

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

(the “Company”)

ACQUISITION OF SHARES IN HEALTHCARE ESSENTIALS PTE. LTD. (“HEPL”)

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as that in the Company’s announcement dated 7 October 2020 in relation to the entry into MOU for the proposed subscription of shares in HEPL (the “Announcement”).

1. INTRODUCTION

Following the Announcement, the Board wishes to announce that it has, today, completed the acquisition of 20% of the total issued share capital of HEPL (the “HEPL Shares”) from HEPL’s sole shareholder, Mr. Lim Chye Lai, Gjan (“Mr. Lim”), who is also the non-executive non-independent director of the Company (the “Investment”). Under the non-binding terms of the MOU, it was initially envisaged that the Company would subscribe to new shares in the share capital of HEPL. In the course of negotiations, it was agreed that the Company would acquire existing shares from Mr. Lim.

Mr. Lim has also concurrently sold another 20% stake in HEPL to Medinex Limited, a company listed on the Singapore Exchange Securities Trading Limited, which is in the business of provision of medical support services, specialising in providing professional support services to medical clinics and the procurement of medical and pharmaceutical products. Medinex Limited is the Company’s associated company, and the Company has an aggregate interest, direct and deemed, in approximately 32.4% of Medinex Limited’s total issued share capital.

Accordingly, the shareholders of HEPL as of the date of this announcement are Mr. Lim, Medinex Limited and the Company, each holding 60%, 20% and 20% of the total issued share capital of HEPL respectively. Mr. Lim, Medinex Limited and the Company have today, also entered into a shareholders’ agreement to regulate their relationships as shareholders of HEPL and in the conduct of the business and affairs of HEPL.

The Investment constitutes a “non-discloseable transaction” as defined under Chapter 10 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“Catalist Rules”).

2. PURCHASE CONSIDERATION

As disclosed in the Announcement, the total consideration for the HEPL Shares was S\$182,000 (the “Purchase Consideration”), being 20% of an amount which is two times of the NTA value of HEPL as at 31 August 2020, and was arrived at based on arms’ length commercial discussions between the Company and Mr. Lim, after having taking into consideration the future potential of HEPL and the synergistic benefits for the Group. The net asset value and NTA of HEPL as at 31 August 2020 were both S\$455,097.

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

3. PROCUREMENT AGREEMENT

The Company has also appointed HEPL as the Group's procurement agent for its and its subsidiaries' (collectively, the "Group") medical goods and consumables requirement (the "Appointment").

4. INTERESTED PERSON TRANSACTIONS

The Investment and the future supply of medical goods and consumables to the Group under the Appointment constitute Interested Person Transactions under Chapter 9 of the Catalist Rules.

As set out in the Announcement, the Investment is a non-disclosable transaction under Chapter 9 of the Catalist Rules as the value of the Investment represents 1.49% of the Group's latest audited NTA. In respect of future transactions pursuant to the Appointment, the Company will ensure compliance with the applicable rules under Chapter 9 of the Catalist Rules, and, among others, make any necessary announcements as may be required.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, none of the other Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Investment and the Appointment, save for their shareholdings in the Company.

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer
23 December 2020

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 18 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.

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