

FOR IMMEDIATE RELEASE

HC Surgical Specialists Reports Steady Growth in 6MFY2020

6MFY2020 RESULTS HIGHLIGHTS

- Revenue increased 15.3% to S\$9.8 million in 6MFY2020 due to contributions from its new and existing subsidiaries
- Declared a higher interim dividend Y-O-Y at S\$0.013 per ordinary share

Singapore, 9 January 2020 – Catalyst-listed HC Surgical Specialists Limited (SGX:1B1) (“HCSS”, or collectively with its subsidiaries and associated companies, the “Group”) today announced its financial results for the three months ended 30 November 2019 (“2QFY2020”) and half-year ended 30 November 2019 (“6MFY2020”).

Financial Overview (Group)

S\$' million	2QFY2020	2QFY2019	Change %	6MFY2020	6MFY2019	Change %
Revenue	4.85	4.63	4.9%	9.77	8.47	15.3%
Gross Profit*	4.30	4.16	3.4%	8.71	7.57	15.1%
Profit Attributable to Owners of the Company	0.95	1.29	-25.8%	2.17	2.16	0.1%
Diluted Earnings Per Share** (S\$ cents)	0.10	0.86	-88.4%	0.21	1.45	-85.5%

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

**The fully diluted EPS was adjusted for the impact arising from the convertible bonds as at 30 November 2019. The Company did not have any potentially dilutive ordinary shares in 2QFY2019.

The Group’s revenue rose 4.9% in 2QFY2020 to S\$4.85 million as compared to the comparative 3 month period ended 30 November 2018 (“2QFY2019”) principally due to revenue growth from existing subsidiaries and increased contributions from new subsidiaries acquired during the previous financial

year, which included Jason Lim Endoscopy and Surgery Pte. Ltd. that commenced operations in August 2018 and Medical Services @ Tampines Pte. Ltd. where an additional 50% equity interest was acquired in September 2018.

Depreciation and amortisation expenses increased and operating lease expenses decreased due to recognition of lease liabilities upon the adoption of SFRS(I) 16. The Group recorded a fair value loss on financial assets at fair value through profit or loss (“FVTPL”) due to the drop in share price of Medinex Limited, where the Company holds a direct interest of 22.92% and a deemed interest of 9.50% of the total issued share capital. Excluding the fair value loss on FVTPL, the Group’s 2QFY2020 operating profit would have been higher as compared to 2QFY2019. Income tax expenses increased due to higher taxable profit recorded in the current period compared to the corresponding period in the previous financial year.

As a consequence of the aforementioned, the Group recorded a net profit of S\$0.95 million and S\$2.17 million in 2QFY2020 and 6MFY2020 respectively.

Annotating on the Group’s 2QFY2020 and 6MFY2020 results, Chief Executive Officer of HCSS, Dr. Heah Sieu Min said, ***“We have a steady growth that allows expansion to continue. We have made positive financial and operational progress during the period, including an improved revenue and profit trend. As part of our commitment to enhance shareholders’ value, we have raised our interim dividend by 30% to S\$0.013 per ordinary share, which is in line with our improved core operational performance.”***

Moving Forward

The Group began operations of a new endoscopy centre at Camden Centre and is also in the midst of applying for a clinic license for another new endoscopy centre at Ang Mo Kio. With the addition of two new endoscopy centres, the Group believes that this will increase its accessibility to provide services to all its patients, as the Group looks to increase its total number of endoscopy centres to 17¹ across Singapore. The Group will continue to look for opportunities and desirable partners in its expansion plans,

¹ After the opening of the new endoscopy centre at Ang Mo Kio.



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in addition to the ongoing search for young, talented specialists to join the Group to reinforce the Group's specialist platform to support the next generation of specialists.

Dr. Heah Sieu Min added, ***"The Group continues to seize good opportunities to accelerate the company's strategy which will continue to be reviewed on a regular and disciplined basis - expanding our clinic locations and nurturing the next generation of doctors to provide quality accessible healthcare to your doorstep."***

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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 and associated company (the "Group") 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.

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This press release has been prepared by the Company and reviewed by the 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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