

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

ACQUISITION OF THE REMAINING 65% OF THE ENTIRE ISSUED SHARE CAPITAL IN TOTAL ORTHOPAEDICS 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, entered into a sale and purchase agreement ("**SPA**") with Dr. Seah Renyi, Benjamin ("**Dr. Seah**"), Dr. Huang Yilun ("**Dr. Huang**") and Dr. Hamid Rahmatullah Bin Abd Razak ("**Dr. Hamid Razak**") together with Dr. Seah and Dr. Huang, the "**Vendors**") for the acquisition of the remaining 65% of the total issued and paid-up share capital of the Company's 35% associated company, Total Orthopaedics Pte. Ltd. ("**TOPL**") (the "**Sale Shares**") for a total purchase consideration of S\$21,407,688, details of which are set out in paragraph 4 of this announcement (the "**Purchase Consideration**") (the "**Acquisition**"). The Acquisition was completed today.

As at the date of this announcement, TOPL has a paid-up share capital consisting of 120 ordinary shares of S\$1.00 each. Immediately prior to the Acquisition, the Vendors hold 65% of the total issued shares in TOPL. The Vendors are independent from the Company's Directors, Chief Executive Officer and controlling shareholders and their respective associates. Following the completion of the Acquisition today, the Company now owns 100% of TOPL.

TOPL was incorporated on 25 November 2022 in the Republic of Singapore and operates four orthopaedic centres. Based on the audited accounts of TOPL for the twelve months ended 31 May 2026 ("**FY2026**"), the profit before tax of TOPL was approximately S\$2,558,000 and the net tangible asset value and net asset value of TOPL as at 31 May 2026 was approximately S\$329,000.

2. RATIONALE FOR THE ACQUISITION

The Board is of the view that the Acquisition is in line with the Group's long-term plans for growth and will expand the Group's presence in Singapore. In addition, the Company is of the view that the Acquisition will continue to enhance the working relationship with the Vendors and will motivate the Vendors, having commenced their employment with the Group since 1 June 2023 and 2 April 2024 (the "**Employment**") and recognised the synergies of being part of the Group, to further improve the profitability of TOPL.

Dr. Seah, who commenced employment with TOPL on 1 June 2023, is an experienced surgeon with more than 15 years of experience in public hospitals. He has been a specialist surgeon since 2017 and completed his fellowship training in shoulder and elbow surgery in 2020. Prior to joining TOPL, Dr. Seah was a consultant orthopaedic surgeon and the shoulder and elbow service lead in the Department of Orthopaedic Surgery at Sengkang General Hospital ("**SKH**"), where he was responsible for managing all complex upper limb fractures, joint replacements

and ligament injuries. Beyond his clinical practice, Dr. Seah is also actively involved in medical innovation and the mentoring of aspiring healthcare professionals.

Dr. Huang, who commenced employment with TOPL on 2 April 2024, is an experienced surgeon with more than 15 years of experience in public hospitals. He has been a specialist surgeon since 2018 and completed his fellowship training in endoscopic spinal surgery in 2022 in Busan, Korea. Prior to joining TOPL, Dr. Huang was a Consultant Orthopaedic Surgeon and the Spine Surgery Service lead in the Department of Orthopaedic Surgery at SKH. He concurrently served as the SKH site chief for the SingHealth Duke-NUS Spine Centre. Dr. Huang was responsible for managing a broad range of spinal conditions arising from traumatic, infective and degenerative causes. His main interest and subspecialty is in performing endoscopic spinal surgery, a form of minimally invasive surgery used to treat various spinal conditions. In 2024, he was appointed Lead of the Endoscopic Spine Surgery Focus Group in the Singapore Spine Society.

Dr. Hamid Razak, who commenced employment with TOPL on 2 April 2024, is an experienced knee preservation specialist with about 15 years of experience in government-restructured hospitals. He has practiced as a specialist orthopaedic surgeon since 2018 and completed a fellowship in knee preservation surgery at the renowned London Knee Osteotomy Centre from 2019 to 2020. In 2023, Dr. Hamid Razak was awarded the prestigious clinical fellowship award by the International Cartilage & Joint Preservation Society (ICRS) in recognition of his extensive research and clinical work in knee preservation. Prior to joining TOPL, Dr. Hamid Razak was a consultant orthopaedic surgeon and the sports surgery service lead in the department of orthopaedic surgery at SKH. He concurrently served as the site chief for the SingHealth Duke-NUS Sport & Exercise Medicine Centre (“SDSC”). In 2022, Dr. Hamid Razak co-founded the Singapore Knee Preservation Society (“SKPS”) with other like-minded practitioners to advance the field of knee preservation surgery in Singapore. He currently serves as its vice-president. In May 2025, Dr. Hamid Razak was elected as a Member of Parliament for West Coast-Jurong West GRC. In this capacity, he has advocated for greater health literacy, healthcare financing and support for low- and no-buffer households.

3. AMENDMENTS TO PREVIOUS TERMS

3.1 Completion Date and basis of Purchase Consideration

On 1 March 2023, the Company had entered into a separate sale and purchase agreement with Dr. Seah to acquire 35% of the total issued share capital of TOPL (the “**2023 SPA**”). In connection with the foregoing acquisition, the Company had also, in its announcement of 1 March 2023 (the “**2023 Announcement**”), announced that the Company could acquire the remaining 65% of the total issued and paid-up share capital of TOPL from Dr. Seah (the “**Additional Sale Shares**”) at a later stage, with completion of the proposed acquisition of the Additional Sale Shares to occur within six months after 30 September 2028 (“**Term 1**”) or 30 September 2030 (the “**Employment Extension period**”) (as the case may be), or such other date to be agreed between Dr. Seah and the Company, at an amount that is ten times the unaudited profit after tax of TOPL for the twelve months before the end of Term 1 or the Employment Extension period (as the case may be) after adjustments to exclude expenses incurred arising from consultancy fees paid to the Company, and Dr. Seah’s profit-share, multiplied by 0.65. Please refer to the 2023 Announcement for further details.

On 26 February 2024, TOPL entered into employment agreements with Dr. Huang and Dr. Hamid Razak, and as part of their employment, Dr. Seah had transferred certain of his shares in TOPL to

each of them in equal portions. The Company then signed a shareholders' agreement with the Vendors, the terms of which included the proposed acquisition of the Additional Sale Shares.

Further to renewed negotiations between the Company and the Vendors, the Purchase Consideration for the Additional Sale Shares was arrived at, based on 14.2 times of TOPL's audited profit after tax for the financial year ended 31 May 2026, after adjustments to exclude the expenses incurred in the form of the consultancy fees and the relevant tax impact (the "**Adjusted PAT**"), multiplied by the Vendors' shareholding interest. Considering that the Company is acquiring the remaining 65% of the total issued share capital of TOPL approximately two years ahead of Term 1, the Company and the Vendors agreed that the Company shall still be entitled to its share of profit in respect of the 35% of the total issued share capital of TOPL for the two-year period, computed based on 35% of the Adjusted PAT for the financial year ended 31 May 2026, being S\$1,756,785. Accordingly, the Purchase Consideration payable is S\$21,407,688.

3.2 Employment Terms

Further to the Employment, the Vendors' employment period for the management of TOPL had been extended for another ten years taking effect from 1 October 2026. The Employment of each Vendor will be automatically renewed annually thereafter unless otherwise agreed in writing between the Company and the Vendors or terminated in accordance with their respective employment contracts. Under the original employment arrangements, Dr. Seah's employment period was for twelve years and four months commencing from 1 June 2023, while the employment periods of Dr. Huang and Dr. Hamid Razak were each eleven years six months commencing from 2 April 2024.

Following discussions, and taking into account the Purchase Consideration, the rationale for the Acquisition and the long-term view behind the Acquisition, the Vendors have further agreed to pay certain sums to the Company in the event that the Employment is terminated during the extended ten-year period.

4. PURCHASE CONSIDERATION

The Purchase Consideration will be satisfied in cash in the following manner:

	Date of payment	Dr. Seah	Dr. Huang	Dr. Hamid Razak	Total
1 st payment	23 October 2026	S\$1,900,000	S\$1,900,000	S\$1,000,000	S\$4,800,000
2 nd payment	1 October 2027	S\$1,900,000	S\$1,900,000	S\$1,000,000	S\$4,800,000
3 rd payment	1 October 2028	S\$1,052,074	S\$1,052,074	S\$2,852,074	S\$4,956,222
4 th payment	1 October 2033	S\$2,283,822	S\$2,283,822	S\$2,283,822	S\$6,851,466
Total		S\$7,135,896	S\$7,135,896	S\$7,135,896	S\$21,407,688

The Purchase Consideration was arrived at on a willing buyer willing seller basis, after taking into account, *inter alia*, the future prospects of TOPL, the expected synergistic benefits of the Acquisition to the Group, and the expertise, experience and industry reputation of the Vendors. The Purchase Consideration will be funded through a combination of internal cash resources and bank borrowings.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

Based on the Group's latest announced audited financial statements for the twelve months ended 31 May 2026 ("FY2026"), the relative figures of the Acquisition computed on the bases set out in Rule 1006 of the Catalyst Rules are as follows:

Catalist Rule	Relative Figures
1006(a)	
The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
1006(b)	
The net profits ⁽¹⁾ attributable to the assets acquired ⁽²⁾ , compared with the Group's net profits.	21.77%
1006(c)	
The aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares ⁽³⁾ .	38.77% ⁽³⁾
1006(d)	
The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006(e)	
The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

- (1) "Net profits" means profit or loss before income tax and non-controlling interests.
- (2) Computed based on 65% of the net profits attributable to TOPL for FY2026 of approximately S\$1,663,000 and the Group's net profits of approximately S\$7,637,000 for FY2026.
- (3) Computed based on the Purchase Consideration of S\$21,407,688, and the market capitalisation of the Company of approximately S\$55.22 million, which is determined by multiplying the number of ordinary shares in the issued share capital (excluding treasury shares) of the Company of 153,375,507 shares by the volume weighted average price of such shares transacted on the market day preceding the date of the SPA of S\$0.360 per Share.

Based on the relative figures computed above, the Acquisition constitutes a discloseable transaction under Chapter 10 of the Catalyst Rules, as the relative figures set out under Rules 1006(b) and 1006(c) exceed 5%.

6. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

The pro forma financial effects of the Acquisition on the Group are set out below and are purely for illustrative purposes.

The pro forma financial effects of the Acquisition on the Group's net tangible assets ("NTA") per share and earnings per share ("EPS") are based on the Group's audited financial statements for FY2026, being the Company's most recently completed financial year for which the financial results have been announced, on the assumption that TOPL is accounted for using the equity method.

(a) NTA per share

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on the NTA per share of the Group as at 31 May 2026, as if the Acquisition was completed on 31 May 2026, are as follows:

	Before the Acquisition	After the Acquisition
NTA attributable to equity holders of the Company (S\$)	16,286,000	17,179,108
Number of ordinary shares in issue (excluding treasury shares)	153,375,507	153,375,507
NTA per share (Singapore cents)	10.62	11.20

Assuming the Acquisition was effected at the end of FY2026, the NTA per share of the Company would increase from 10.62 cents to 11.20 cents.

(b) EPS

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on the EPS of the Group as at 31 May 2026, as if the Acquisition was completed on 1 June 2025, are as follows:

	Before the Acquisition	After the Acquisition
Profit attributable to equity holders of the Company (S\$)	6,984,000	8,426,476
Weighted average number of ordinary shares in issue (excluding treasury shares)	153,375,507	153,375,507
EPS (Singapore cents)	4.55	5.49

Assuming the Acquisition was effected at the beginning of FY2026, the EPS of the Company for FY2026 would increase from 4.55 cents to 5.49 cents.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

8. SERVICE CONTRACTS

No directors are proposed to be appointed to the Board in connection with the Acquisition.

9. DOCUMENT FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 9 Raffles Place, #26-01 Republic Plaza Tower 1, Singapore 048619, for three months from the date of this announcement.

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer

20 October 2026

About HC Surgical Specialists Limited

HC Surgical Specialists Limited (the “**Company**”) 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, its subsidiaries and associated company 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 20 clinics located throughout Singapore.

This announcement has been reviewed by the Company’s sponsor, Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange 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 Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.