

FOR IMMEDIATE RELEASE

Econ Healthcare reports 8.4% increase in revenue to S\$21.2 million and declares interim dividends for first half of 2023.

- *PATMI increased by 4.7%*
- *Dividend per share, 0.23 Singapore cent*

SINGAPORE – 9 November 2022 – Econ Healthcare (Asia) Limited (“Econ Healthcare” or the “Group”), a leading private nursing home operator in Singapore with presence in Malaysia and China, achieved a 8.4% uptick in revenue to S\$21.2 million for the financial period ended 30 September 2022 (“6M2023”) compared to S\$19.6 million same period last year (“6M2022”).

The improved top line performance was largely attributed to an S\$1.6 million increase in revenue for the Medicare centres and nursing homes across the Group’s three markets. Singapore achieved an overall occupancy rate of 78.1% in 6M2023 compared to 96.4% in 6M2022 as the Group’s newest nursing home ECON Care Residence (Henderson), with 236 bed capacity, opened in April 2022, while Malaysia’s occupancy rate increased from 53.8% to 77.5% period to period, attributed by the steady rate admissions for the 138 bed capacity Econ Medicare Centre and Nursing Home in Puchong. In China, the Chongqing Nursing Home, with 44 bed capacity, occupancy rate increased from 31.8% to 77.3% period to period.

Econ Healthcare’s financial position remains healthy with cash and cash equivalents of S\$25.2 million as at 30 September 2022. The Group has declared an interim dividend of 0.23 Singapore cent per ordinary share.

Outlook

The Group continues to witness broad-based and long-term demand for affordable aged care services and improved patient experiences in Singapore, Malaysia and China. We will continue to prudently explore suitable expansion opportunities both in its existing markets as well as in other new markets.

In the pipeline for the Singapore market is a 732-bed nursing home in Jurong, Econ Healthcare’s largest facility in Singapore. This will ramp up the Group’s operations significantly when it operates in 2025. The Group also expects its 280-bed Nursing Home in Changshou, Chongqing, to commence operations in the second half of FY2023.

The geopolitical tensions, rising global commodity prices, supply chain disruptions are expected to continue to add to uncertainties for the global economy and businesses. Supply chain issues exacerbated by the Russia-Ukraine geopolitical situation had continued to disrupt material supplies and their costs. Singapore's core inflation is near a 14-year high, and countries around the world have encountered inflationary pressures.

Manpower continues to pose challenges to growth across all industries especially in Singapore. As an effort to maintain the salary competitiveness of healthcare staff against the overall market to attract and retain quality talent, the Ministry of Health Singapore ("MOH") has announced salary adjustment funding support for healthcare workers in eligible community care organisations. To recognise healthcare workers' contributions and dedication to fight the COVID-19 pandemic, eligible community care organisations provided staff with a COVID-19 healthcare monetary Award, supported by the MOH. The Group participated in these initiatives and will continue to dedicate resource to engage, further build competencies and develop our talent workforce.

The Group continues to exercise prudence and effective measures to manage costs, risks and ensure business continuity. Through digital transformation initiatives, we expect to improve efficiency, value and innovation.

Mr Ong Chu Poh, Group Executive Chairman and CEO, said: "We are well positioned to serve the needs of the ageing population in Singapore, Malaysia and China. We will continue to invest in innovation, building capabilities and developing our workforce as we prepare for growth and to serve the needs of our customers into the future."

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About Econ Healthcare (Asia) Limited

Established in 1987 with a heritage that spans more than three decades, Econ Healthcare (Asia) Limited (“Econ Healthcare”, “宜康医疗保健集团(亚洲)有限公司” and together with its subsidiaries, the “Group”) is the leading premium private nursing home operator in Singapore and Malaysia and a pioneer in providing eldercare services. The Group has two key business segments, namely Medicare Centres and Nursing Homes, and Other Operations and Ancillary Services, which together encompass residential nursing care services, home care services, rehabilitation services and traditional Chinese medicine services, amongst others. Over the years, the Econ Healthcare brand has become synonymous with quality eldercare services that is rendered with kindness, compassion and respect. This has won the Group many accolades including “Singapore Promising Brand” in 2003 and “Singapore Heritage Brand” in 2022. The Group’s network comprises 12 Medicare centres and nursing homes in Singapore and Malaysia and one nursing home in China.

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