

HC SURGICAL SPECIALISTS LIMITED

(the “Company”)

(Company Registration No.: 201533429G)

(Incorporated in the Republic of Singapore)

Minutes of the Annual General Meeting (“AGM”) of the Company held at 180 Island Club Road, Level 3 Ballroom 3, The Singapore Island Country Club, Singapore 578774, on Thursday, 26 September 2019 at 2.00 p.m..

PRESENT

MEMBERS

As per Attendance Sheet

PROXY

As per Attendance Sheet

DIRECTORS

Mr. Chong Weng Hoe	- Non-executive Chairman & Independent Director
Dr. Heah Sieu Min	- Executive Director & Chief Executive Officer
Dr. Chia Kok Hoong	- Executive Director & Medical Director
Mr. Lim Chye Lai Gjan	- Non-Independent Non-executive Director
Mr. Ooi Seng Soon	- Independent Non-executive Director

IN ATTENDANCE

As per Attendance Sheet

QUORUM

There being a quorum present, the Chairman of the Board declared the meeting open.

NOTICE OF MEETING

The notice convening the meeting, having been circulated and in the hands of the Members for the requisite period was, with the concurrence of the meeting, taken as read.

VOTING BY WAY OF POLL

The Chairman informed the Members present that all resolutions to be put forth at the meeting would be voted on by way of a poll. In order to expedite the proceedings, the poll would be conducted after all the motions had been formally tabled at the meeting.

The Chairman proceeded to conduct the following meeting proceedings.

ORDINARY BUSINESS
TABLING OF AUDITED FINANCIAL STATEMENTS

The Chairman addressed the first item on the Agenda and tabled the directors' statement, audited financial statements of the Company for the financial year ended 31 May 2019 to the Members.

QUESTIONS AND ANSWERS SESSION

Members present were invited to ask any questions they might have with regard to the proposed agenda items.

There were no questions posed by the Members with regard to all the proposed resolutions.

Nevertheless, a member posed a few questions during the poll counting and verification session after the Chairman of the meeting having tabled all the proposed resolutions at the meeting and Dr. Heah Sieu Min having delivered his presentation on the Group's business performance.

(The full text of the substantive questions raised and answers given are contained in Appendix A as attached herewith and forms part of these minutes.)

ORDINARY BUSINESS
RESOLUTION 1 – RE-ELECTION OF MR. CHONG WENG HOE

As the first item on the agenda was relating to the re-election of Mr. Chong Weng Hoe ("Mr. Chong"), the Chairman of the meeting, as a Director of the Company, Dr. Heah Sieu Min ("Dr. Heah") assisted Mr. Chong in chairing this agenda item.

Dr. Heah advised that pursuant to Regulation 97 of the Company's Constitution, Mr. Chong Weng Hoe was due for retirement and had consented for re-election as a Director of the Company.

Dr. Heah tabled the following motion to the Members for vote:-

"That Mr. Chong Weng Hoe be re-elected as a Director of the Company."

After Dr. Heah having tabled the above motion, Mr. Chong resumed as Chairman of the meeting.

According to the result of the poll conducted subsequently, 106,886,759 representing 100% voted for the resolution.

It was resolved that the resolution was unanimously approved.

RESOLUTION 2 – RE-ELECTION OF MR. LIM CHYE LAI GJAN

The following motion was tabled by the Chairman to the Members for vote:-

“That Mr. Lim Chye Lai Gjan be re-elected as a Director of the Company.”

According to the result of the poll conducted subsequently, 106,886,759 representing 100% voted for the resolution.

It was resolved that the resolution was approved.

RESOLUTION 3 – DIRECTORS’ FEES

The following motion was tabled by the Chairman to the Members for vote:-

“That the payment of Directors’ fees of S\$100,000/- for the financial year ended 31 May 2019 be hereby approved.”

According to the result of the poll conducted subsequently, 106,886,759 representing 100% voted for the resolution.

It was resolved that the resolution was unanimously approved.

RESOLUTION 4 – FINAL DIVIDEND

The following motion was tabled by the Chairman to the Members for vote:-

“That a final dividend (tax-exempt one-tier) of S\$0.012 per ordinary share for the financial year ended 31 May 2019 be hereby approved.”

According to the result of the poll conducted subsequently, 106,886,759 representing 100% voted for the resolution.

It was resolved that the resolution was unanimously approved.

RESOLUTION 5 - RE-APPOINTMENT OF AUDITORS

The Chairman tabled the following motion to the Members for vote:-

“That Messrs BDO LLP, be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the next AGM at a remuneration to be fixed by the Directors”

According to the result of the poll conducted subsequently, 106,886,759 representing 100% voted for the resolution.

It was resolved that the resolution was unanimously approved.

SPECIAL BUSINESS

RESOLUTION 6 – AUTHORITY TO ISSUE SHARES

The Chairman advised that the Special Business of the agenda was to consider the motion as set out in the notice convening the meeting to grant authority to the Directors to allot and issue shares in the capital of the Company pursuant to the provisions of Section 161 of the Companies Act (Cap. 50) and the listing rules of the Singapore Exchange Securities Trading Limited.

The Chairman tabled the following motion to the Members for vote:-

“That, pursuant to Section 161 of the Companies Act (Cap. 50) (“Companies Act”), and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

- (a) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;*
- (b) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “Instruments”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;*
- (c) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and*
- (d) (Notwithstanding the authority conferred by the Shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:*
 - (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 100 per cent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to Shareholders of the Company does not exceed 50 percent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and (subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under this paragraph) for the purpose of this resolution, the issued share capital shall be*

the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for:

- (a) new shares arising from the conversion or exercise of convertible securities, or*
 - (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and*
 - (c) any subsequent bonus issue, consolidation or subdivision of the Company's shares;*
- (ii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and*
- (iii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."*

According to the result of the poll conducted subsequently, 106,886,759 representing 100% voted for the resolution.

It was resolved that the resolution was unanimously approved.

RESOLUTION 7 – THE HC SURGICAL SPECIALISTS LIMITED PERFORMANCE SHARE PLAN (THE “HCSS PERFORMANCE SHARE PLAN”)

The Chairman tabled the following motion to the Members for vote:-

“That:

- (a) authority be and is hereby given to the Directors of the Company to offer and grant share awards in accordance with the HCSS Performance Share Plan; and*
- (b) approval be and is hereby given to the Directors to exercise full powers of the Company to allot and issue from time to time such number of shares as may be required to be allotted and issued pursuant to the award of shares under the HCSS Performance Share Plan,*

provided that the aggregate number of shares to be issued pursuant to the HCSS Employee Share Option Scheme and the HCSS Performance Share Plan shall not exceed 15 per cent

(15%) of the total number of issued shares excluding treasury shares in the capital of the Company from time to time.”

According to the result of the poll conducted subsequently, 106,886,759 representing 100% voted for the resolution.

It was resolved that the resolution was unanimously approved.

RESOLUTION 8 – THE HC SURGICAL SPECIALISTS LIMITED EMPLOYEE SHARE OPTION SCHEME (THE “HCSS EMPLOYEE SHARE OPTION SCHEME”)

The Chairman tabled the following motion to the Members for vote:-

“That:

- (a) authority be and is hereby given to the Directors of the Company to offer and grant options in accordance with the provisions of the HCSS Employee Share Option Scheme; and*
- (b) approval be and is hereby given to the Directors to exercise full powers of the Company to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of the options under the HCSS Employee Share Option Scheme,*

provided that the aggregate number of shares to be issued pursuant to the HCSS Employee Share Option Scheme and the HCSS Performance Share Plan shall not exceed 15 per cent (15%) of the total number of issued shares excluding treasury shares in the capital of the Company from time to time.”

According to the result of the poll conducted subsequently, 106,871,759 representing 100% voted for the resolution.

It was resolved that the resolution was unanimously approved.

RESOLUTION 9 – THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

The Chairman tabled the following motion to the Members for vote:-

“That:

- (a) for the purposes of the Catalist Rules and the Companies Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or acquire its issued and fully paid-up shares representing not more than 10 per cent (10%) of the total number of issued shares of the Company at such price(s) as may be determined by the Directors or a committee of Directors that may be constituted for the purposes of*

effecting purchases or acquisitions of shares by the Company from time to time up to the Maximum Price (as defined below), whether by way of:

- (i) an on-market purchase (“Market Purchase”), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or*
- (ii) an off-market purchase (“Off-Market Purchase”), effected otherwise than on the SGX-ST pursuant to an equal access scheme in accordance with Section 76C of the Companies Act,*

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buy-Back Mandate”);

- (b) unless varied or revoked by the Shareholders in a general meeting, purchases or acquisitions of shares pursuant to the proposed Share Buy-Back Mandate may be made, at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:*

- (i) the date on which the next AGM of the Company is held or required by law to be held;*
- (ii) the date on which the purchases or acquisitions of shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or*
- (iii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Shareholders in a general meeting,*

whichever is the earliest.

- (c) in this Resolution:*

*“**Maximum Price**”, in relation to a share to be purchased or acquired, means the purchase price (including brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:*

- (i) in the case of a Market Purchase, 105 per cent (105%) of the Average Closing Price (as defined below); and*
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent (120%) of the Average Closing Price, where:*

*“**Average Closing Price**” means the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchase or acquisition of shares was made, or as the case*

may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days period;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/ or authorised by this Resolution.”*

According to the result of the poll conducted subsequently, 42,897,779 representing 100% voted for the resolution.

It was resolved that the resolution was unanimously approved.

There being no other business, the meeting concluded at 3.25 p.m. with a vote of thanks to the Chairman.

Signed as a correct record of the proceedings,

Chong Weng Hoe
Chairman of the Board

HC SURGICAL SPECIALISTS LIMITED
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APPENDIX “A”

**QUESTIONS AND ANSWERS WITH MEMBERS AT THE COMPANY’S ANNUAL
GENERAL MEETING (“AGM”) HELD ON 26 SEPTEMBER 2019**

Valuation Method and Price Earnings Ratio for Asset Acquisitions

Q1 Shareholder A enquired the following:-

- a. What was the valuation method and price earnings ratio (“P/E”) used by the Group for its assets acquisition in general?
- b. Did the acquisitions come with profit guarantee by the vendor?
- c. What was the proportion of cash and shares paid for the consideration for the asset acquired in general?

A1 In response, Dr. Heah Sieu Min (“Dr. Heah”), the CEO of the Group said:-

- a. Profit after tax (“PAT”) was the main asset valuation method used by the Group and the consideration was usually at 5 times PE ratio of the asset for a term of 3 years.
- b. The sale and purchase agreement for the asset acquisition would normally come with a facility agreement for the utilisation of the Group’s clinics, and the fees would be up to 80% of the consideration paid by the Company for a consecutive 3 years.
- c. The proportion of cash and shares consideration paid was usually in the ratio of 75:25. Management believed it is important for doctors to be a shareholder of the Company. Doctors who disposed of their assets to the Company would need to believe in the intrinsic value of the shares of the Company in order for the partnership arrangement to work for the mutual benefit of both parties in the future. By being a shareholder of the Company, doctors would be more inclined to work harder and put in more effort to drive for better financial performance of the Group, so that there would be positive impact to the share price of the Company eventually and better investment return for their shares in the Company in the future.

Investment by Heliconia Capital Management Pte. Ltd

Q2 With regard to the Company’s recent investment agreement entered with Vanda 1

Investments Pte. Ltd., a Singapore incorporated company managed and controlled by Heliconia Capital Management Pte. Ltd. (“Heliconia”). Shareholder A posed the following questions in relation thereof:-

- a. Why Heliconia had opted to invest in the form of convertible bonds (“CB”) with options to purchase rather than straight equity of the Company?
- b. Was there a definitive agreement between the Company and Heliconia whereby Heliconia was bound to assist the Company in expanding its business into Vietnam market?

A2 Dr. Heah explained that:-

- a. It was the Company not Heliconia, who had decided for the investment of Heliconia to be in the form of CB with options rather than straight equity as Management believed that the potential value of the equity would be higher than CB. Moreover, the objective of the agreement was to enable the Company to have more capital for additional acquisitions. Management had no intention to dilute the shareholding interests of the existing shareholders. Management opined that CB was an appropriate fund raising method for the Group at that point in time as the CB would only mature in 3 years and this would give the Company flexibilities and time in managing its capital structure in the future.
- b. There was no definitive agreement between the Company and Heliconia for Vietnam market. However, the investment of Heliconia did enable some business collaboration between both parties which in turn, created some business synergies which allow the Company to leverage on Heliconia’s existing business networking and centres in Vietnam. Despite there being no definitive agreement entered by both, it is in Heliconia’s interest to keep the Company interested and Heliconia had, in-principle agreed to render its support and assistance to the Group for its foray into the Vietnam’s fast-growing healthcare market in the future.

Signed as a correct record of the proceedings,

Chong Weng Hoe
Chairman of the Board