



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

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## INVESTMENT IN QUOTED SECURITIES

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*Unless otherwise specified, all capitalised terms shall have the same meaning ascribed to the announcement dated 7 January 2022 in relation to the Investment in Quoted Securities (“**Announcement**”).*

The Board of Directors of Econ Healthcare (Asia) Limited (the “**Company**”) together with its subsidiaries (the “**Group**”) refers to the Company’s Announcement and wishes to announce the following information in relation to Rule 1010 of the Catalyst Rules, pursuant to the acquisition of quoted securities, where the relative figure under Rule 1006 of the Catalyst Rules exceeds 5%:

### INFORMATION

The Company had acquired quoted securities of Crosstec Group Holdings Limited (3893.HK) (“**Crosstec**”), a company listed on the Hong Kong Stock Exchange. Crosstec is a one-stop provider of interior design solutions and the majority of its clients are global luxury goods and high-end fashion brands with retail stores across the world.

The Company had on 30 December 2021 purchased 6,800,000 Crosstec shares for a cost of investment of approximately S\$1,990,000. On 6 January 2022, the Company further acquired 5,000,000 Crosstec shares for a cost of investment of approximately S\$2,002,000 (collectively, “**Acquisitions**”). The aggregate cost of the Acquisitions is approximately S\$3,992,000. Aggregate cost of investment includes brokerage fee, charges and GST incurred for the Acquisitions. As the shares are traded publicly, the consideration was determined based on the then trading market prices. The Acquisitions were funded internally by the working capital surplus of the Company and the settlement is done on a T+3 basis. No material conditions are attached to the Acquisitions.

### VALUE OF THE ACQUISITIONS

The value of the Acquisitions based on the latest financial information from Crosstec’s 2021 Annual Report, are as follows:

<b>Crosstec</b> <sup>(1)</sup>	<b>HKD \$ '000</b>	<b>SGD \$ '000</b> <sup>(2)</sup>
Net book value	7,271	1,265
Net tangible asset value	7,271	1,265
Market value/market capitalisation <sup>(3)</sup>	1,617,120	281,266

#### Note:

- (1) The financial information of Crosstec is extracted from the 2021 annual report of Crosstec dated 27 September 2021.
- (2) Based on exchange rate on 6 January 2022 of HKD1: SGD0.17393.
- (3) Based on the volume weighted average price of Crosstec as at 6 January 2022 of HKD2.246 per share multiplied by the number of issued ordinary shares of 720,000,000 units.

For the financial year ended 30 June 2021, Crosstec reported a loss for the financial year.

## SOURCE OF FUNDS

The Acquisitions were funded internally by the working capital surplus of the Company and does not include any of the IPO proceeds.

## FINANCIAL INFORMATION

### RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

#### a. Acquisitions

Catalist Rule	Relative Figures
1006(a)	
The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
1006(b)	
The net profits <sup>(1)</sup> attributable to the assets acquired <sup>(2)</sup> , compared with the Group's net profits <sup>(1)</sup> .	0.96% <sup>(4)</sup>
1006(c)	
The aggregate value of the consideration given, compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares <sup>(3)</sup>	5.20%
1006(d)	
The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006(e)	
The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

#### Notes:

- (1) "Net profits" means the latest announced profit or loss before income tax, minority interests and extraordinary items.
- (2) Net profits attributable of the assets acquired is prorated into a six months period, to be consistent with the Company latest announced financial period.
- (3) Aggregate value of the consideration given means the total cost of investment to date. The market capitalisation of the Company of approximately S\$76,792,000 is determined by multiplying the issued share capital (excluding treasury shares) of 257,000,000 shares with the volume weighted average price ("VWAP") as at 6 January 2022 of S\$0.2988. The exchange rate on 6 January 2022 (HKD1: SGD0.17393).

- (4) As Crosstec reported a loss for the financial year ended 30 June 2021, the basis of calculation of the relative figure is in accordance with Practice Note 10A, where the absolute values of the net loss attributable to the assets acquired was compared against the net profit of the Company (in each case taking into account only the absolute values).

As the relative figure under Catalist Rule 1006(c) exceeds 5%, the Acquisitions is deemed a “disclosable transaction” pursuant to the Chapter 10 of the Catalist Rules.

## FINANCIAL EFFECTS OF THE ACQUISITIONS

### 1. Financial Effects

The following tables illustrates the financial effects of the Investment on the net tangible assets (“NTA”) per share and the earnings per share (“EPS”) of the Group based on the unaudited financial statements of the Group for 6M2022.

#### Financial Effect on NTA per share

	As at 31 March 2021	Adjustment <sup>(1)</sup>	After acquisition
NTA (S\$)	24,716,000	32,000	24,748,000
Number of share (excluding treasury shares)	257,000,000	-	257,000,000
NTA per share (S\$ cents)	9.62	-	9.63

**Note:**

- (1) Adjustment refers to the gain on disposal of investment on quoted equity securities completed on 6 January 2022.

#### Financial Effect on EPS

	As at 31 March 2021	Adjustment <sup>(1)</sup>	After acquisition
Profit attributable to the shareholders (S\$)	5,700,000	32,000	5,732,000
Weighted average number of ordinary shares <sup>(2)</sup>	257,000,000	-	257,000,000
EPS (S\$ cents)	2.22	-	2.23

**Note:**

- (1) Adjustment refers to the gain on disposal of investment on quoted equity securities completed on 6 January 2022.
- (2) In the calculation of EPS, the number of shares is based on the weighted average number of ordinary shares post IPO, for the six-month period ended 30 September 2021. The Company was listed on SGX Catalist board on 19 April 2021.

## **RATIONALE OF THE ACQUISITIONS**

The rationale for the Acquisitions is to improve the yield on idle cash through dividends and share price appreciation. Prior to the first acquisition on 30 December 2021, the Company had observed that the share price was on a rising trend for Crosstec. Since the first acquisition and based on VWAP on 6 January 2022, Crosstec's share price has increased by approximately 33.7%. The Company is of the view that the potential gain on investment on quoted security will improve the yield of idle cash and therefore the return of the Company's shareholders.

## **INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

To the best knowledge of the Directors, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, for 5% or more in the Acquisitions (other than their respective shareholding interests in the Company, if any).

## **DIRECTOR'S SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Acquisitions. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## **RESPONSIBILITY STATEMENT**

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Acquisitions, the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in announcement in its proper form and context.

## **CAUTIONARY STATEMENT**

Shareholders and potential investors should exercise caution when trading in the Company's shares. The Company will provide further details, where necessary, in subsequent announcements in accordance with the listing rules of the SGX-ST at the appropriate junctures. In the event of any doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax, legal or other professional advisors.

## **BY ORDER OF THE BOARD**

Ong Chu Poh  
Executive Chairman and Group Chief Executive Officer  
9 January 2022

*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.*

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