

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

FOR IMMEDIATE RELEASE

HC Surgical Specialists Reports S\$2.5 Million Profit Attributable to Shareholders With 80.0% Surge in Revenue for 1H2018 Driven by Organic and Inorganic Growth

- Revenue jumps 80.0% yoy to S\$7.7 million driven by organic and inorganic growth
- Profit attributable to shareholders hits S\$2.5 million vs S\$0.1 million last year
- Earnings per share increases to 1.65 cents for 1H2018 vs 0.10 cent last year

Singapore, 9 January 2018 – HC Surgical Specialists Limited (“HCSS”, or together with its subsidiaries and associated company, the “Group”), a medical services group listed on the Catalist of SGX-ST, today announced its unaudited financial results for the six months ended 30 November 2017 (“1H2018”).

FINANCIAL HIGHLIGHTS

S\$'000	1H2018	1H2017	Change (%)
Revenue	7,704	4,281	80.0%
Gross Profit	6,861	3,740	83.4%
Gross Profit Margin (%)	89.1%	87.4%	
Profit Before Tax	3,276	99	3209.1%
Profit Attributable to Owners of the Company	2,456	104	2261.5%
Earnings Per Share -			
- Basic (S\$ cents)	1.65	0.10	1550.0%
- Diluted (S\$ cents)	1.65	0.31	432.3%

Posting a record 80.0% year-on-year (“yoy”) surge in revenue to S\$7.7 million for 1H2018, HCSS captured the full six months contributions from new subsidiaries acquired in the previous financial year and during the current financial period reported on.

In line with the increase in revenue, inventories and consumables used increased 55.8% or S\$0.3 million yoy. Employee benefit expense also increased 93.3% to S\$2.6 million, mainly due to increased headcount from the acquisitions and new clinics setup, namely at Hillford condominium, Ghim Moh Gardens and D’Leedon condominium at the end of FY2017.

Other expenses decreased by 18.6% or S\$0.4 million due to the non-recurring IPO expenses of \$1.3 million incurred in 1H2017, which was partially offset by the increase in expenses from new subsidiaries acquired and new clinics. Similarly, finance costs in 1H2017 was due to one-off interest expense on redeemable convertible loans, which was converted to share capital in October 2016.

Share of results of an associate, net of tax, increased by \$0.8 million, related to an associate acquired during the current financial period reported on.

As a result of the synergy from the acquisitions, the Group reported a 2261.5% yoy growth in profit attributable to shareholders to S\$2.5 million in 1H2018, over a six-month period. The acquisitions also increased the net cash from operating activities to S\$3.5 million for 1H2018.

Commenting on the Group's results for 1H2018, Executive Director and CEO Dr. Heah Sieu Min said, "We are encouraged by the results which are attributed to both organic and inorganic growth and are optimistic with the future. We will continue to look for collaborative opportunities both locally and regionally. We look forward to further expansion into heartland areas in line with "bringing specialist healthcare to your doorstep"."

HCSS has declared a one tier tax exempt interim dividend of 1.1 cents per ordinary share, which is payable on 30 January 2018.

-- The 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 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 14 clinics located throughout Singapore.

For more information, please visit HCSS' website at 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 SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this press release.

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