



宜康医疗保健集团(亚洲)有限公司
ECON HEALTHCARE (ASIA) LIMITED

160 Changi Road, Hexacube #05-01 to 13, Singapore 419728
Tel: (65) 6447 8788 Fax: (65) 6496 1339 Email: econ@econhealthcare.com
www.econhealthcare.com ROC No.: 200400965N



NEWS RELEASE

ECON HEALTHCARE'S IPO DRAWS STRONG INVESTOR DEMAND

- **Public Offering approximately 86.9 times subscribed¹**
- **Trading expected to commence at 9.00 a.m. on Monday, 19 April 2021**

Singapore, 16 April 2021 – Econ Healthcare (Asia) Limited (“Econ Healthcare”, “宜康医疗保健集团(亚洲)有限公司” or the “**Company**” and with its subsidiaries, the “**Group**”), the largest private nursing home operator in Singapore and Malaysia² with presence in China, today announced that its initial public offering (“**IPO**” or the “**Offering**”) of 50,000,000 Offering Shares (“**Offering Shares**”) at S\$0.28 per Offering Share has received strong investor demand.

At the close of the Application List at 12.00 noon on 15 April 2021, in relation to the 1,800,000 Offering Shares (the “**Public Offer Shares**”) offered by way of a public offer in Singapore, there were 3,371 valid applications for a total of 156,501,600 Public Offer Shares, with application monies received from such applications amounting to approximately S\$43.8 million. All 48,200,000 Offering Shares available by way of placement (the “**Placement Shares**”) were validly subscribed for, with application monies received for the Placement Shares amounting to approximately S\$13.5 million. This resulted in the Public Offering being approximately 86.9 times subscribed and the Offering being approximately 4.1 times subscribed.¹

¹ In each case, excluding applications by connected persons and persons mentioned in Rule 428 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

² Based on revenue receipts in 2019 according to Euromonitor International Limited (“**Euromonitor**”).



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Mr Ong Chu Poh (王再保), founder, Executive Chairman and Group Chief Executive Officer of Econ Healthcare, said: “We are highly encouraged by the response we have garnered for our IPO, which is indicative of the investing public’s recognition of Econ Healthcare’s growth potential. We believe that our established track record of 30 years of experience in senior care, as well as our resilient business model, will enhance the Group’s market position in the industry as we scale and expand our service offerings.”

“We are committed to serve the senior community, and bring the best of care and service to families and communities in the region. I am confident that we are in a good position to capture the growth opportunities that exist with the growing ageing population in Singapore, Malaysia and China,” added Mr Ong.

Use of Proceeds

The Group intends to use the net proceeds from the Offering of approximately S\$11.5 million primarily for its expansion plans in Singapore and overseas through, among others, joint ventures, strategic collaborations, mergers and acquisitions, or investments; upgrading of existing medicare centres and nursing homes and other facilities, including equipment and IT infrastructure; and for general corporate and working capital purposes.

The listing and trading of shares in Econ Healthcare on the Catalist Board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) is expected to commence on a “ready” basis at 9.00 a.m. on 19 April 2021.



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Business Overview

Econ Healthcare is the leading premium private nursing home operator in Singapore and Malaysia. According to Euromonitor, the Group is the largest private nursing home operator by revenue receipts in 2019 in Singapore and Malaysia, with a market share of 26.9% and 43.2% respectively.

The Group has two key business segments, namely (i) Medicare Centres and Nursing Homes, and (ii) Other Operations and Ancillary Services, which together encompass residential nursing care services, home care services, rehabilitation services and traditional Chinese medicine services, amongst others.

The Group operates 10 medicare centres and nursing homes in Singapore and Malaysia, with a total bed capacity of 1,376 as at 12 March 2021. The Group had an average of 1,094 residents with average bed occupancy rate of 88.4% for 6M2021.

In addition, Econ Healthcare has been appointed as an operator under the Singapore Government's Build-Own-Lease Scheme for two upcoming nursing homes in Henderson and Jurong East, which are expected to be operational in the second half of 2022 and in 2025, respectively. The Henderson and Jurong East nursing homes are estimated to have an indicative bed capacity of up to 236 and 732 beds, respectively, bringing the Group's estimated total bed capacity to 2,388 by 2025³.

³ Excludes the proposed Chengdu Nursing Home and proposed Changshou Nursing Home which have not been established.



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The Group has also expanded into China with the establishment of Chongqing Nursing Home, its first nursing home in China, which is expected to commence operations in 2021 after receipt of the necessary licences and approvals. The Group intends to establish and/or invest in two additional nursing homes in China, being the proposed Chengdu Nursing Home in the vicinity of Chengdu and the proposed Changshou Nursing Home in Chongqing. Its vision is to expand its total bed capacity in China to approximately 2,000 beds by 2025.

DBS Bank Ltd. is the Sponsor, Issue Manager, Underwriter and Placement Agent for the Offering.

- End -

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

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



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An investment in the Shares is subject to various risks and uncertainties, including the potential loss of the principal amount invested. Listing of the Shares on the Catalist Board of the SGX-ST does not guarantee that an active public market for the Shares will develop. Further, this news release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's current views concerning future events. Certain of the information presented in this news release is historical information. The Group's past performance is not indicative of its future performance.

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ISSUED ON BEHALF OF : Econ Healthcare (Asia) Limited

BY : Citigate Dewe Rogerson Singapore Pte Ltd
105 Cecil Street
#09-01 The Octagon
Singapore 069534

CONTACT : Chia Hui Kheng / Winston Choo /
Melissa Sim / Justin Chan
at telephone

DURING OFFICE HOURS : (65) 6534 5122

EMAIL : huikheng.chia@citigatedewerogerson.com /
winston.choo@citigatedewerogerson.com /
melissa.sim@citigatedewerogerson.com /
justin.chan@citigatedewerogerson.com
