.8
Depreciation of property, plant and equipment		(849)	(664)	27.9
Depreciation of right-of-use assets		(3,890)	(3,921)	(0.8)
Utilities expenses		(866)	(777)	11.5
Reversal of impairment losses on trade receivables		4	7	(42.9)
Fair value losses on investment in quoted securities		(23)	(2)	1050.0
Gains on disposal of investment in quoted securities		27	–	N.M.
Other operating expenses		(2,300)	(2,316)	(0.7)
		<u>2,466</u>	<u>2,663</u>	(7.4)
Finance costs, net	7	(555)	(701)	(20.8)
Share of profit/(loss) of associate, net of tax		3	(7)	N.M.
Profit before tax		<u>1,914</u>	<u>1,955</u>	(2.1)
Tax expense	9	(344)	(380)	(9.5)
Profit for the period	8	<u>1,570</u>	<u>1,575</u>	(0.3)
Profit attributable to:				
Owner of the Company		1,680	1,688	(0.5)
Non-controlling interests		(110)	(113)	(2.7)
Profit for the period		<u>1,570</u>	<u>1,575</u>	(0.3)
Earnings per share				
Basic and diluted earnings per share (cents)	17	<u>0.65</u>	<u>0.66</u>	(0.5)

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 2023**

	For the six-month period ended 30 September		Change %
	2023 S\$'000	2022 S\$'000	
Profit for the period	1,570	1,575	(0.3)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences – foreign operations	(676)	(629)	7.5
Total comprehensive income for the period	<u>894</u>	<u>946</u>	(5.5)
Total comprehensive income attributable to:			
Owner of the Company	1,170	1,005	16.4
Non-controlling interests	(276)	(59)	367.8
Total comprehensive income for the period	<u>894</u>	<u>946</u>	(5.5)

N.M. – Not meaningful

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**Condensed consolidated interim statements of financial position
As at 30 September 2023**

	Note	Group		Company	
		30 September 2023 S\$'000	31 March 2023 S\$'000	30 September 2023 S\$'000	31 March 2023 S\$'000
Assets					
Property, plant and equipment	10	14,712	18,328	817	724
Right-of-use assets	11	31,340	39,746	2,517	2,127
Investment property	12	7,310	7,554	–	–
Subsidiaries		–	–	25,369	25,369
Associate		–	21	–	–
Deferred tax assets		110	108	–	–
Trade and other receivables	13	2,156	1,736	3,401	2,892
Non-current assets		55,628	67,493	32,104	31,112
Inventories		7	10	–	–
Current tax assets		–	101	–	–
Trade and other receivables	13	5,756	6,291	2,713	3,118
Investments in quoted securities		1,120	755	1,120	755
Cash and short-term deposits		22,727	24,621	12,388	12,789
		29,610	31,778	16,221	16,662
Assets of disposal group classified as held for sale	21	10,481	–	–	–
Current assets		40,091	31,778	16,221	16,662
Total assets		95,719	99,271	48,325	47,774
Liabilities					
Provision for restoration costs		643	639	218	218
Deferred capital grants		2,183	3,197	–	–
Deferred tax liabilities		344	426	3	4
Lease liabilities		27,315	35,542	2,098	1,024
Loans and borrowings	18	1,411	1,798	–	–
Non-current liabilities		31,896	41,602	2,319	1,246
Current tax liabilities		1,065	1,172	94	120
Lease liabilities		5,858	6,770	521	1,221
Loans and borrowings	18	2,718	3,285	–	–
Trade and other payables	19	6,496	7,916	3,550	2,429
		16,137	19,143	4,165	3,770
Liabilities of disposal group classified as held for sale	21	9,172	–	–	–
Current liabilities		25,309	19,143	4,165	3,770
Total liabilities		57,205	60,745	6,484	5,016

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**Condensed consolidated interim statements of financial position
As at 30 September 2023**

	Note	Group		Company	
		30 September 2023 S\$'000	31 March 2023 S\$'000	30 September 2023 S\$'000	31 March 2023 S\$'000
Share capital	14	28,255	28,255	28,255	28,255
Currency translation reserve	15	(4,443)	(4,091)	–	–
Merger reserve	15	(99)	(99)	–	–
Reserves of disposal group classified as held for sale	21	(158)	–	–	–
Accumulated profits		15,243	14,694	13,586	14,503
Equity attributable to owner of the Company		38,798	38,759	41,841	42,758
Non-controlling interests		(284)	(233)	–	–
Total equity		38,514	38,526	41,841	42,758
Total equity and liabilities		95,719	99,271	48,325	47,774

Econ Healthcare (Asia) Limited and its subsidiaries

**Condensed consolidated interim statement of changes in equity
For the six-month period ended 30 September 2023**

Group	Share capital S\$'000	Currency translation reserve S\$'000	Merger reserve S\$'000	Reserves of disposal group classified as held for sale S\$'000	Accumulated profits S\$'000	Total equity attributable to owner of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 April 2023	28,255	(4,091)	(99)	–	14,694	38,759	(233)	38,526
Total comprehensive income for the period								
Profit/(loss) for the period	–	–	–	–	1,680	1,680	(110)	1,570
<i>Other comprehensive income</i>								
Foreign currency translation differences – foreign operations	–	(510)	–	–	–	(510)	(166)	(676)
Total comprehensive income for the period	–	(510)	–	–	1,680	1,170	(276)	894
<i>Transactions with owner, recognised directly in equity</i>								
Dividends paid	–	–	–	–	(1,131)	(1,131)	–	(1,131)
Capital contributions by non-controlling interests	–	–	–	–	–	–	225	225
Reclassification to reserves of disposal group classified as held for sale	–	158	–	(158)	–	–	–	–
Total contributions by and distribution to owner	–	158	–	(158)	(1,131)	(1,131)	225	(906)
At 30 September 2023	28,255	(4,443)	(99)	(158)	15,243	38,798	(284)	38,514

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**Condensed consolidated interim statement of changes in equity
For the six-month period ended 30 September 2022**

Group	Share capital S\$'000	Currency translation reserve S\$'000	Merger reserve S\$'000	Accumulated profits S\$'000	Total equity attributable to owner of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 April 2022	28,255	(2,923)	(99)	10,436	35,669	273	35,942
Total comprehensive income for the period							
Profit/(loss) for the period	–	–	–	1,688	1,688	(113)	1,575
<i>Other comprehensive income</i>							
Foreign currency translation differences – foreign operations	–	(683)	–	–	(683)	54	(629)
Total comprehensive income for the period	–	(683)	–	1,688	1,005	(59)	946
<i>Transactions with owner, recognised directly in equity</i>							
Capital contributions by non-controlling interests	–	–	–	–	–	105	105
Total contributions by and distribution to owner	–	–	–	–	–	105	105
At 30 September 2022	28,255	(3,606)	(99)	12,124	36,674	319	36,993

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**Condensed interim statements of changes in equity
For the six-month period ended 30 September 2023**

Company	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
At 1 April 2022	28,255	14,503	42,758
Total comprehensive income for the period			
Profit for the period	–	214	214
Total comprehensive income for the period	–	214	214
<i>Transactions with owner, recognised directly in equity</i>			
Dividends paid	–	(1,131)	(1,131)
Total transactions with owners	–	(1,131)	(1,131)
At 30 September 2023	<u>28,255</u>	<u>13,586</u>	<u>41,841</u>
At 1 April 2022	28,255	9,891	38,146
Total comprehensive income for the period			
Profit for the period	–	309	309
Total comprehensive income for the period	–	309	309
At 30 September 2022	<u>28,255</u>	<u>10,200</u>	<u>38,455</u>

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**Condensed consolidated interim statement of cash flows
For the six-month period ended 30 September 2023**

	For the six-month period ended 30 September	
	2023 S\$'000	2022 S\$'000
Cash flows from operating activities		
Profit before tax	1,914	1,955
Adjustments for:		
Amortisation of deferred capital grant	(213)	(113)
Depreciation of property, plant and equipment	849	664
Depreciation of right-of-use assets	3,890	3,921
Reversal of impairment losses on trade receivables	(4)	(7)
Write-off of property, plant and equipment	2	20
Interest income	(202)	(33)
Interest expense	777	766
Unwinding of discount on provisions	3	3
Dividend income from investment in quoted securities	(49)	–
Fair value losses on investment in quoted securities	23	2
Gain on disposal of investment in quoted securities, net	(27)	–
Share of loss of associate, net of tax	(3)	7
	6,960	7,185
Changes in:		
- Inventories	3	(3)
- Trade and other receivables	(391)	846
- Trade and other payables	70	(1,317)
	6,642	6,711
Cash generated from operations	6,642	6,711
Tax paid	(447)	(502)
Net cash from operating activities	6,195	6,209
Cash flows from investing activities		
Finance lease received	–	18
Purchase of property, plant and equipment	(983)	(2,082)
Capital grants received	566	288
Interest received	162	2
Dividend income from investment in quoted securities	49	–
Investment in quoted securities	(2,266)	(398)
Proceeds from disposal of quoted securities	1,905	–
Net cash used in investing activities	(567)	(2,172)
Cash flows from financing activities		
Capital contribution by non-controlling interests	225	105
Repayment of borrowings	(817)	(928)
Payment of principal portion of lease liabilities	(3,741)	(3,644)
Interest paid	(779)	(583)
Dividends paid	(1,131)	–
Net cash used in financing activities	(6,243)	(5,050)

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**Condensed consolidated interim statement of cash flows (cont'd)
For the six-month period ended 30 September 2023**

	For the six-month period ended 30 September	
	2023	2022
	S\$'000	S\$'000
Net decrease in cash and cash equivalents	(615)	(1,013)
Cash and cash equivalents at 1 April	24,557	26,035
Effect of exchange rate fluctuations on cash held	62	84
Cash and cash equivalents at 30 September	<u>24,004</u>	<u>25,106</u>

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	
	2023	2022
	S\$'000	S\$'000
Cash at bank and fixed deposits	22,727	25,171
Less: Fixed deposits with maturity more than 90 days at period end	(35)	(35)
Less: Restricted fixed deposit	(28)	(30)
Add: Cash at bank attributable to disposal group classified as held for sale	1,340	–
Cash and cash equivalents in consolidated statement of cash flows	<u>24,004</u>	<u>25,106</u>

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Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2023

1 Corporate information

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

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

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

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

2 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 September 2023 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 and Company’s financial position and performance since the last annual financial statements for the year ended 31 March 2023.

The condensed consolidated interim financial statements are presented in Singapore dollar (“S\$”) and all values are rounded to the nearest thousand (“S\$’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 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group and Company.

Econ Healthcare (Asia) Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2023

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 2023.

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, course fees, the offering of TCM services at our TCM clinics and other ancillary services.

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

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**Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 September 2023**

Information about reportable segments

	Medicare centres and nursing homes S\$'000	Other operation and ancillary services S\$'000	Eliminations S\$'000	Total S\$'000
For the six-month period ended 30 September 2023				
Revenue				
External revenue	24,378	445	–	24,823
Inter-segment revenue	–	5,011	(5,011)	–
	<u>24,378</u>	<u>5,456</u>	<u>(5,011)</u>	<u>24,823</u>
Results:				
Segment results	2,325	321	(184)	2,462
Finance costs, net	(1,334)	95	684	(555)
Share of profit of associate	–	–	–	3
Unallocated expenses: Fair value losses on investment in quoted securities	–	–	–	(23)
Unallocated expenses: Gains on disposal of investment in quoted securities	–	–	–	27
Profit before tax	<u>991</u>	<u>416</u>	<u>500</u>	<u>1,914</u>
Significant non-cash items				
Depreciation of property, plant and equipment	757	92	–	849
Depreciation of right-of-use assets	2,994	896	–	3,890
For the six-month period ended 30 September 2022				
Revenue				
External revenue	20,756	459	–	21,215
Inter-segment revenue	–	4,469	(4,469)	–
	<u>20,756</u>	<u>4,928</u>	<u>(4,469)</u>	<u>21,215</u>
Results:				
Segment results	2,364	301	–	2,665
Finance costs, net	(1,477)	(13)	789	(701)
Share of loss of associate	–	–	–	(7)
Unallocated expenses: Fair value losses on investment in quoted securities	–	–	–	(2)
Segment profit before tax	<u>1,676</u>	<u>279</u>	<u>–</u>	<u>1,955</u>

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**Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 September 2023**

	Medicare centres and nursing homes S\$'000	Other operation and ancillary services S\$'000	Eliminations S\$'000	Total S\$'000
Other material items				
Depreciation of property, plant and equipment	584	80	–	664
Depreciation of right-of-use assets	3,000	921	–	3,921
As at 30 September 2023				
Assets:				
Segment assets	75,832	70,092	(50,315)	95,609
Tax assets	109	1	–	110
Total assets	<u>75,941</u>	<u>70,093</u>	<u>(50,315)</u>	<u>95,719</u>
Liabilities:				
Segment liabilities	72,484	32,843	(49,531)	55,796
Tax liabilities	1,287	122	–	1,409
Total liabilities	<u>73,771</u>	<u>32,965</u>	<u>(49,531)</u>	<u>57,205</u>
Capital expenditure	<u>442</u>	<u>183</u>	<u>–</u>	<u>625</u>
As at 31 March 2023				
Assets:				
Segment assets	85,057	69,256	(55,251)	99,062
Tax assets	209	–	–	209
Total assets	<u>85,266</u>	<u>69,256</u>	<u>(55,251)</u>	<u>99,271</u>
Liabilities:				
Segment liabilities	82,762	31,232	(54,847)	59,147
Tax liabilities	1,473	125	–	1,598
Total liabilities	<u>84,235</u>	<u>31,357</u>	<u>(54,847)</u>	<u>60,745</u>
Capital expenditure	<u>3,462</u>	<u>98</u>	<u>–</u>	<u>3,560</u>

Econ Healthcare (Asia) Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2023

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 the three countries.

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	
	2023 S\$'000	2022 S\$'000
Revenue		
Singapore	21,636	18,384
Malaysia	2,863	2,611
China	324	220
Consolidated revenue	<u>24,823</u>	<u>21,215</u>
	30 September 2023 S\$'000	31 March 2023 S\$'000
Non-current assets⁽¹⁾		
Singapore	36,151	37,964
Malaysia	19,390	20,251
China	–	9,170
Consolidated total non-current assets	<u>55,518</u>	<u>67,385</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 and investment in associate.

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**Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 September 2023**

5

Revenue

For the six-month period ended 30 September	← Medicare centres and nursing homes fees →			← Ancillary fees →				Total S\$'000
	Home fees S\$'000	Home care and day care and other nursing home services S\$'000	Operating subvention grants S\$'000	Course fees S\$'000	Management fee S\$'000	Traditional Chinese medicine ("TCM") clinics services S\$'000	Other ancillary services S\$'000	
2023								
Third parties								
- Singapore	6,622	2,066	12,503	—*	—	432	1	21,624
- Malaysia	1,982	881	—	—	—	—	—	2,863
- China	49	275	—	—	—	—	—	324
	<u>8,653</u>	<u>3,222</u>	<u>12,503</u>	<u>—*</u>	<u>—</u>	<u>432</u>	<u>1</u>	<u>24,811</u>
Related corporations								
- Singapore	—	—	—	—	12	—	—	12
	<u>8,653</u>	<u>3,222</u>	<u>12,503</u>	<u>—*</u>	<u>12</u>	<u>432</u>	<u>1</u>	<u>24,823</u>
2022								
Third parties								
- Singapore	5,774	1,872	10,279	2	—	445	—*	18,372
- Malaysia	1,711	900	—	—	—	—	—	2,611
- China	41	179	—	—	—	—	—	220
	<u>7,526</u>	<u>2,951</u>	<u>10,279</u>	<u>2</u>	<u>—</u>	<u>445</u>	<u>—*</u>	<u>21,203</u>
Related corporations								
- Singapore	—	—	—	—	12	—	—	12
	<u>7,526</u>	<u>2,951</u>	<u>10,279</u>	<u>2</u>	<u>12</u>	<u>445</u>	<u>—</u>	<u>21,215</u>

* Less than S\$1,000

Home fees generally relates to the Medicare Centres and Nursing Homes' contracts with patients in which performance obligations are to provide nursing home healthcare services to individual patients in Singapore, Malaysia and China. Home care and day care fees generally relates to contracts with patients in which performance obligations are to provide healthcare services to individual patients at their homes and day care centres.

Course fees relate to contracts with corporate customers in which performance obligations are to provide training for care staffs, nursing home managers and home caregivers in Singapore. Management fee relates to provision of management and consultancy services to related corporations. Related corporations are other related parties not within the Group that are owned by the majority shareholder. Traditional Chinese Medicine ("TCM") clinic services relate to the offering of TCM services at TCM clinics.

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

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Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2023

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

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

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 TCM and other ancillary services are generally satisfied at a point in time.

6 Other income

	For the six-month period ended 30 September	
	2023	2022
	S\$'000	S\$'000
Other government grants:		
- Grants on special employment credit, temporary employment credit and wages credit scheme	18	12
- Grants on staff accommodation	–	53
- Grants on Jobs Growth Incentive	25	128
- Eldercare centre baseline service transition grants	60	180
- Active Ageing Centre fundings	167	–
- Grants on community care salary enhancements	67	128
- Rental subsidy/subvention grants	1,456	1,470
- Pre-operations funding	199	1,008
Rental income	133	126
Amortisation of deferred capital grants	213	113
Service fees	–	32
Dividend income from quoted securities	49	–
Others	381	246
	<u>2,768</u>	<u>3,496</u>

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**Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 September 2023**

7 Finance costs, net

	For the six-month period ended 30 September	
	2023	2022
	S\$'000	S\$'000
Interest income from bank deposits	202	33
Interest income from finance lease receivables	–	–*
Exchange gain, net	23	35
Finance income	<u>225</u>	<u>68</u>
Interest expense on bank borrowings	(122)	(131)
Unwinding of discount on provision of restoration cost	(3)	(3)
Interest expense from lease liabilities	(655)	(635)
Finance costs	<u>(780)</u>	<u>(769)</u>
Net finance costs	<u>(555)</u>	<u>(701)</u>

* Less than \$1,000

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	
	2023	2022
	S\$'000	S\$'000
Write-off of property, plant and equipment	2	20
Expenses relating to short-term leases presented in “staff costs”	111	193
Repair and maintenance expenses	722	798
Contributions to defined contribution plans included in staff costs	650	554
Directors fees	<u>86</u>	<u>85</u>

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Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2023

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 2023 and 2022 are:

	For the six-month period ended 30 September	
	2023 S\$'000	2022 S\$'000
Current tax expense	440	421
Deferred tax credit	(96)	(41)
	<u>344</u>	<u>380</u>

10 Property, plant and equipment

During the six-month period ended 30 September 2023, the Group acquired property, plant and equipment of S\$625,000 (six-month period ended 30 September 2022: S\$1,652,000).

Assets with carrying amounts of S\$2,000 were written off during the six-month period ended 30 September 2023 (six-month period ended 30 September 2022: S\$20,000).

11 Right-of-use assets

During the six-month period ended 30 September 2023, the Group recognised additions to right-of-use assets of S\$213,000 (six-month period ended 30 September 2022: S\$500,000).

12 Investment property

	30 September 2023 S\$'000	31 March 2023 S\$'000
	At beginning of the period/year, at cost	7,554
Translation differences on consolidation	(244)	(538)
At end of the period/year	<u>7,310</u>	<u>7,554</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.

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Amounts recognised in profit or loss

	For the six-month period ended 30 September	
	2023	2022
	S\$'000	S\$'000
Rental income	132	132
Direct operating expenses	(2)	(3)
	<u>130</u>	<u>129</u>

Investment property is measured at cost but for which fair value is disclosed

As at 30 September 2023, the fair value of the investment property amount to S\$7,302,000 (31 March 2023: S\$7,546,000).

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 2023 S\$'000	31 March 2023 S\$'000	30 September 2023 S\$'000	31 March 2023 S\$'000
Trade receivables – third parties	2,195	1,775	–	–
Less: Impairment losses	(261)	(273)	–	–
	<u>1,934</u>	<u>1,502</u>	<u>–</u>	<u>–</u>
Trade amounts due from subsidiaries	–	–	4,168	3,638
Less: Impairment losses	–	–	(690)	(690)
Total trade receivables	<u>1,934</u>	<u>1,502</u>	<u>3,478</u>	<u>2,948</u>
Receivables for operating subvention grants	<u>2,279</u>	<u>1,637</u>	<u>–</u>	<u>–</u>
Aggregate of trade receivables and receivables for operating subvention grants	4,213	3,139	3,478	2,948
Other government grant receivables	936	2,268	–	171
Other receivables	72	207	38	44
Staff advances	15	29	–	–
Deposits	2,351	1,991	764	766
Non-trade amounts due from subsidiaries	–	–	2,242	2,395
Less: Impairment losses on non-trade amounts due from subsidiaries	–	–	(585)	(585)
Financial assets at amortised cost	<u>7,587</u>	<u>7,634</u>	<u>5,937</u>	<u>5,739</u>
Prepayments	<u>325</u>	<u>393</u>	<u>177</u>	<u>271</u>
	<u>7,912</u>	<u>8,027</u>	<u>6,114</u>	<u>6,010</u>
Non-current	2,156	1,736	3,401	2,892
Current	<u>5,756</u>	<u>6,291</u>	<u>2,713</u>	<u>3,118</u>
	<u>7,912</u>	<u>8,027</u>	<u>6,114</u>	<u>6,010</u>

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

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

The Company's non-current amounts relate mainly to trade amounts due from subsidiaries, which are unsecured, interest-free, repayable on demand and not expected to be repaid within 12 months.

Econ Healthcare (Asia) Limited and its subsidiaries

**Notes to the condensed consolidated interim financial statements
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14 Share capital

	Number of shares		Amount	
	30 September 2023	31 March 2023	30 September 2023 S\$'000	31 March 2023 S\$'000
Group and Company				
Issued and fully paid ordinary shares, at par value:				
At beginning and end of period	<u>257,000,000</u>	<u>257,000,000</u>	<u>28,255</u>	<u>28,255</u>

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.

As at 30 September 2023 and 31 March 2023, 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.

Merger reserve

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

Dividends

During the six months ended 30 September 2023, the Group declared and paid dividend in amount of S\$1,131,000 (S\$0.0044 per ordinary share) (six-month period ended 30 September 2022: S\$Nil).

Econ Healthcare (Asia) Limited and its subsidiaries

**Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 September 2023**

16 Net asset value per share

	Group		Company	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
Net asset value per ordinary share (in cents)	15.10	15.08	16.28	16.64

17 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 September 2023 is based on the profit attributable to ordinary shareholders of S\$1,680,000 (six-month period ended 30 September 2022: \$1,688,000) and the weighted-average number of ordinary shares outstanding during the periods, as follows:

	Group	
	30 September 2023	30 September 2022
	No. of shares	No. of shares
Weighted-average number of ordinary shares	257,000,000	257,000,000

Diluted earnings per share

As at 30 September 2023, there were no outstanding dilutive potential ordinary shares.

18 Loans and borrowings

	30 September 2023	31 March 2023
	S\$'000	S\$'000
Non-current liabilities		
Secured bank loans	1,411	1,798
	<u>1,411</u>	<u>1,798</u>
Current liabilities		
Unsecured bank loans	2,158	2,816
Secured bank loans	560	469
	<u>2,718</u>	<u>3,285</u>
	<u>4,129</u>	<u>5,083</u>

Econ Healthcare (Asia) Limited and its subsidiaries

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 September 2023

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 S\$'000	Carrying amount S\$'000
30 September 2023						
Group						
Unsecured bank loans	A	SGD	SIBOR + 2%	2023	209	209
Secured bank loans	B	MYR	Base lending rate – 1.25%	2027	1,971	1,971
Unsecured revolving credit	C	MYR	Cost of funds + 1.50%	2023	1,949	1,949
					<u>4,129</u>	<u>4,129</u>
31 March 2023						
Group						
Unsecured bank loans	A	SGD	SIBOR + 2%	2023	801	801
Secured bank loans	B	MYR	Base lending rate – 1.25%	2027	2,268	2,268
Unsecured revolving credit	C	MYR	Cost of funds + 1.50%	2023	2,014	2,014
					<u>5,083</u>	<u>5,083</u>

- A) As at 30 September 2023 and 31 March 2023, 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.
- B) The bank loan was secured by the Group's freehold land and building amounting to S\$8,089,000 (31 March 2023: S\$8,448,000).
- C) As at 30 September 2023 and 31 March 2023, 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.

Econ Healthcare (Asia) Limited and its subsidiaries

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19 Trade and other payables

	Group		Company	
	30 September 2023 S\$'000	31 March 2023 S\$'000	30 September 2023 S\$'000	31 March 2023 S\$'000
Trade payables				
- third parties	689	1,050	-	-
Non-trade amount due to subsidiaries	-	-	2,122	1,011
Accrued operating expenses	3,306	2,916	967	927
Interest payables	1	3	-	-
Other payables	222	666	16	81
Payables to suppliers of property, plant and equipment	331	1,166	330	330
Refundable deposits	1,467	1,465	-	-
Financial liabilities at amortised cost	6,016	7,266	3,435	2,349
Deferred grant income	122	321	-	-
Liability for short-term accumulated compensated absences	254	140	115	80
Home fees collected in advance	109	189	-	-
	<u>6,496</u>	<u>7,916</u>	<u>3,550</u>	<u>2,429</u>

Trade payables are interest-free and are normally settled on 30-day terms.

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 interim financial statements
For the six-month period ended 30 September 2023**

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	
	2023	2022
	S\$'000	S\$'000
Post-employment benefits	28	21
Short term employee benefits including director fees	734	556
Non-monetary benefit	76	13
	<u>838</u>	<u>590</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	
	2023	2022
	S\$'000	S\$'000
Related corporations*		
Management fee income	(9)	(9)
Rental income	(2)	(2)
	<u>(11)</u>	<u>(11)</u>

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

Econ Healthcare (Asia) Limited and its subsidiaries

**Notes to the condensed consolidated interim financial statements
For the six-month period ended 30 September 2023**

21 Assets held for sale

The Group is undertaking a strategic review of its China operations and has committed and initiated a sale plan to partially dispose off its interest in its China subsidiaries and associate, Chongqing Yikang Bailingbang Eldercare Co., Ltd., Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. and Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. (collectively known as “China Group”).

As at 30 September 2023, the assets and liabilities related to the subsidiaries, Chongqing Yikang Bailingbang Eldercare Co., Ltd. and Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. (“China subsidiaries”) had been presented in the balance sheet as “assets of disposal group classified as held for” and “liabilities directly associated with disposal group classified as held for sale”.

The results of China subsidiaries for the period ended 30 September 2023 are as follows:

	Chongqing Yikang Bailingbang Eldercare Co., Ltd. S\$'000	Chongqing Changshou Yikang Bailingbang yanjia Eldercare Co., Ltd. S\$'000	Total S\$'000
Revenue	251	73	324
Loss for the period	(20)	(251)	(271)
Other comprehensive income	(19)	(29)	(48)
Total comprehensive income	(38)	(281)	(319)
Attributable to Non-controlling interests			
- Loss	(8)	(75)	(83)
- OCI	(8)	(9)	(17)
- Total comprehensive income	(16)	(84)	(100)

Econ Healthcare (Asia) Limited and its subsidiaries**Notes to the condensed consolidated interim financial statements
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The major classes of the assets and liabilities of China subsidiaries classified as held for sale and the related translation reserve as at 30 September 2023 are as follows:

	Chongqing Yikang Bailingbang Eldercare Co., Ltd. S\$'000	Chongqing Changshou Yikang Bailingbang yanjia Eldercare Co., Ltd. S\$'000	Total S\$'000
Assets			
Property, plant and equipment	607	2,348	2,955
Right-of-use assets	457	5,225	5,682
Deferred tax assets	19	–	19
Trade and other receivables	38	423	461
Cash and cash equivalents	1,123	217	1,340
Assets of disposal group classified as held for sale	<u>2,244</u>	<u>8,213</u>	<u>10,457</u>
Liabilities			
Lease liabilities	923	5,628	6,551
Deferred capital grants	352	975	1,327
Trade and other payables	380	914	1,294
Liabilities of disposal group classified as held for sale	<u>1,655</u>	<u>7,517</u>	<u>9,172</u>
Equity			
Currency translation reserve	(34)	(124)	(158)
Reserves of disposal group classified as held for sale	<u>(34)</u>	<u>(124)</u>	<u>(158)</u>

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The cash flows attributable to China subsidiaries for the period ended 30 September 2023 are as follows:

	Chongqing Yikang Bailingbang Eldercare Co., Ltd. S\$'000	Chongqing Changshou Yikang Bailingbang yanjia Eldercare Co., Ltd. S\$'000	Total S\$'000
Cash flows generated from operating activities	71	202	273
Cash flows used in investing activities	(65)	(212)	(277)
Cash flows from financing activities	–	(67)	(67)
Net increase/(decrease) in cash and cash equivalents	<u>6</u>	<u>(77)</u>	<u>(71)</u>

In conjunction with the committed sale plan, the carrying amount of the Group's interest in its associate, Sichuan Guangda Bailingbang Yikang Eldercare Co., Ltd. was presented as assets held for sale.

The following summarised financial information for the associate:

	S\$'000
Revenue	540
Profit for the period, representing total comprehensive income	<u>14</u>
Non-current assets	32
Current assets	708
Non-current liabilities	–
Current liabilities	<u>(621)</u>
Net assets	<u>119</u>
Carrying amount of interest in investment in associate at 30 September 2023	24
Presented as asset held for sale at 30 September 2023	<u><u>24</u></u>

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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 2023 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 2023 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

6M2024 vs 6M2023

Revenue

Revenue increased 17.0% or S\$3.6 million, from S\$21.2 million to S\$24.8 million mainly due to an increase in Medicare centres and nursing home fees.

The increase in Medicare centres and nursing home fees was attributable to (i) increase of S\$3.2 million from Singapore due to contribution of S\$2.4 million from the ramped up operations of the ECON Care Residences (Henderson), and S\$0.8 million through improvement in our homecare business and fees increment, (ii) increase of S\$0.3 million from Malaysia due to net increase in bed occupancy of 24 for both ECON Medicare Centre and Nursing Home – Puchong and ECON Medicare Centre and Nursing Home –Taman Perling, (iii) increase of S\$0.1 million from China due the commencement of operations for ECON Medicare Centre and Nursing Home – Changshou.

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As at 30 September 2023, our monthly average bed capacity stood at 1,743 (FY2023: 1,463). This is arrived after the commencement of the operation of 280-bed facility ECON Medicare Centre and Nursing Home – Changshou, had its grand opening on 18 May 2023. As ECON Medicare Centre and Nursing Home – Changshou is in its first year of operations, offset with the ramped up operations of ECON Care Residences (Henderson), this resulted in the Group's overall bed occupancy of 75.2% in 6M2024, compared to 78.2% in 6M2023.

Other income

Other income decreased by 20.8%, or S\$0.7 million from S\$3.5 million in 6M2023 to S\$2.8 million in 6M2024. The decrease was mainly attributed to a decrease in pre-operations funding of S\$0.8 million for the purpose of facilitating the ramping up of operations for ECON Care Residences (Henderson), offset with the increase in amortisation of deferred capital grants of S\$0.1 million.

Supplies and consumables

Our cost of supplies and consumables increased by 12.5%, or S\$0.3 million in 6M2023 from S\$3.0 million to S\$3.3 million in 6M2024. The increase was mainly due to the purchase of consumables for residents for ECON Care Residences (Henderson) and ECON Medicare Centre and Nursing Home – Changshou.

Staff costs

Our staff costs increased by 21.8%, or S\$2.5 million from S\$11.4 million in 6M2023 to S\$13.9 million in 6M2024. The increase is mainly due to (i) S\$0.9 million of staff costs incurred for increase in headcount of ECON Care Residences (Henderson), (ii) S\$0.9 million of staff costs incurred for increase in headcount and salary increments in the remaining nursing homes and homecare, (iii) S\$0.1 million of staffs costs incurred for increase in headcount of ECON Medicare Centre and Nursing Home – Changshou, (iv) increase in headcount for support function of S\$0.6 million.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by 27.9%, or S\$0.1 million, from S\$0.7 million in 6M2023 to S\$0.8 million in 6M2024 due to depreciation charge on the capital expenditure incurred for ECON Medicare Centre and Nursing Home – Changshou.

Depreciation of right-of-use assets

Depreciation of right-of-use assets remained fairly comparable at S\$3.9 million for both 6M2024 and 6M2023.

Utilities expenses

Utilities expenses increased by 11.5%, or S\$89,000 to S\$0.9 million in 6M2024 mainly due increase in utilities usage from ECON Care Residences (Henderson).

Other operating expenses

Other operating expenses remained fairly comparable S\$2.3 million for both 6M2024 and 6M2023.

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Other information required by Listing Rule Appendix 7.2

Finance costs, net

Finance costs decreased by 20.8%, or S\$0.1 million, from S\$0.7 million in 6M2023 to S\$0.6 million in 6M2024 due to the increase in interest income from deposits placed with banks.

Tax expense

Tax expense decreased by 9.5%, or S\$36,000 to S\$0.3 million in 6M2024 due to the decrease in profit before tax.

Profit before tax

Profit before tax decreased by 2.1%, or S\$41,000, to S\$1.9 million in 6M2023.

Profit attributable to owner of the company (PATMI)

As a result of the foregoing, our PATMI maintained at S\$1.7 million for 6M2023 and 6M2024. PATMI margin decreased from 8.0% for 6M2023 to 6.8% for 6M2024, due to increased staffs costs, offset by cost savings in supplies and consumables from Malaysia Nursing Homes.

Earnings per share (EPS) on a fully diluted basis for 6M2024 was 0.65 cent compared to 0.66 cent for 6M2023.

Net asset value (NAV) per share was 15.10 cents as at 30 September 2023 compared to 15.08 cents as at 31 March 2023.

(B) Statement of financial position

Non-current assets

As at 30 September 2023, our non-current assets of S\$55.6 million accounted for 58.1% of our total assets. Our non-current assets comprised of the following:

- (i) property, plant and equipment, which amounted to S\$14.7 million, and comprised freehold land and buildings, properties under construction, leasehold improvements and renovations, nursing homes and hospital equipment, medical equipment, furniture, fittings and office equipment, computers and accessories and motor vehicles;
- (ii) right-of-use assets, which amounted to S\$31.3 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\$7.3 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\$2.2 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

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Other information required by Listing Rule Appendix 7.2

The decrease in non-current assets by S\$11.9 million from S\$67.5 million as at 31 March 2023 to S\$55.6 million as at 30 September 2023 was mainly due to (i) S\$8.8 million of non-current assets of the China subsidiaries, Chongqing Yikang Bailingbang Eldercare Co., Ltd., and Chongqing Changshou Yikang Bailingbangyanjia Eldercare Co., Ltd. (“China subsidiaries”) being presented as “assets of disposal group classified as held for sale” under current assets (ii) decrease in right-of-use assets of S\$2.7 million mainly as a result of depreciation charged incurred, offset with the additions and lease modifications for staff accommodations and office premise in Singapore (iii) decrease in investment property of S\$0.2 million due to translation differences as Singapore dollar appreciate against the Malaysia Ringgit.

Current assets

As at 30 September 2023, our current assets of S\$40.1 million accounted for 41.9% of our total assets. Our current assets mainly comprised:

- (i) trade and other receivables, which amounted to S\$5.8 million, comprising S\$1.9 million of net third party trade receivables, S\$2.3 million of receivables for operating subvention grants, S\$0.9 million of other government grant receivables, S\$0.3 million prepayments, and cumulatively accounted for 93.1% of total trade and other receivables;
- (ii) investments in quoted securities, which amounted to S\$1.1 million; and
- (iii) cash and cash equivalents, which amounted to S\$22.7 million or 56.7% of total current assets.
- (iv) assets of disposal group classified as held for sale, which amounted to S\$10.5 million, comprising the assets of China subsidiaries.

The increase in current asset by S\$8.3 million from S\$31.8 million as at 31 March 2023 to S\$40.1 million as at 30 September 2023 was mainly due to non-current assets of S\$8.8 million of China subsidiaries being presented as “assets of disposal group classified as held for sale” under current assets and increase in investments in quoted securities of S\$0.4 million. The increases were offset by decrease in cash and bank balances of S\$0.6 million and decrease in trade and other receivables of S\$0.2 million mainly due to receipts of other government grants receivables, such as grants on community care salary enhancements and healthcare hiring in advance initiatives.

Non-current liabilities

As at 30 September 2023, our non-current liabilities of S\$31.9 million accounted for 55.8% of our total liabilities. Our non-current liabilities mainly comprised:

- (i) loans and borrowings, which amounted to S\$1.4 million, and is related to funding for the expansion of our Group’s operations;
- (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\$2.2 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\$0.6 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\$27.3 million, being the non-current portion of the future lease payments.

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The decrease in non-current liabilities by S\$9.7 million, from S\$41.6 million as at 31 March 2023 to S\$31.9 million as at 30 September 2023 was mainly due to (i) S\$7.6 million of non-current liabilities of the China subsidiaries being presented as “liabilities of disposal group classified as held for sale” under current liabilities, and decrease in lease liabilities and loan and borrowings of S\$1.9 million and S\$0.4 million respectively attributable to repayments. The decreases were offset by increase in deferred capital grants of S\$0.3 million due to receipts of capital grants for ECON Care Residences (Henderson) and ECON Medicare Centre and Nursing Home – Changshou.

Current liabilities

As at 30 September 2023, our current liabilities of S\$25.3 million accounted for 44.2% of our total liabilities. Our current liabilities mainly comprised:

- (i) loans and borrowings, which amounted to S\$2.7 million, and is related to funding for the expansion of our Group’s operations;
- (ii) trade and other payables, which amounted to S\$6.5 million, comprising S\$1.5 million of refundable deposits received from residents, S\$0.7 million of trade payables and S\$3.3 million of accrued operating expenses, S\$0.1 million of deferred grant income and cumulatively accounted for 86.2% of total trade and other payables;
- (iii) lease liabilities, which amounted to S\$5.9 million, being the present value of the future lease payments; and
- (iv) current tax liabilities, which amounted to S\$1.1 million.
- (v) liabilities of disposal group classified as held for sale, which amounted to S\$9.2 million, comprising the liabilities of China subsidiaries.

The increase in current liabilities by S\$6.2 million, from S\$19.1 million as at 31 March 2023 to S\$25.3 million as at 30 September 2023 was due to non-current liabilities of S\$7.6 million of the China subsidiaries being presented as “liabilities of disposal group classified as held for sale” under current liabilities. This was offset with decrease in trade and other payables by S\$0.1 million, decrease in loan and borrowings and lease liabilities by S\$0.6 million and S\$0.7 million respectively attributable to repayments.

(C) Statement of cash flows

Cash flow before changes in working capital for 6M2024 amounted to S\$7.0 million. Cash generated from operations was S\$6.6 million due to decrease in trade and other receivables of S\$0.4 million and increase in trade and other payables of S\$70,000. As a result, net cash generated from operating activities after adjusting for cash paid for tax was S\$6.2 million.

Net cash flow used in investing activities was S\$0.6 million in 6M2024. Net cash flows used were primarily for purchase of property, plant and equipment amounting to S\$1.0 million and investments in quoted securities of S\$2.3 million. This was offset with proceeds from disposal of quoted securities of S\$1.9 million, capital grants received of S\$0.6 million, interest received of S\$0.2 million and dividends income from quoted securities of S\$49,000.

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Net cash flow used in financing activities was S\$6.2 million in 6M2024. This was attributable to the repayment of bank borrowings and lease liabilities of S\$0.8 million and S\$3.7 million respectively, interest paid of S\$0.8 million and dividends paid of S\$1.1 million. These decreases were offset by increase in capital contribution by non-controlling interests of S\$0.2 million.

Overall, the Group reported a net decrease in cash and cash equivalents of S\$0.6 million for 6M2024, ending the period with cash and cash equivalents of S\$24.0 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.

Global economic activity has moderated, reflecting weaker growth in Eurozone and China, while the US economy has thus far been resilient. In the near term, global final demand is expected to soften amid elevated interest rates. Numerous risks, such as further global financial stress, persistent inflation, geopolitical tensions, conflict and social unrest could cause the global growth projection to tilt downside. The global recovery could continue to slow down amid widening divergences among regions.

In Singapore, Monetary Authority of Singapore Core Inflation is expected to be on a broad moderating trend in 2024. Although prices of crude oil have risen in recent months, global prices for most food commodities, as well as for intermediate and final goods, could be tempered by favourable supply conditions. With the ageing population and increasing healthcare needs, demand for healthcare workers in Singapore is projected to rise by 41% from 58,000 workers in 2023 to 82,000 in 2030. The demand for healthcare workers outstrip supply and we expect a continued upward pressure on labour costs. MAS Core Inflation is projected to slow to an average of 2.5–3.5% for the year as a whole. Excluding the impact of the increase in the GST rate in January next year, core inflation is forecast at 1.5–2.5%.

Overall, the global demand for elder care services is expected to rise as the aging population grows and healthcare needs evolve. Meeting this demand presents both challenges and opportunities for governments, healthcare providers, and the private sector to deliver high-quality and sustainable aged care services.

The Group continues to exercise prudence and effective measures to manage costs and risk, and at the same time, explore new business opportunities that add value to our range of services.

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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	0.23 Singapore cent (tax exempt one-tier)

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

The Company had declared interim dividends of 0.23 cent per ordinary share, amounting to S\$591,100 for 6M2023.

(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

14 December 2023

(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 30 November 2023 ("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 30 November 2023 will be registered before entitlements to the dividend are determined.

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

Not applicable

- 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 - Rental deposit for 3 nursing homes: (d) ECON Medicare Centre and Nursing Home – Braddell (e) ECON Medicare Centre and Nursing Home – Choa Chu Kang (f) ECON Medicare Centre and Nursing Home – Upper East Coast	1,389	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	191	
(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 (b) Rental deposit top up for Hexacube office	267	
(5) TMI Technologies Pte Ltd (a) Sub lease arrangement for Hexacube office (b) Accounting service agreement	6	

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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 2023 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 7H) 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.

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(10) 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	69	Wife of Ong Chu Poh (Executive Chairman and Group Chief Executive Officer); and Mother of Ong Hui Ming (Executive Director and Chief Executive Officer, Singapore)	Director of TCM, TCM practitioner and Director of the Group's principal subsidiaries, with effect from 1994	N.A.

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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. At 8 June 2023, proceeds of S\$4.0 million had been utilised and the Company announced the revised use of the unutilised balance of S\$10.0 million proceeds (Please refer to the announcement on Change in use of IPO proceeds from the Initial Public Offering dated 8 June 2023).

As at the date of this announcement, the revised IPO net proceeds have been utilised as follows:

	Revised balance (as disclosed in announcement on 8 June 2023)	Amount utilised as at the date of this condensed interim financial statements ⁽¹⁾	Balance at the date of this condensed interim financial statements
	S\$'000	S\$'000	S\$'000
Expansion plans in Singapore as well as overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments; together with upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure	7,947	22	7,925
General corporate and working capital purposes	2,070	–	2,070
Total	10,017	22	9,995

⁽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 2023