

**FOR IMMEDIATE RELEASE**

**HC Surgical Specialists FY2018 Earnings Hit Record High  
of S\$5.5 million**

**FY2018 RESULTS HIGHLIGHTS**

- **Net profit surged to S\$5.5 million**
- **Gross profit increased 68.6% to S\$14.3 million from S\$8.5 million**
- **Revenue rose 69.1% to S\$16.0 million**
- **Proposes final dividend of 1.0 Singapore cents per share. Together with interim dividend of 1.1 Singapore cents per share paid in Jan 2018, aggregate dividend for FY2018 will be 2.1 Singapore cents per share (70% payout ratio)**

**Singapore, 19 July 2018 – Catalyst-listed HC Surgical Specialists Limited (SGX:1B1) (“HCSS”, or collectively with its subsidiaries and associated companies, the “Group”) today announced a record growth in the Group’s net profit for the financial year ended 31 May 2018 (“FY2018”). It also sets a precedence in the Group’s earnings report when its gross profit increased from S\$8.5 million in FY2017 to S\$14.3 million in FY2018, a substantial increase of 68.6% YOY.**

### **FY2018 Financial Overview**

|                                | <b>FY2018</b>      | <b>FY2017</b>      | <b>Change</b> |
|--------------------------------|--------------------|--------------------|---------------|
|                                | <b>S\$'million</b> | <b>S\$'million</b> |               |
| <b>Revenue</b>                 | 16.02              | 9.48               | 69.1%         |
| <b>Gross Profit*</b>           | 14.31              | 8.48               | 68.6%         |
| <b>Gross Profit Margin (%)</b> | 89.3%              | 89.5%              |               |
| <b>Net Profit</b>              | 5.51               | 1.26               | 336.2%        |
| <b>Net Profit Margin (%)</b>   | 34.4%              | 13.3%              |               |
| <b>Earnings Per Share</b>      |                    |                    |               |
| - <b>Basic (S\$ cents)</b>     | 2.99               | 1.03               | 190.3%        |
| - <b>Diluted (S\$ cents)</b>   | 2.99               | 1.19               | 151.3%        |

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

The Group delivered a stellar set of FY2018 results, with an increase of its net profit to S\$5.5 million, establishing a significant increase of 336.2% YOY from FY2017. Diluted earnings per share also rose by 151.3% YOY to 2.99 Singapore cents in FY2018, compared to 1.19 Singapore cents in FY2017.

The Group's higher revenue growth from S\$9.5 million in FY2017 to S\$16.0 million in FY2018, was mainly contributed by the various subsidiaries acquired in late 2016 and early 2017 (CTK Tan Surgery Pte. Ltd., LAI Bec Pte. Ltd., and Julian Ong Endoscopy & Surgery Pte. Ltd.) along with subsidiaries acquired in FY2018 (Medical L & C Services Pte. Ltd. ("MLCS") and HMC Medical Pte. Ltd. ("HMC")), and new clinics which commenced operations in FY2018 at D'Leedon condominium, Ghim Moh Gardens and Hillford condominium, as well as increased revenue contribution from the existing subsidiaries.

### **Dividend**

The Directors are recommending a final dividend of 1.0 Singapore cents per share, 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 1.1 Singapore cents per share in Jan 2018. In aggregate, the total dividend for FY2018 amount to 2.1 Singapore cents per share, representing a payout ratio of approximately 70% of the net profit attributable to owners of the Company for FY2018.

### **Quality Healthcare at Your Doorstep**

***"It has been quite a landmark year for us in FY2018. Our stronger performance mainly from the acquisitions made in FY2017, bringing quality healthcare to your doorstep. We acquired Medinex/NEX, a platform rendering support services to the clinics, allowing medical practitioners to focus exclusively on delivering quality healthcare to their patients, thereby being able to walk the talk. Our patients come first, we seek the best treatment options at competitive prices for them. We shall continue to deliver affordable quality healthcare to large segments of Singaporeans."*** said Group Chief Executive Officer, Dr. Heah Sieu Min.

The Group continues its effort to look out for opportunities to strengthen its local presence, bringing the best specialists and healthcare treatment options to serve their patients. The acquisition of 51% in Jason Lim Endoscopy and Surgery Pte. Ltd. brings the total number of specialists to 6, while the acquisition of 51% of MLCS has extended the Group services to chronic home and palliative care. On top of these, HCSS has acquired 51% of HMC and established a working relationship with Island Medical Holdings (a general practitioner group with 6 clinics across Singapore). These efforts will help create a cohesive and conducive platform of patient referrals for our specialists.

### **Moving Ahead**

The Group will continue its endeavour to expand and focus on providing superior health care by continuing to recruit more doctors, specialists and medical clinics as part of the Group, specifically concentrating towards the domestic market which has been proven to secure a steady pool of patients.

*Dr. Heah added, "As a developing medical services group, we will continue to pursue opportunities to keep up with evolving markets. Our team has placed strategic decisions to explore more acquisitions and joint-ventures to optimise long-term value for our shareholders. This expansion is just the tip of the iceberg of our long-term plans. We will continue to persevere and heighten our presence into the heartlands of Singapore; to develop and grow a wider range of medical services, and to provide a consistent and reliable service for all our patients."*

– End –

#### 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 companies (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 14 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**").



Incorporated in the Republic of Singapore  
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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 Catalyst. The Sponsor has not verified the contents of this press release.

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