

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

JUDGMENT FOR THE DISMISSAL OF SECTION 216A APPEAL

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as that in the Company's announcements dated 6 August 2020, 10 August 2020, 4 October 2020 and 7 April 2021 in relation to Ms Tiong's application to commence a derivative action under Section 216A(2) of the Companies Act, Chapter 50 of Singapore (collectively, the "Announcements").

Following the Announcements, the Board would like to disclose the following details on the Appeal, as extracted from the minutes of the Court of Appeal relating to the hearing dated 7 April 2021 and reproduced below.

"The Court gives judgement as follows:

- 1. The Judge has dealt with all the issues in Civil Appeal No 129 of 2020 ("CA 129") comprehensively and we see no reason to disagree with his decision.*
- 2. The Intended Legal Action is wholly unmeritorious as it is founded on Ms Tiong's bare and unsubstantiated assertions that Dr Heah had breached his duty to act honestly and with reasonable diligence in connection with the 19% Acquisition. These assertions fly in the face of Dr Heah's detailed account of the various steps he had taken to safeguard the Company's interests after being alerted to the Complaint, the Defamation Action and Ms Tiong's allegations against Dr Chan and Dr Ong. Crucially, Dr Heah's account is fully corroborated by the evidence of other neutral directors of the Company. Furthermore, it is clear that the Intended Legal Action, even if successful, will be devoid of benefit to the Company because Ms Tiong is unable to show that the Company has or will suffer any real loss in connection with Dr Heah's alleged breaches of duty. This, being the case, Ms Tiong has thus failed to show that it is prima facie in the interests of the Company that the Intended Legal Action be brought.*
- 3. The central motif in CA 129 and the proceedings below is revenge. Ms Tiong has no honest or reasonable belief that the Company has a claim which ought to be brought. She has no interest in the commercial aspects of the Company or the 19% Acquisition and had only taken an interest in the Company after it had announced its plans to acquire JOES on 3 September 2019 – a move which would benefit Dr Ong. While Ms Tiong is presently a shareholder of the Company, her financial stake is minimal because the present value of her shares stands at approximately \$44. Ms Tiong had purchased the minimum traded lot of 100 shares a day before the Company's Annual General Meeting in a bid to attend the said meeting and convey her concerns about its acquisition of JOES. She has also persisted in bringing the Intended Legal Action by simply ignoring Dr Heah's cogent and corroborated account of the various actions he had taken to safeguard the Company's interest in the light of the Complaint, the Defamation Action and the allegations levelled against Dr Ong and Dr Chan.*
- 4. Ms Tiong's actions are only explicable when one views them in the context of her unfortunate history of conflict with Dr Ong and Dr Chan which began when she discovered various offending WhatsApp messages on Dr Chan's phone. The present appeal and the proceedings*

below are but a single pitstop in Ms Tiong's quest for revenge against the two doctors and all others who are directly or indirectly related to them, including Dr Heah. This collateral purpose is inconsistent with the purpose of doing justice to the Company, and is, in essence, a flagrant abuse of the statutory remedy under s 216A of the Companies Act (Cap 50, 2006 Rev Ed).

5. *We recognise that Ms Tiong has suffered deep emotional scars from her interactions with the two doctors, but legal relief must come via the correct route. The appropriate forum for Ms Tiong to air her grievances is the Singapore Medical Council which is presently investigating the Complaint, and not the statutory derivative action under s 216A of the Companies Act.*
6. *We therefore dismiss the appeal and order that Ms Tiong pay costs of \$15,000 (all-in) to the Company and \$30,000 (all-in) to Dr Heah. The usual consequential orders will apply."*

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer
13 April 2021

About HC Surgical Specialists Limited

HC Surgical Specialists Limited (the "Company") was incorporated on 1 September 2015 in Singapore and listed on the Catalist of the Singapore Exchange Securities Trading Limited on 3 November 2016. The Company, its subsidiaries and associated company 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 18 clinics located throughout Singapore.

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.