

FOR IMMEDIATE RELEASE

Econ Healthcare remains focused on growing core business and maximising returns for shareholders

SINGAPORE – 12 January 2022 – Catalyst-listed Econ Healthcare (Asia) Limited (“Econ Healthcare” or the “Group”), the largest private nursing home operator in Singapore and Malaysia, and with presence in China, today announced that it has made a strategic call to sell its investment in Hong Kong-listed Crosstec Group Holdings Limited (“**Crosstec**”).

Mr Ong Chu Poh, Founder, Executive Chairman and Group Chief Executive Officer of Econ Healthcare said the decision would enable the Group to focus on growing its core business and was made in the best interest of its shareholders. “Following the significant decline in the share price of Crosstec, the Group has made a strategic decision to sell all our shares in Crosstec. This has no operational impact on our business, which continues to deliver strong operational performance with a 6% year-on-year topline growth for the six-month ended 30 September 2021,” he said.

Econ Healthcare reiterates that its growth prospects remain positive with a number of upcoming key projects including:

- a) a new 236-bed facility in Henderson, Singapore, commencing operations in first half 2022;
- b) a second nursing home, Changshou Nursing Home in Chongqing, China, which is expected to commence operations in the second half of 2022; and
- c) a 732-bed nursing home to be operational in 2025 in Jurong, Singapore.

“The Group remains committed to taking care of the needs of the rapidly ageing population in Asia. We will continue to grow our portfolio of services to cater to these needs and also leveraging our more than 34 years of experience and strong network of business partners to expand into synergistic businesses that will enhance our services,” said Mr Ong.

The sale of Crosstec shares is expected to result in an estimated loss on investment of approximately S\$3.4 million. The investment was funded by the working capital surplus of the Group (not inclusive of any IPO proceeds) and the estimated loss is not expected to have any material impact on the working capital, cash flow and the operations of the Group's business.

The Group will be reviewing its investment strategy to align with its focus on growing its core business and maximising returns for shareholders.

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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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