



ECON HEALTHCARE (ASIA) LIMITED
(Company Registration Number: 200400965N)
(Incorporated in Singapore on 28 January 2004)

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FOR
THE ANNUAL GENERAL MEETING TO BE HELD ON 26 JULY 2023**

The Board of Directors of Econ Healthcare (Asia) Limited (the “**Company**”) together with its subsidiaries (the “**Group**”) refers to:

- I. the annual report of the Company for the financial year ended 31 March 2023 (the “**2023 Annual Report**”); and
- II. the notice of annual general meeting (“**AGM**”) issued by the Company on 7 July 2023 informing shareholders that the Company’s AGM will be convened and held on Thursday, 27 July 2023 at 10.00 a.m. at 160 Changi Road #05-13 Hexacube Singapore 419728.

The Company wishes to thank shareholders for submitting their questions in advance of the AGM. Please refer to the annex of this announcement on the substantial and relevant questions received from shareholders relating to the resolutions to be tabled at the AGM, and Company’s responses to these substantial and relevant questions.

BY ORDER OF THE BOARD

Ong Chu Poh
Executive Chairman and Chief Executive Officer
20 July 2023

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 Mr Goh Chyan Pit, Managing 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.

ANNEX: Company's Responses to Substantial and Relevant Questions Received from Shareholders Relating to the Resolutions to be Tabled at the AGM

Question 1:

Page 19, what is the reason for a decline in bed occupancy to 67.4%. Previous FYs are always above 80% occupancy. Any mitigation plan going forward?

Company's Response:

The overall decline in bed occupancy during FY2023 is due to 2 medicare centre and nursing homes in Singapore and China ie. ECON Care Residence (Henderson), a 236-bed facility, and ECON Medicare Centre and Nursing Home – Changshou, a 280-bed facility, being in their first year of operations. ECON Care Residence (Henderson) commenced operations in April 2022, and ECON Medicare Centre and Nursing Home – Changshou soft launched in February 2023 with the official opening in May 2023

Question 2:

Page 18, our revenue, profit, net cash had all increased, why is the dividend payout only 35%? Can the Board consider a fixed dividend policy of say at least 50% when revenue, profit and net cash had increased?

Company's Response:

The Company does not have a fixed dividend policy. As disclosed in our offer document, Board intends to recommend and distribute dividends of at least 35% of our net profit after tax attributable to our Shareholders generated in each of FY2021, FY2022 and FY2023, as the Group wishes to reward its Shareholders for participating in our Group's growth.

Question 3:

Expansion into Malaysia. Is there plan to consider Johore which is very near to Singapore and tapping for the growing demands for nursing homes in Singapore?

Company's Response:

The Group currently has 2 nursing homes, ECON Medicare Centre and Nursing Home – Puchong and ECON Medicare Centre and Nursing Home – Taman Perling in Malaysia. ECON Medicare Centre and Nursing Home – Puchong, a 138-bed facility, is located in Kuala Lumpur, while ECON Medicare Centre and Nursing Home – Taman Perling, a 194-bed facility is located in Johor.

Question 4:

As Chairman mentioned – the company is expanding further into Malaysia and China, does the company have any hedging strategy against currency risks?

Company's Response:

There is little to minimal transaction exposure for the Group as each of the nursing homes mostly buy and sell goods and services in the country it operates in. For accounting purposes, the Group has translation exposure when translating the foreign operations report from the foreign currency to Singapore Dollar at the reporting date.

Question 5:

For expansion into foreign markets, does the government in these countries provide grants or concessions to overseas investors?

Company's Response:

Yes, both of our China Medicare Centre and Nursing Homes namely, ECON Medicare Centre and Nursing Home – Changshou, and ECON Medicare Centre and Nursing Home – Chongqing located in Chongqing, China, had received capital grants for the purpose of equipping and furnishing the new nursing home.

Question 6:

Lastly, as a pioneer shareholder of the company since IPO, can I request for a hard copy Annual Report?

Company's Response:

Yes, hard copies of the Annual Report will be delivered by post to shareholders.