

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

PROPOSED ACQUISITION OF 25.0% OF THE ENTIRE ISSUED SHARE CAPITAL IN MEDISTAR SERVICES PTE. LTD.

1. INTRODUCTION

The Board of Directors (the "**Board**") of HC Surgical Specialists Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to inform shareholders that it has today, together with Dr. Lai Junxu ("**Dr. Lai**"), entered into a sale and purchase agreement ("**SPA**") with Dr. Tan Hooi Hwa ("**Dr. Tan**"), Dr. Pang Heng Mun Roger ("**Dr. Pang**") and Dr. Wong Yik Mun ("**Dr. Wong**") (collectively the "**GPs**" or "**Vendors**"), to acquire a total of 30.0% of the total issued and paid-up share capital of Medistar Services Pte. Ltd. ("**Medistar**") (the "**Sale Shares**") for a total purchase consideration of S\$576,000 ("**Purchase Consideration**") (the "**Proposed Acquisition**"). Details are as follows:-

- (a) Company : Proposed acquisition of 25.0% of the total issued and paid-up share capital of Medistar for a purchase consideration of S\$480,000; and
- (b) Dr Lai : Proposed acquisition of 5.0% of the total issued and paid-up share capital of Medistar for a purchase consideration of S\$96,000.

As at the date of this announcement, Medistar has a paid-up share capital consisting of 100,000 ordinary shares of S\$1.00 each. The Vendors hold 100% of the total issued shares in Medistar. The Vendors are independent from the Company's Directors, Chief Executive Officer and controlling shareholders or their associates. Dr. Lai is a general practitioner with the Group. He is not related to the Company's Directors, Chief Executive Office and controlling shareholders or their associates.

Following the completion of the Proposed Acquisition, Medistar will be a 25.0% associated company of the Company and will continue to be helmed by the GPs, who will also remain as shareholders of Medistar with a total equity interest of 70.0%. The addition of the GPs will strengthen the Group's capabilities and is in line with its plan for growth and expanding its presence in Singapore as the Company's team of GPs will increase from five to eight.

The Proposed Acquisition is not expected to have any material impact on the consolidated earnings per share or net tangible assets per share of the Group for the current financial year ending 31 May 2019.

2. INFORMATION ON MEDISTAR

Medistar was incorporated on 18 June 1982 in the Republic of Singapore and operates a general practitioner clinic, The Ming Clinic. The Ming Clinic is presently operating at Camden Medical Centre and the GPs are experienced doctors, each with more than 40 years of experience in primary health maintenance, with Dr. Pang being an approved Medical Examiner of Divers, Dr.

Pang and Dr. Wong being approved OGUK (Oil & Gas UK) and Compressed Air Work medical examiners and Dr. Tan being an internist.

Based on the unaudited management accounts of Medistar for the twelve months ended 31 May 2018, the profit before tax of Medistar was approximately S\$15,000 and the net tangible asset and net asset value of Medistar as at 31 May 2018 was S\$340,000.

3. PURCHASE CONSIDERATION

The total Purchase Consideration for the Proposed Acquisition is S\$576,000, of which S\$480,000 is payable by the Company and the balance S\$96,000 by Dr Lai. The portion of the Purchase Consideration payable by the Company will be satisfied in full in the following manner: (i) S\$139,000 cash payment to the Vendors upon the signing of the SPA; and (ii) S\$341,000 cash payment to the Vendors upon completion of the Proposed Acquisition or such date to be agreed to by the Company, Dr. Lai and the Vendors.

The Purchase Consideration was arrived at on a willing buyer willing seller basis, taking into account the future potential of Medistar and the synergies between Medistar, the GPs and the Group. The aggregate cash payment in relation to the Company's share of the Proposed Acquisition will be funded through the net proceeds from the placement of shares pursuant to the Company's initial public offering in November 2016.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company (if any).

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer

31 May 2019

About HC Surgical Specialists Limited

HC Surgical Specialists Limited (the "Company") was incorporated on 1 September 2015 in Singapore and listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 3 November 2016. The Company and its subsidiaries are 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.

This announcement 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 Catalyst.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Ling Yuet Shan, Manager, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).