

FOR IMMEDIATE RELEASE

**HC Surgical Specialists’
FY2019 Profit Attributable to Shareholders
Increased 61% to S\$7.2 million**

FY2019 Record Performance

- Profit attributable to shareholders rose 61% to S\$7.2 million on the back of a 14% rise in revenue due to increased contributions from both new and existing subsidiaries
- Proposes final dividend of 1.2 Singapore cents per share. In addition to the interim dividend of 1.0 Singapore cents per share, aggregate dividend will be 2.2 Singapore cents per share for FY2019, a 4.8% increase from the prior year
- Exclusive collaboration with AIA Singapore for colorectal cancer screening for initial term of 3 years

Singapore, 25 July 2019 – 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 financial year ended 31 May 2019 (“FY2019”).

The Group’s FY2019 revenue increased S\$2.30 million or approximately 14.3%, principally due to the increased sales contribution from new and existing subsidiaries. The higher revenue contributions from new subsidiaries include Jason Lim Endoscopy and Surgery Pte. Ltd. (“JLES”) that commenced operations in August 2018 and Medical Services @ Tampines Pte. Ltd. (“MST”) of which an additional 50.0% equity interest was acquired in September 2018.

FY2019 Financial Overview

S\$' million	4Q2019	4Q2018	Change %	FY2019	FY2018	Change %
Revenue	5.67	4.43	27.8	18.32	16.02	14.3
Gross Profit*	5.11	3.84	33.1	16.48	14.31	15.2
Profit Attributable to Shareholders	0.50	1.11	-54.4	7.21	4.46	61.4
Earnings Per Share (\$\$ cents)	0.34	0.74	-54.1	4.83	2.99	61.5

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

Net profit was bolstered by other income items, including the dividend income of S\$0.25 million; fair value gain on financial assets of S\$2.82 million; the deemed disposal in associates of S\$0.13 million related to dilution in the Company's shareholding in Medinex - mainly from Medinex's IPO share placement and re-measurement of previously held equity interest in MST upon the acquisition of additional 50% equity interest in September 2018; and gain on disposal of investment in associate of S\$0.37 million related to the disposal of 4 million Medinex shares held by the Company in connection with Medinex's IPO share placement.

This was partially offset by an increase in employee benefits expense of S\$0.82 million or approximately 14.4% for FY2019 as compared to FY2018, in consequence to increase in headcount from existing as well as new subsidiaries acquired during the current financial year, and higher accrual of bonus for the Group's existing employees.

Other expenses increased by S\$0.98 million or approximately 48.3% in FY2019, primarily attributable to fair value loss on derivative financial instruments of S\$0.55 million and allowance for impairment loss on goodwill of S\$0.42 million.

As a consequence of the aforementioned, the Group's profit attributable to shareholders of the company increased by S\$2.74 million or approximately 61.4% from S\$4.46 million in FY2018 to S\$7.21 million in FY2019.

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 1.0 Singapore cents per share in January 2019. In aggregate, total dividend for FY2019 amount to 2.2 Singapore cents per share, a 4.8% increase from the prior year.

Another Record Year

"It has been a fruitful year for us in FY2019, as we continue to extend our footprint in Singapore with investments in Nuffield Dental Holdings - diversifying our business across specialties and expanding our network of GPs. Towards the end of the financial year, we were also appointed as AIA's exclusive colorectal cancer screening provider for their eligible policy holders. This is a testament to the quality of our service and the growing reputation of our specialists. The appointment is expected to generate an additional recurring revenue stream and broaden our network for patient referrals." said Group Chief Executive Officer, Dr. Heah Sieu Min.

The Next Growth Driver

The collaboration with AIA as its exclusive screening service provider of colorectal cancer, has an initial term of 3 years with effect from 1 April 2019. With the acquisition of 25% stake in Medistar Services Pte. Ltd. ("Medistar"), the Group is in the process of opening an endoscopy centre within The Ming Clinic. Together with another new endoscopy center which is expected to be opened at Ang Mo Kio, this will increase our total number of endoscopy centers across Singapore to 11. The Company may also enter into fundraising agreements with potential strategic partners for the purposes of financing suitable business expansion opportunities as and when they arise.

Dr. Heah Sieu Min added, “As a developing medical services group, we will continue to pursue new opportunities for growth in both the local and regional healthcare sector. We will continue to explore strategic acquisitions to create long-term value for our shareholders. While expanding, we remain committed in our motto of offering quality 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. 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 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 its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) in accordance with Rules 226(2)(b) and 753(2) 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. 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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