

## HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

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### ANNOUNCEMENT PURSUANT TO RULE 706A OF THE CATALIST RULES

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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 financial year ended 31 May 2020, pursuant to Rule 706A of the SGX-ST Listing Manual Section B: Rules of Catalist:-

#### A. INCORPORATION OF SUBSIDIARIES

##### (i) Incorporation of an 80%-owned subsidiary, HC (Ming) Pte. Ltd.

The Company and its associated company, Medistar Services Pte. Ltd. (“**Medistar**”), have on 6 June 2019 incorporated a subsidiary in Singapore known as HC (Ming) Pte. Ltd. (“**HC Ming**”) for the provision of medical services.

HC Ming has a total issued and paid-up capital of S\$10.00 comprising 10 ordinary shares at S\$1.00 each, of which the Company holds 8 ordinary shares (comprising 80% of the total issued and paid-up share capital of HC Ming) and Medistar holds 2 ordinary shares (comprising 20% of the total issued and paid-up share capital of HC Ming).

HC Ming has set up an endoscopy centre within The Ming Clinic, a general practitioner clinic at Camden Medical Centre operated by Medistar.

Please refer to the Company’s announcement dated 6 June 2019 in relation to this incorporation for more information.

##### (ii) Incorporation of a wholly-owned subsidiary, HC (AMK) Pte. Ltd.

The Company has on 19 July 2019 incorporated a wholly-owned subsidiary in Singapore known as HC (AMK) Pte. Ltd. (“**HCAMK**”) for the provision of medical services.

HCAMK has a total issued and paid-up capital of S\$2.00 comprising 2 ordinary shares at S\$1.00 each. The principal activities of HCAMK will be the provision of specialised medical services, operation of endoscopy clinics and provision of other general medical services.

Please refer to the Company’s announcement dated 19 July 2019 in relation to this incorporation for more information.

#### B. STRIKING OFF OF WHOLLY-OWNED SUBSIDIARY

The Company’s wholly-owned dormant subsidiary incorporated in Singapore, CKH (Mt. E) Pte. Ltd., had been struck off from the Register of the Registrar of Companies pursuant to Section 344A of the Companies Act (Cap. 50) of Singapore.

Please refer to the Company’s announcement dated 24 July 2019 for more information.

## C. ACQUISITIONS

### (i) Acquisition of 25% equity interest in Medistar Services Pte. Ltd.

The Company had on 8 July 2019 acquired 25% of the total issued and paid-up share capital of Medistar Services Pte. Ltd. (“**Medistar**”) for a cash consideration of S\$480,000. Following the acquisition, Medistar became an associated company of the Company.

Medistar operates a general practitioner clinic, The Ming Clinic, which is operating at Camden Medical Centre. The Ming Clinic continues to be helmed by three experienced general practitioners (the “**GPs**”) who will also remain as shareholders of Medistar with a total equity interest of 70.0%.

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. Based on the unaudited management accounts as at 31 May 2018, the net asset value of Medistar was S\$340,000.

Please refer to the Company’s announcements dated 31 May 2019 and 8 July 2019 in relation to this acquisition for more information.

### (ii) Acquisition of an additional 19% equity interest in Julian Ong Endoscopy & Surgery Pte. Ltd.

The Company had on 11 October 2019 acquired an additional 19% of the total issued and paid-up share capital of the Company’s subsidiary, Julian Ong Endoscopy & Surgery Pte. Ltd. (“**JOES**”) for a total purchase consideration of S\$3,795,000. Following the acquisition, JOES became a 70% subsidiary of the Company.

The purchase consideration was arrived at on a willing buyer willing seller basis, taking into account the future potential of JOES and the synergistic benefits for the Group, and had been satisfied in full in the following manner: (i) S\$2,846,712 cash payment; and (ii) the issuance of 1,760,000 new shares in the share capital of the Company, issued at an issue price of S\$0.5388 for each consideration share, being a price equal to the volume weighted average price of the issued and paid-up ordinary shares of the Company (“**Shares**”) of S\$0.5388 per Share based on trades done on the Shares on 30 August 2019, being the last market day immediately preceding the date of the sale and purchase agreement for which the Shares were traded. Based on the audited accounts of JOES as at 31 May 2019, the net asset value of JOES was S\$261,000.

Please refer to the Company’s announcements dated 3 September 2019, 26 September 2019 and 11 October 2019 in relation to this acquisition for more information.

### (iii) Acquisition of an additional 16.67% equity interest in Medical Services @ Tampines Pte. Ltd.

The Company had on 10 September 2019 acquired an additional 16.67% of the total issued and paid-up share capital of the Company’s subsidiary, Medical Services @ Tampines Pte. Ltd. (“**MST**”) for a cash consideration of S\$30,000. Following the acquisition, MST became a 100% subsidiary of the Company.

The purchase consideration was arrived at on a willing buyer willing seller basis, taking into account the future potential of MST and the synergistic benefits for the Group. Based on the audited accounts of MST as at 31 May 2019, the net asset value of MST was S\$179,000.

Please refer to the Company’s announcements dated 10 September 2019 in relation to this acquisition for more information.

## **D. DIVESTMENTS**

### **(i) Divestment of HMC Medical Pte. Ltd.**

The Company had on 5 July 2019 entered into an agreement with Singapore Paincare Holdings Pte. Ltd. (“**SPCH**”) to dispose its 51.0% stake in its subsidiary, HMC Medical Pte. Ltd. (“**HMC**”) to SPCH. HMC ceased to be a subsidiary of the Company following the divestment.

The consideration for the divestment of S\$165,218, which had been fully satisfied by the allotment and issuance of 482 newly issued shares in the share capital of the SPCH (representing 4.82% of the enlarged share capital of SPCH at the time of the divestment), was arrived at on a willing buyer willing seller basis, taking into account the potential for growth of SPCH and the synergy of the pain management related medical business to the Group. Based on the unaudited accounts of HMC as at 28 February 2019, the net asset value of HMC was S\$189,000.

Please refer to the Company’s announcement dated 5 July 2019 in relation to this divestment for more information.

### **(ii) Divestment of CTK Tan Surgery Pte. Ltd.**

The Company had on 6 September 2019 entered into an agreement with Dr. Charles Tan Tse Kuang (“**Dr. Tan**”) to dispose its 100.0% stake in its subsidiary, CTK Tan Surgery Pte. Ltd. (“**CTK**”) to Dr Tan. CTK ceased to be a subsidiary of the Company following the divestment.

The consideration for the divestment of S\$1.00, which had been fully satisfied in cash, was arrived at on a willing buyer willing seller basis, pursuant to the terms in the sale and purchase agreement entered between the Company and Dr. Tan on 4 August 2016. Based on the audited accounts of CTK as at 31 May 2019, the net asset value of CTK was S\$49,000.

Please refer to the Company’s announcement dated 6 September 2019 in relation to this divestment for more information.

By Order of the Board

Dr. Heah Sieu Min  
Executive Director and Chief Executive Officer

Date: 28 July 2020

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### **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 18 clinics located throughout Singapore.

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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 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.