

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

(the “Company”)

POTENTIAL SALE OF SHARES IN CONNECTION WITH A PROPOSED PLACEMENT AND LISTING OF ASSOCIATED COMPANY

Unless otherwise defined, all capitalised terms used in this announcement shall have the same meaning ascribed to them in the Company’s announcement dated 15 November 2018, in relation to the proposed listing of the shares of Medinex Limited (“Medinex”).

1. INTRODUCTION

The board of directors of the Company wishes to inform its shareholders that its associated company, Medinex, has in connection with the Proposed Placement and Proposed Listing, lodged its final offer document (“**Offer Document**”) with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), acting as agent on behalf of the Monetary Authority of Singapore (“**MAS**”), for the purposes of registration by the SGX-ST today.

In connection with the Proposed Placement, the Company has today, entered into a placement agreement (“**Placement Agreement**”) with UOB Kay Hian Private Limited, as placement agent to the Proposed Placement (“**Placement Agent**”), in respect of its proposed sale of up to 4,000,000 Vendor Shares at the placement price of S\$0.25 (“**Placement Price**”).

2. THE VENDOR SHARES SALE

Medinex is a Singapore-based provider of medical support services, specialising in providing professional support services to medical clinics. Medical support services provided include overseeing the setting up of clinics, facilitating applications for relevant clinic licences and providing business support services such as accounting and tax agent services, human resource management services and corporate secretarial services. Medinex also provides pharmaceutical services to its clients, assisting them in procuring medical and pharmaceutical products. As an ancillary service, Medinex also provides business support services to companies outside of the healthcare industry.

Under the terms of the Placement Agreement, the Placement Agent shall, among others, procure purchasers for the Vendor Shares on the terms and subject to the conditions of the Offer Document in accordance with the Placement Agreement. If for any reason whatsoever, the placement shares (comprising new shares to be issued by Medinex and the Vendor Shares) (the “**Placement Shares**”) are not admitted to the Catalist Board of the SGX-ST, the application monies shall be returned to the applicants for the Placement Shares, in accordance with the terms and conditions of the Offer Document.

The Placement Price was determined through a book-building process. Based on the maximum number of Vendor Shares intended to be sold by the Company, should the maximum number of 4,000,000 Vendor Shares be sold pursuant to the Proposed Placement, the Company will

receive S\$1.0 million in gross proceeds from the Vendor Shares Sale at completion of the Vendor Shares Sale.

Assuming the maximum number of 4,000,000 Vendor Shares are sold pursuant to the Proposed Placement, the Company's shareholding interest in Medinex will be diluted from 32.76% to 22.92%. Medinex will remain as an associated company of the Company.

3. RELATIVE FIGURES FOR THE VENDOR SHARES SALE

The relative figures computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) in respect of the Vendor Shares Sale, on the assumption that the maximum number of Vendor Shares are sold, based on the latest announced unaudited consolidated financial statements of the Group as of 31 August 2018 are as follows:

Rule 1006	Relative Figure (%)
(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value. ⁽¹⁾	2.10
(b) The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits. ⁽²⁾	2.03
(c) The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares. ⁽³⁾	1.10
(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.
(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. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not applicable.

Notes:

- (1) Based on the unaudited proforma net asset value attributable to the Vendor Shares of S\$370,000 as at 30 June 2018, compared with the Group's unaudited net asset value of approximately S\$17,580,000 as at 31 August 2018. For details on the assumptions and/or adjustments used to derive the proformas of Medinex, please refer to the Offer Document.
- (2) Based on the unaudited proforma profit before tax attributable to the Vendor Shares of S\$27,000 for the pro-rated six-month period ended 30 June 2018, compared with the Group's unaudited profit before tax of approximately S\$1,330,000 for the three-month period ended 31 August 2018. For details on the assumptions and/or adjustments used to derive the proformas of Medinex, please refer to the Offer Document.
- (3) Based on the consideration for the Vendor Shares of S\$1.0 million and the market capitalisation of the Company of S\$91,056,866, calculated by multiplying the total number of the Company's shares in issue (“**Shares**”), excluding treasury shares, of 149,175,730 Shares, and the weighted average price of S\$0.6104 for the Shares transacted on 29 November 2018, being the market day preceding the date of the Placement Agreement.

As the computed figures on the bases set out under Catalist Rule 1006 do not exceed 5.0%, the Vendor Shares Sale is classified as a “non-discloseable” transaction for the purposes of Chapter 10 of the Catalist Rules.

4. FURTHER INFORMATION

This announcement is not an offer or solicitation to subscribe to or purchase the shares of Medinex, in Singapore or any other jurisdiction and may not be relied upon in connection with the Proposed Placement. The Offer Document issued by Medinex is available on the SGX-ST’s Catalodge, and anyone wishing to subscribe to or purchase the shares of Medinex under the Proposed Placement will need to make an application in the manner set out in the Offer Document.

The Board wishes to highlight that notwithstanding the registration of the Offer Document, there can be no assurance that the Proposed Placement and Proposed Listing will proceed and/or can be completed within any intended timeframe.

The Company will announce any material developments or updates on the Proposed Placement and/or Proposed Listing as and when appropriate. Shareholders are advised to read any further announcements by the Company carefully and to exercise caution when dealing in the Company’s shares. In the event that shareholders are in any doubt as to the action they should take, they should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer
Date: 30 November 2018

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 15 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**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness

or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Jennifer Tan, Senior Manager, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).