

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE CATALIST RULES

The Board of Directors (the “**Board**”) of HC Surgical Specialists Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following transactions that occurred during the six-month financial period ended 30 November 2021, pursuant to Rule 706A of the SGX-ST Listing Manual Section B: Rules of Catalist:-

A. ACQUISITION

(i) Acquisition of the remaining 49% of the total issued and paid-up share capital in Jason Lim Endoscopy and Surgery Pte. Ltd.

The Company had on 23 August 2021 acquired the remaining 49% of the total issued and paid-up share capital of the Company’s 51% subsidiary, Jason Lim Endoscopy and Surgery Pte. Ltd. (“**JLES**”) from Jason Lim Holdings Pte. Ltd. (“**JLH**”) and Dr. Jason Lim (“**Dr. Lim**”) (collectively the “**Vendors**”) (the “**Acquisition**”). Following the completion of the Acquisition (“**Completion**”), JLES became a wholly-owned subsidiary of the Company.

The total consideration for the Acquisition was S\$9,059,471 (the “**Purchase Consideration**”), being 49% of an amount which is ten times of the unaudited profit after tax, after adjustments to exclude the expenses incurred in the form of facility management fee, Dr. Lim’s profit-share and salary increment under the terms of his employment contract, and other non-recurring income that arose due to, *inter alia*, the COVID-19 pandemic, for the financial year ended 31 May 2021.

The Purchase Consideration was arrived at on a willing buyer willing seller basis, taking into consideration the future potential of JLES and the synergies between JLES, Dr. Lim and the Group. The Purchase Consideration will be satisfied in the following manner, in cash to JLH and in shares to Dr. Lim: (i) S\$1,000,000 cash payment on the date of Completion (the “**Completion Date**”); (ii) 20% of the Purchase Consideration in cash 1 year after Completion Date or such other date as agreed between the Company and the Vendors; and (iii) balance cash payment and the issuance of such number of shares in the share capital of the Company, equivalent to approximately 20% of the Purchase Consideration (the “**Consideration Shares**”), credited as fully paid to Dr. Lim, at an issue price equal to the weighted average price of the issued and paid-up ordinary shares of the Company for the full market day on the day before the issuance of the Consideration Shares, 2 years after Completion Date or such other date as agreed between the Company and the Vendors.

The aggregate cash payment in relation to the Acquisition will be funded by internal resources or bank loans as and when necessary.

Based on the audited accounts of JLES as at 31 May 2021, the net asset value of JLES was S\$1,310,000.

Please refer to the Company’s announcement dated 23 August 2021 in relation to this Acquisition for more information.

(ii) Acquisition of the remaining 49% equity interest in Medical L & C Services Pte. Ltd.

The Company had on 17 September 2021 acquired the remaining 49% of the total issued and paid-up share capital of the Company's subsidiary, Medical L & C Services Pte. Ltd. ("MLCS") from Dr. Lai Junxu ("Dr. Lai") (the "Acquisition") for a cash consideration of approximately S\$1,512,000 ("Consideration"). Following the Acquisition, MLCS became a wholly-owned subsidiary of the Company.

The Consideration was arrived at on a willing buyer willing seller basis, taking into account the future potential of MLCS and the synergistic benefits for the Group. Based on the audited accounts of MLCS as at 31 May 2021, the net asset value of MLCS was S\$191,000.

The Consideration was satisfied in cash and funded through the Company's internal resources.

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer

11 January 2022

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 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 16 clinics located throughout Singapore.

This announcement 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 announcement has not been examined or approved by the SGX-ST and 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 Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.