

FOR IMMEDIATE RELEASE

Econ Healthcare reports 11.8% increase in revenue to S\$43.5 million and declares final dividends for FY2023

- *PATMI increased by S\$4.5 million*
- *Final dividend per share, 0.44 Singapore cent*
- *Grand opening of ECON Medicare Centre and Nursing Home – Changshou on 18 May 2023*

SINGAPORE – 26 May 2023 – 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 11.8% uptick in revenue to S\$43.5 million for the financial year ended 31 March 2023 (“FY2023”) compared to S\$38.9 million financial year ended 31 March 2022 (“FY2022”).

The improved top line performance was largely attributed to an S\$4.6 million increase in revenue for the Medicare centres and nursing homes across the Group’s three markets. Singapore, our largest revenue generating geographical segment, contributed to an increased revenue of S\$3.8 million attributed by stronger nursing home and homecare business. Our Malaysia and China businesses also saw an increase in revenue of S\$0.7 million, as a result of ramped up operations for ECON Medicare Centre and Nursing Home – Puchong and ECON Medicare Centre and Nursing Home – Chongqing.

Econ Healthcare’s financial position remains healthy with cash and cash equivalents of S\$24.6 million as at 31 March 2023. The Group has proposed a final dividend of 0.44 Singapore cent per ordinary share, with an interim dividend of 0.23 Singapore cents per ordinary share paid in December 2022.

On 18th May 2023, the Group held the grand opening for our second nursing home in Changshou, Chongqing. Serving the middle to affluent elder market, the dementia friendly nursing home is a 280-bed eldercare facility located at Yucai Road, Changshou District, Chongqing, with a built-up area of close to 8,500 square metres. A joint venture with local partner – Chongqing Guangda Bailingbang Eldercare Industry Group Co. Ltd., this project provides the opportunity to strengthen the exchange of eldercare expertise between both countries and integrate international advanced eldercare concepts and quality in China. The Grand Opening was graced by senior leaders of the Changshou District, Chongqing including Mr Liu Xiaoqiang, Secretary of the Changshou District Party Committee, Mr. Peng Zhiming, Deputy Director of China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity Administrative Bureau, Mr. Feng Guangyin, Level II Bureau Rank Official of Chongqing

Municipal Civil Affairs Bureau and Mr Guo Xiaozhong, President of Chongqing Pension Service Association.

Outlook

With the reopening and easing of the zero-COVID policy in China, business activities and travels are returning to pre-covid normalcy. This facilitated the successful grand opening of ECON Medicare Centre and Nursing Home – Changshou which was held on 18 May 2023.

China's economy expanded by 4.5% year-on-year in the first quarter of 2023, and alongside strong resurgence in consumer spending following the end of pandemic restrictions. Despite a more modest GDP target of 5% for 2023 set by the Chinese government, the current year growth outlook is expected to be challenging. Global economy, as forecasted by IMF, is heading for a slowdown from 3.4% in 2022 to 2.8% in 2023, amid the rising inflation and higher commodity prices which continue to pose challenges for central banks around the world. In Singapore, The Ministry of Trade and Industry (MTI) announced in February 2023 that the Singapore economy expanded by 3.6% in 2022. MTI has maintained the GDP growth forecast for 2023 at 0.5% to 2.5%.

Overall, while the lifting of Covid-19 restrictions and reopening of borders have a positive impact on our businesses in Singapore, China and Malaysia, we remain mindful of challenges that may arise, such as rising operating costs and an uncertain economy. We will continue to monitor these developments closely and take necessary measures to maintain sustainable revenue growth and profitability. Through digital transformation initiatives, we expect to improve efficiency, value and innovation. Barring unforeseen circumstances, the Group is cautiously optimistic on its business performance for the next 12 months.

Mr Ong Chu Poh, Group Executive Chairman and CEO, said: "We are on course with our growth strategy and will continue to capitalise on opportunities in the region to meet the increasing demand for high quality senior care."

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ECON HEALTHCARE (ASIA) LIMITED

宜康医疗保健集团(亚洲)有限公司



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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 11 Medicare centres and nursing homes in Singapore and Malaysia and 2 nursing homes in China.

The Company has prepared this press release 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 press release. This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

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