

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

UPDATE ON THE USE OF IPO PROCEEDS

This announcement is made further to the announcements dated 7 May 2018 and 4 June 2018 (the “**Announcements**”) in connection to the acquisition of 51.0% of the entire issued share capital in Jason Lim Endoscopy and Surgery Pte. Ltd. (“**JLES**”) (the “**Acquisition**”). Novus Corporate Finance Pte. Ltd. has acted as the financial adviser to the Company in respect of the Acquisition.

Unless otherwise defined, terms used herein shall have the same meanings as defined in the Announcements.

Further to the Announcements, the Board of Directors (the “**Board**”) of HC Surgical Specialists Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to update that in accordance with the terms of the SPA, the Company had today paid S\$478,000 of the Purchase Consideration in cash to the Vendor as Dr. Jason Lim had commenced employment with the Company today. The Company had utilised the net cash proceeds raised from its initial public offering on the Catalist Board of the Singapore Exchange Securities Trading Limited on 3 November 2016 (“**IPO**”) for such payment.

Accordingly, the status on the use of the net cash proceeds amounting to S\$6.18 million (excluding listing expenses of approximately S\$1.68 million) raised from the IPO as at the date of this announcement is as follows:

<u>Use of net IPO proceeds</u>	<u>Amount allocated</u> <u>(S\$'000)</u>	<u>Amount allocated after reallocation</u> <u>(S\$'000)</u>	<u>Amount utilised</u> <u>(S\$'000)</u>	<u>Balance</u> <u>(S\$'000)</u>
Expand business operations locally and regionally	2,800	4,800 ⁽¹⁾⁽²⁾	(4,460) ⁽³⁾	340
Expand surgical facilities	1,200 ⁽²⁾	400 ⁽²⁾	(112) ⁽⁴⁾	288
Working capital	2,180 ⁽¹⁾	980 ⁽¹⁾	(650) ⁽⁵⁾	330
Total	6,180	6,180	(5,222)	958

Notes:

- (1) S\$1.2 million of the net IPO proceeds initially allocated for the Group’s working capital had been reallocated to expand the Group’s business operations locally and regionally. Please refer to the Company’s announcement on 1 June 2017 for further details.
- (2) As the Company has no immediate and definite plans to use a significant portion of the net IPO proceeds to expand the Group’s surgical facilities, S\$0.8 million of the net IPO proceeds initially allocated for the Group’s expansion of surgical facilities had been reallocated to expand the Group’s business operations locally and regionally, primarily for the Acquisition.

- (3) Utilised for the following:-
 - (a) investment in joint venture, HSN Healthcare Pte. Ltd. – S\$800,000;
 - (b) acquisition of Julian Ong Endoscopy & Surgery Pte. Ltd. – S\$1,569,100;
 - (c) acquisition of Medical L & C Services Pte. Ltd. – S\$790,160;
 - (d) acquisition of HMC Medical Pte. Ltd. – S\$673,000; and
 - (e) acquisition of JLES – S\$628,000.

- (4) Utilised for purchase of medical equipment and consumables for the Company and Island Family Pte. Ltd..

- (5) Utilised for payments related to consultancy fee, professional fee, insurance, advertising and promotion and rental expenses.

The Company will make further announcement(s) on the use of the remaining net IPO proceeds as and when they are materially disbursed.

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer

13 August 2018

HC Surgical Specialists Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 3 November 2016. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

This announcement has been prepared by the Company and its contents have been reviewed by 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.

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