

FOR IMMEDIATE RELEASE

SECTION 216A APPEAL DISMISSED

HIGHLIGHTS

- **Court of Appeal rules in favour of the Company and its CEO Dr Heah**
- **Ms Serene Tiong is to pay costs of S\$15,000 to the Company and S\$30,000 to Dr Heah**
- **No further appeal**

Singapore, 7 April 2021 – Catalyst-listed HC Surgical Specialists Limited (SGX:1B1) (“HCSS”, or collectively with its subsidiaries and associated company, the **“Group”**) is pleased to announce that the Court of Appeal has today heard and dismissed the appeal (the **“Appeal”**) brought by Ms Serene Tiong Sze Yin (**“Ms Tiong”**) against the Company and its Chief Executive Officer, Dr Heah Sieu Min (**“Dr Heah”**), with costs to be paid by Ms Tiong totalling S\$45,000. The Company understands that there is no right of further appeal.

The Appeal was against the decision of the High Court dismissing Ms Tiong’s application brought under Section 216A of the Companies Act (Chapter 50) of Singapore, for leave to commence a derivative action for and on behalf of the Company against Dr Heah, purportedly for an alleged breach of Dr Heah’s duties as a director of the Company, in respect of the acquisition by the Company of an additional interest of 19% of the total issued shares in Julian Ong Endoscopy & Surgery Pte Ltd (**“JOES”**) in or around September 2019 (the **“19% Acquisition”**) (the **“Application”**).

The Company understands from its legal counsel, Mr Tan Chee Meng SC, Mr Paul Loy, and Mr Calvin Ong of WongPartnership LLP, that the Court of Appeal has, in arriving at its decision, found that:-

- (a) Ms Tiong’s Application was a wholly unmeritorious one, founded on bare and unsubstantiated allegations that flew in the face of Dr Heah’s detailed account of the steps taken to safeguard

the Company's interests, which account was also corroborated by the Company's other directors. The High Court Judge, Justice Chua, had dealt with all the issues comprehensively such that there was no reason for the Court of Appeal to disagree with the High Court's decision to dismiss the Application;

- (b) Ms Tiong's proposed derivative action would be devoid of benefit to the Company, in that Ms Tiong had failed to show that the Company suffered any real loss;
- (c) the central motif underpinning Ms Tiong's Application was revenge; she was only interested in the Company after its announcement of the 19% Acquisition, and she had no honest or reasonable belief in the Application given the circumstances leading to her acquisition of a minimal stake of 100 shares in the Company, further evinced by her persistent ignorance of Dr Heah's cogent account of the steps that had been contemporaneously taken; and
- (d) Ms Tiong's actions in bringing the Application are only explicable when viewed in the context of the unfortunate history of conflict between her, Dr Chan and Dr Ong. The Appeal was a pit-stop in her quest for revenge; this collateral purpose was inconsistent with the purpose of doing justice to the Company, and is in essence a flagrant abuse of Section 216A of the Companies Act.

From the outset, the Company's position has always been that the 19% Acquisition was a considered commercial decision, made in the interests of the Company. This was indeed the conclusion previously reached by the High Court, and the Court of Appeal's decision today is a further clear affirmation of the Company's position. The Company was and remains of the view that any personal disputes between Ms Tiong and Dr Julian Ong should be resolved in the appropriate forum, without involving the Company.

According to Dr Heah, ***"The Board and I have always acted to serve in the Company's best interests. The Court of Appeal's decision today not only vindicated the Board and my actions, but reinforces our commitment to serve. I thank the nurses, doctors, staff, and directors of HCSS for their unwavering support and belief in our processes during this difficult period, having to deal with the unmeritorious***

legal action while concurrently battling the COVID-19 pandemic situation. Going through challenging times has galvanised our Company and this cohesiveness enhanced our core competencies to deliver quality care for our patients. This focus allowed us to achieve a good half year results performance for June to November 2020. With this final outcome of the Court case, we are more than ever before, determined and committed to serve the community and people 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. 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 18 clinics located throughout Singapore. For more information, please visit HCSS’ website at www.hcsurgicalspecialists.com.

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