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## **HC Surgical Specialists Reports 1QFY2019 Results**

### **1QFY2019 RESULTS HIGHLIGHTS**

- **HC Surgical reports revenue of S\$3.85 million and net profit to owners of S\$0.88 million.**
- **Increase in number of specialists**
- **Continuing to increase presence in the heartlands with strategic acquisitions and joint-ventures**
- **Delivering quality healthcare services accessible to all patients**

**Singapore, 09 Oct 2018 – Catalyst-listed HC Surgical Specialists Limited (SGX:1B1)** (the “Company”, or collectively with its subsidiaries and associated companies, the “Group”) today announced a 2.0% or a S\$0.08 million decrease in revenue to S\$3.85 million from S\$3.92 million one year ago, in the first quarter which ended on August 31, 2018 (“1QFY2019”).

During 1QFY2019, profit attributable to the owners of the Company was down 26.2 per cent to S\$0.88 million from S\$1.2 million in the first quarter of the previous financial year (“1QFY2018”). Earnings per share (EPS) was 0.59 Singapore cents, down from 0.80 Singapore cents one year ago.

During the quarter, inventories and consumables used increased by S\$0.16 million, or approximately 42.7%, due to an increase in medication and purchases of consumables which were usually expensed off, that arose from new subsidiaries acquired after 1QFY2018; and more radiology and investigations tests carried out. Also, due to the addition of new subsidiaries, employee benefits expense and depreciation of plant and equipment increased by S\$0.14 million and S\$0.01 million, or 11.1% and 12.6% respectively.

The share of profits of associate decreased S\$0.07 million or approximately 59.6% due to higher operating expenses incurred by MediNex Pte. Ltd. (“MediNex”) and the Company’s lowered equity interest in MediNex. As a result, the total profit after income tax decreased by S\$0.34 million, approximately 23.5% from S\$1.46 million in 1QFY2018 to S\$1.12 million in 1QFY2019.

Excluding the share of profits of associate, profit attributable to the owners of the Company would be lowered by S\$0.24 million or approximately 22.7% year-on-year.

### **1QFY2019 Financial Overview**

<b>S\$'million</b>	<b>1QFY2019</b>	<b>1QFY2018</b>	<b>Change (%)</b>
<b>Revenue</b>	3.85	3.92	-2.0
<b>Gross Profit*</b>	3.44	3.58	-3.9
<b>Gross Profit Margin (%)</b>	89.5%	91.4%	
<b>EBITDA**</b>	1.34	1.65	-18.5
<b>Profit Attributable to Owners of the Company</b>	0.88	1.19	-26.2
<b>Net Profit</b>	1.12	1.46	-23.5
<b>Net Profit Margin (%)</b>	29.0%	37.2%	
<b>- Earnings Per Share (S\$ cents)</b>	0.59	0.80	-26.3

*\*Gross Profit is calculated as Revenue - change in inventories - inventories and consumables used.*

*\*\*EBITDA is calculated as Profit before tax - share of results of associates - finance costs – depreciation & amortisation - other income*

### **Accessible Quality Healthcare To All**

***Commenting on the results, the Group's Chief Executive Officer, Dr. Heah Sieu Min said: "FY2018 saw the strong performance from the Company's acquisitions made in FY2017. The decrease in revenue from 1QFY2019 is temporary due to our doctors going away on holidays and our acquisitions made in previous financial years, which allowed us to focus exclusively on making quality healthcare accessible to our patients, be it in the heartlands or city areas."***

He added: ***"Our Group's motto has always remained unchanged. We always believe in placing our patients first, and we will continue to raise our healthcare service level to be fully able to walk the talk of placing 'Service above self'."***

The Group will continue its effort to search for new opportunities to strengthen its local presence, delivering the best specialists and healthcare treatment options to serve their patients. The share of profits of an associate, net of tax, amounting to S\$0.05 million, was due to MediNex, a subsidiary platform acquired in the previous financial year rendering support services to the Group's clinics.

### **Moving Forward**

HC Surgical Specialists has welcomed a new specialist, Dr. Jason Lim, during the quarter, increasing the number of specialists to six. The Group will continue to expand and focus on providing superior healthcare by continuing to recruit more doctors, specialists and acquire medical clinics, specifically concentrating towards the domestic market which has been proven to secure a steady pool of patients.

***Dr. Heah added, "We will keep on pursuing opportunities for growth in an ever-changing market. As a developing medical services group, our team will be exploring more strategic acquisitions and joint-ventures locally and regionally to create long-term value for our shareholders. Our current expansion is just an opening act. We aim to increase our presence in the heartlands of Singapore, developing and growing a wider range of medical services, and providing consistent and reliable services for our patients."***



Incorporated in the Republic of Singapore  
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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. The Company 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 15 clinics located throughout Singapore.

For more information, please visit HCSS' website at [www.hcsurgicalspecialists.com](http://www.hcsurgicalspecialists.com).

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HC Surgical Specialists Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 3 November 2016. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.

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