

PRESS STATEMENT

Econ Healthcare remains focus on growing core business

Econ Healthcare (Asia) Limited (“**Econ Healthcare**” or the “**Company**”, together with its subsidiaries, the “**Group**”), refers to its investment in Hong Kong-listed Crosstec Group Holdings Limited (“**Crosstec**” or the “**Investment**”).

The Group would like to state the following:

1. Executive Chairman and Group Chief Executive Officer, Mr Ong Chu Poh had made the investment in good faith with the expectation to improve the yield of the Group’s idle cash;
2. The Group is not aware of the reasons behind the significant and sudden decline in Crosstec’s share price;
3. The Group made a strategic call to sell the Crosstec shares. Going forward, the Group will focus its resources on growing its core business;
4. Econ Healthcare was founded by Mr Ong more than three decades ago. Under his stewardship, the business has grown over the years to become a leading nursing home operator in Singapore and Malaysia, and with presence in China. The brand has grown to become synonymous with quality nursing home care;
5. Mr Ong remains very passionate about providing quality elderly care and continuing the track record and legacy of Econ Healthcare. Through his strong business network and sharp business acumen, he spearheaded the Group’s expansion into China with the opening of the Group’s first nursing home in Chongqing in May 2021. The Group is also expecting to commence operations of its second nursing home with 280-bed in China, in the second half of 2022;

6. The Group's growth prospects remain positive with upcoming projects including:
- a) a new 236-bed facility in Henderson, Singapore, commencing operations in first half 2022;
 - b) a second nursing home in Chongqing Changshou, China, 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 Audit Committee ("AC") is of the view that the current investment mandate and policy of the Company and related controls and safeguards will need to be reviewed and strengthened to include more effective measures including (without limitation) that (i) the due diligence undertaken prior to investing in listed equity securities should include consideration of the target company's dividend policy, financial position, geographic location and industry (taking into consideration macroeconomic factors which may impact the geographical location and industry in question), (ii) lowering the maximum investment limits, imposing sub-limits by asset class and imposing daily trading limits and (iii) imposing requirements regarding asset mix and portfolio diversification. The AC will imminently be undertaking such review, including engaging external professional advisers to assist with the review. In addition, the Board of Directors will imminently be undertaking a review of the composition of the Investment Committee, including appointing a third member to the Investment Committee.

14 January 2022

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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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