

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

PROPOSED SHARE SUBSCRIPTION IN MEDINEX PTE. LTD.

Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as used in the Company's announcements dated 1 June 2017, 28 June 2017, 29 June 2017 and 5 July 2017 in relation to the Proposed Medinex Acquisition.

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 subscription agreement ("**Agreement**") with, among others, Medinex Pte. Ltd. ("**Medinex**"), the Company's associated company, to subscribe for 1,194 newly issued and paid-up ordinary shares in Medinex ("**Proposed Subscription**"). The number of shares in Medinex being subscribed to by the Company is equivalent to approximately 7.0% of the total enlarged issued share capital of Medinex upon completion of the Proposed Subscription.

The Company had on 5 July 2017 completed the acquisition of a 49% equity interest in Medinex ("**49% Acquisition**"). Following the 49% Acquisition, the Company's shareholdings in Medinex decreased to a 33.4% equity interest, due to an acquisition by Medinex, pursuant to which Medinex had issued new shares in connection with a share swap with the shareholders of the acquiree company for the aforementioned acquisition in October 2017.

The completion of the Proposed Subscription is to occur on or around 30 November 2017 ("**Completion**"). Following Completion, the Company's effective shareholding interest in Medinex will increase from 33.4% to 35.8%.

The total consideration for the Proposed Subscription is S\$1.0 million, which will be paid in cash by way of the Group's internal funds on the date of Completion. The consideration was arrived on a willing seller willing buyer basis at arm's length, further to discussions and negotiations between Medinex and the Company. Factors considered in arriving at the consideration include the latest net tangible asset value of Medinex and the business direction and strategy of Medinex after taking into account Medinex's future growth, which would bring about synergistic benefits for the Group.

In connection with the Proposed Subscription, the Vendor has agreed that there will be no change to the Profit Guarantee notwithstanding the decrease in the Company's shareholding in Medinex.

Based on the unaudited management accounts of Medinex for the twelve months ended 31 December 2016, the profit before tax of Medinex was S\$1,334,000 and the net tangible asset and net asset value of Medinex as at 31 December 2016 was S\$307,000.

The Proposed Subscription is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 May 2018.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Subscription, 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

14 November 2017

This announcement has been prepared by HC Surgical Specialists Limited (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 (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).