

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

ENTRY INTO A JOINT VENTURE AGREEMENT

The Board of Directors (the "**Board**") of HC Surgical Specialists Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to inform shareholders that it has today, entered into a joint venture agreement ("**JV Agreement**") with, *inter alia*, Iridium Investment Management Pte. Ltd. and JILB International Pte. Ltd. (together with Iridium Investment Management Pte. Ltd. and the Company, the "**JV Parties**"), with the objective to establish a joint venture company for the provision of medical services. Iridium Investment Management Pte. Ltd. and JILB International Pte. Ltd. are both investment holding companies.

The rationale for the joint venture is to expand the Group's presence across all heartland areas in Singapore by operating and expanding additional clinics, and to develop and grow the range of medical services provided by the Group.

Pursuant to the JV Agreement, the JV Parties intend to incorporate a joint venture company, HSN Healthcare Pte. Ltd. ("**HSN**"), in the Republic of Singapore, with each of the JV Parties subscribing to the total issued share capital in the following manner:

- (a) Company: S\$800,000, equivalent to 40.0% of the total issued share capital in HSN;
- (b) Iridium Investment Management Pte. Ltd.: S\$800,000, equivalent to 40.0% of the total issued share capital in HSN; and
- (c) JILB International Pte. Ltd.: S\$400,000, equivalent to 20.0% of the total issued share capital in HSN

The JV Parties intend to subsequently increase their investment in HSN at a later stage by subscribing *pro rata* for additional shares up to an aggregate amount of S\$3.0 million. The Company will release the relevant announcements when such additional subscription is made.

Each of the JV Parties shall appoint a director on the board of HSN, and the chairman of the board of directors of HSN shall be Dr. Heah Sieu Min, the Company's Executive Director and Chief Executive Officer.

The subscription of the shares in HSN by the Company will be funded through the net proceeds from its placement of shares pursuant to the Company's initial public offering ("**IPO**") in November 2016. Subsequent to the subscription, the status on the use of the IPO net proceeds is as follows:

<u>Use of IPO net proceeds</u>	<u>Amount allocated (S\$'000)</u>	<u>Amount utilised (S\$'000)</u>	<u>Balance (S\$'000)</u>
Expand business operations locally and regionally	2,800	800	2,000
Expand surgical facilities	1,200	-	1,200

Working capital	2,180	-	2,180
Total	6,180	800	5,380

The use of the IPO proceeds is in accordance with the intended use as stated in the Company's offer document dated 25 October 2016, which was issued in connection with the IPO.

The subscription of the shares in HSN is not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 May 2017.

None of the directors of the Company or controlling shareholders of the Company has any interest, direct or indirect, in this transaction, other than through their shareholdings (if any) in the Company.

The Company will release further announcements to update on the status of the joint venture, in compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist, if necessary.

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer

3 January 2017

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.

This announcement has been prepared by the Company and its contents have been reviewed by the Company's continuing sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**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 Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.