

FOR IMMEDIATE RELEASE

HC Surgical Specialists Posts S\$4.6 million Profit to Shareholders for HY2022

HY2022 RESULTS HIGHLIGHTS

- Revenue decreased 5.2% to S\$10.4 million in HY2022
- HY2022 Profit to Shareholders decreased by 7.2% year-on-year to S\$4.6 million
- Declares interim dividend of S\$0.014 per ordinary share

Singapore, 11 January 2022 – Catalyst-listed HC Surgical Specialists Limited (SGX:1B1) (“HCSS”, or collectively with its subsidiaries, the “Group”) announced its financial results for the half year ended 30 November 2021 (“HY2022”) today.

Financial Overview (Group)

S\$' million	HY2022	HY2021	Change %
Revenue	10.41	10.98	-5.2%
Gross Profit*	9.00	9.56	-5.8%
Profit Attributable to Owners of the Company	4.64	5.00	-7.2%
Earnings Per Share (S\$ cents)	3.12	3.32	-6.1%

**Gross Profit is calculated as Revenue - change in inventories – inventories, consumables and surgery expenses.*

The Group’s HY2022 revenue decreased by 5.2% to S\$10.41 million due to the rising concerns of COVID-19 in view of the heightened alerts and increasing community cases versus the pent-up demand post-circuit breaker in HY2021.

Other income increased by approximately S\$0.43 million due to (i) higher dividend income from investment in financial assets at fair value through profit or loss (“**FVTPL**”) of S\$283,000; (ii) grants (including the Jobs Support Scheme and Rental Support Scheme) of S\$86,000; and (iii) higher interest income of S\$46,000.

Fair value gain on financial assets at FVTPL of approximately S\$0.69 million arose primarily due to (i) the increase in share price of Medinex Limited (“**Medinex**”) in which the Company holds a direct interest of 22.92% and a deemed interest of 9.50% of Medinex’s total issued share capital; (ii) the increase in share price of Singapore Paincare Holdings Limited (“**SPCH**”) in which the Company holds a direct interest of 3.31% of SPCH’s total issued share capital; and (iii) fair value gain on Acumen Holdings Pte. Ltd.. In HY2021, the fair value gain on financial assets at FVTPL of S\$1.54 million was due to the increase in share price of Medinex and SPCH.

Inventories, consumables and surgery expenses increased by approximately S\$0.12 million mainly due to increase in purchase of medication and higher surgery expenses during HY2022.

Employee benefits expenses decreased by approximately S\$0.28 million mainly due to lower provision of bonus for the current financial period.

The increase in depreciation and amortisation expenses by approximately S\$0.13 million was due to recognition of additional lease liabilities for new and renewed tenancy agreements entered in the previous financial year for clinic premises, as well as purchase of plant and equipment during HY2022.

The Group had incurred lease expenses of S\$36,000 in HY2022 as compared to a credit of S\$41,000 in the lease expenses due to rental reliefs received in HY2021.

Other expenses decreased by approximately S\$0.51 million in HY2022 due to lower professional fees as compared to HY2021.

As a result of the aforementioned, the Group recorded a profit attributable to owners of the Company of S\$4.64 million in HY2022.

Dividend

The Directors are declaring an interim dividend of 1.4 Singapore cents payable on 28 January 2022.

Annotating on the Group's HY2021 results, Chief Executive Officer of HCSS, Dr. Heah Sieu Min said, ***"HY2022 saw a period of heightened alerts, with increasing community cases. Healthcare capacity had to be increased and home recovery program for eligible individuals was introduced to cope with the rising COVID-19 cases and to alleviate healthcare workers' workload. Vaccination-differentiated measures were implemented and booster shots were encouraged as Singapore transits to live with COVID-19. The situation improved and border measures were relaxed with vaccinated travel lanes arrangement with several countries, before a new variant Omicron arrived.***

Although there was a slight dip in our revenue, patient safety remains at the top of our priority by strict adherence to the guidelines from the Ministry of Health. We are also glad to declare an interim dividend of S\$0.014 per ordinary share as a token of appreciation to our shareholders, who have continued to support us."

Moving Forward

The Group acquired the remaining 49% stake in each of its 51% subsidiaries, Jason Lim Endoscopy and Surgery Pte. Ltd. and Medical L & C Services Pte. Ltd. in HY2022.

Dr. Heah Sieu Min added, ***"The Group always believes in nurturing the next generation of doctors so as to provide continuous quality healthcare to its patients. We will continue to expand our network of specialists and centres both locally and regionally when and where the opportunity arises. Bearing in mind the COVID-19 situation, we shall be vigilant and focus on patient safety and care, improve operating efficiencies in a bid to contain costs in this pandemic crisis."***



Incorporated in the Republic of Singapore
Registration No. 201533429G

About HC Surgical Specialists Limited

HC Surgical Specialists Limited (“HCSS”) was incorporated on 1 September 2015 in Singapore and listed on the Catalist of the Singapore Exchange Securities Trading Limited on 3 November 2016. HCSS and its subsidiaries is a medical services group primarily engaged in the provision of endoscopic procedures, including gastroscopies and colonoscopies and general surgery services with a focus on colorectal procedures across a network of 16 clinics located throughout Singapore. For more information, please visit HCSS’ website at www.hcsurgicalspecialists.com.

Issued By : HC Surgical Specialists Limited

Investor Relations Contact : contact@hcsurgicalspecialists.com

This press release has been prepared by the Company and reviewed by the Company’s sponsor, Novus Corporate Finance Pte. Ltd. (the “Sponsor”), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.