

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

DISPOSAL OF 51% OF THE ENTIRE ISSUED SHARE CAPITAL IN HMC MEDICAL PTE. LTD.

1. INTRODUCTION

The Board of Directors (the "**Board**") of HC Surgical Specialists Limited (the "**Company**") and together with its subsidiaries and associated companies, the "**Group**") is pleased to inform shareholders that it has on 5 July 2019, entered into an agreement ("**Agreement**") with Singapore Paincare Holdings Pte. Ltd. (the "**Purchaser**") to dispose its 51.0% stake in the Company's subsidiary, HMC Medical Pte. Ltd. ("**HMC**") (the "**Sale Shares**") (the "**Disposal**").

HMC was incorporated on 17 August 2005 in the Republic of Singapore and operates a general practitioner clinic. Based on the unaudited accounts of HMC for the nine months ended 28 February 2019, the net tangible asset and net asset value of HMC as at 28 February 2019 was S\$189,000.

Following the completion of the Disposal today, HMC is no longer a subsidiary of the Company.

The Purchaser is independent of the Group, the Company's Directors, Chief Executive Officer and controlling shareholders or their associates.

2. RATIONALE FOR THE DISPOSAL

The Disposal is part of the Company's plans to participate in the pain management services. The Disposal allows the Company to acquire an interest in a pain management related group, potentially unlocking additional value for the Group. Following the completion of the Disposal today, the Company holds a shareholding interest of 4.82% in the Purchaser.

The Disposal 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 2020.

3. CONSIDERATION

The consideration for the Sale Shares is S\$165,218 (the "**Consideration**") which has been fully satisfied by the allotment and issuance of 482 newly issued shares in the share capital of the Purchaser ("**Consideration Shares**"). The Consideration Shares represents 4.82% of the enlarged share capital of the Purchaser.

The Consideration was arrived at on a willing buyer willing seller basis, taking into account the potential for growth of the Purchaser and the synergy of the pain management related medical business to the Group.

The Company's equity interest in the Purchaser may be adjusted after 31 March 2020 pursuant to the terms of the Agreement. Such adjustment, if any, is not envisaged to be material.

Should the aforesaid adjustment be applicable, the Company will at such time re-compute the relative figures on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”) and make further announcements if necessary.

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 Disposal, 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

5 July 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 Catalist.

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).