

FOR IMMEDIATE RELEASE**HC Surgical Specialists Posts S\$6.4 million
Profit to Shareholders for FY2022****FY2022 RESULTS HIGHLIGHTS**

- Revenue was S\$19.3 million in FY2022
- FY2022 Profit to Shareholders was S\$6.4 million
- Total dividend (interim dividend of S\$0.014 per ordinary share & proposed final dividend of S\$0.012 per ordinary share) will be S\$0.026 per ordinary share

Singapore, 28 July 2022 – Catalyst-listed HC Surgical Specialists Limited (SGX:1B1) (“HCSS”, or collectively with its subsidiaries, the “Group”) announced its financial results for the full year ended 31 May 2022 (“FY2022”) today.

Financial Overview (Group)

S\$' million	FY2022	FY2021
Revenue	19.3	23.4
Gross Profit*	16.7	20.3
Profit Attributable to Owners of the Company	6.4	8.0
Earnings Per Share (S\$ cents)	4.3	5.3

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

The Group’s FY2022 revenue decreased by approximately S\$4.0 million mainly due to the decrease in the number of patients selecting to pursue elective medical treatment in view of the lifting of the COVID-19 restrictions and easing of borders restrictions which paved way for overseas travel. FY2021 revenue was

also exceptionally high due to a pent-up demand after the circuit breaker measures were lifted on 2 June 2020.

Other income increased by approximately S\$269,000 due to (i) higher dividend income from investment in financial assets at fair value through profit or loss (“**FVTPL**”) of S\$357,000; which was partially offset by (i) lower grants (including the Jobs Support Scheme which ended in August 2021) of S\$68,000; and (ii) lower interest income of S\$22,000.

The fair value gain on derecognition of financial assets at FVTPL of approximately S\$0.4 million related to the conversion of a convertible loan to shares in Nuffield Dental Holdings Pte. Ltd..

Fair value gain on financial assets at FVTPL of approximately S\$0.6 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; (iii) fair value gain on Acumen Holdings Pte. Ltd.; which was partially offset by a fair value loss on HSN Healthcare Pte. Ltd.. In FY2021, the fair value gain on financial assets at FVTPL of S\$0.5 million was primarily due to the increase in share price of Medinex and the increase in fair value of investment in SPCH subsequent to its listing on the Catalist Board of the Singapore Exchange Securities Trading Limited on 30 July 2020 based on the quoted market share price.

Inventories, consumables and surgery expenses decreased by approximately S\$0.2 million in line with decreased revenue.

Employee benefits expenses decreased by approximately S\$0.7 million due to lower provision of bonus for the current financial year.

Finance costs increased by approximately S\$0.3 million due to deemed interest expense on the deferred consideration payable for the acquisition of Jason Lim Endoscopy and Surgery Pte. Ltd..

As a result of the aforementioned, the Group recorded a profit attributable to owners of the Company of S\$6.4 million in FY2022.

Dividend

The Directors are recommending a final dividend of 1.2 Singapore cents, subject to shareholders' approval at the forthcoming Annual General Meeting to be convened. Prior to this, the Group has also paid an interim dividend of 1.4 Singapore cents per share in February 2022. In aggregate, total dividend for FY2022 amount to 2.6 Singapore cents per share.

Annotating on the Group's FY2022 results, Chief Executive Officer of HCSS, Dr. Heah Sieu Min said, ***"FY2021 was a year of pent-up demand after circuit breaker measures were lifted in June 2020. In contrast, FY2022 was a year of transition to living with COVID-19, from heightened alerts, increasing community cases, home recovery program, vaccination-differentiated measures to the eventual easing of COVID-19 measures and borders re-opening towards the end of the financial year. Our patients' well-being will always be our utmost priority. The total dividend of 2.6 Singapore cents shows our appreciation to our shareholders who have continued to support us."***

Moving Forward

The Company was recently appointed by AIA Singapore as a screening service provider for colorectal cancer for a second term of 3 years. In line with our expansion plans, construction of another endoscopy centre in the east coast is ongoing.

Dr. Heah Sieu Min added, ***"Being appointed by AIA Singapore for a second 3-year term is a testament to the excellent standard of medical services that we have provided to our patients. We are very privileged to continue working with AIA Singapore for this good cause."***

The addition of the new endoscopy centre in the east coast will widen our presence in Singapore. The Group will continue to improve in our provision of endoscopy and surgical services. This is in line with our motto to bring "Specialist care to the doorsteps" of the residents, thereby providing greater convenience and accessibility to all. We will continue to expand our network of specialists and centres

both locally and regionally when the opportunity arises. Bearing in mind the ongoing COVID-19 pandemic and concerns over inflation and recession, we shall be vigilant and remain focused on patients' comfort, safety and the provision of quality healthcare."

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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

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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.

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