

FOR IMMEDIATE RELEASE

Econ Healthcare reports 17.0% increase in revenue to S\$24.8 million and declares interim dividends for first half of 2024

- *Dividend per share, 0.23 Singapore cent*
- *Grand opening of ECON Medicare Centre and Nursing Home – Changshou on 18 May 2023*

SINGAPORE – 9 November 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 17.0% growth in revenue to S\$24.8 million for the financial period ended 30 September 2023 (“6M2024”) compared to S\$21.2 million same period last year (“6M2023”).

The improved top line performance was largely attributed to an S\$3.6 million increase in revenue from the contribution of 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\$3.2 million. Our Malaysia and China businesses also experienced a revenue growth of S\$0.4 million, as a result of stronger nursing home operations in Malaysia and the opening of ECON Medicare Centre and Nursing Home – Changshou.

Econ Healthcare’s financial position remains healthy with cash and cash equivalents of S\$22.7 million as at 30 September 2023. The Group has declared an interim dividend of 0.23 Singapore cents per ordinary share.

Outlook

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.

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Mr Ong Chu Poh, Group Executive Chairman and CEO, said: “The outlook for eldercare services remains positive as the global demand continues to rise. ECON is committed to achieve growth and will continue to capitalise on opportunities in the region to meet the increasing demand for senior care by delivering high-quality and sustainable eldercare services.”

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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 10 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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