

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

CHANGE IN AND UPDATE ON THE USE OF IPO PROCEEDS

The Board of Directors (the "**Board**") of HC Surgical Specialists Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to update the status on the reallocations and use of the net cash proceeds amounting to S\$6.18 million (excluding listing expenses of approximately S\$1.68 million) raised from the initial public offering ("**IPO**") of the Company on the Catalist Board of the Singapore Exchange Securities Trading Limited on 3 November 2016.

As at the date of this announcement, the reallocations and use of IPO net proceeds is as follows :

<u>Use of IPO net proceeds</u>	<u>Amount allocated</u> <u>(S\$'000)</u>	<u>Amount allocated</u> <u>after</u> <u>reallocations</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⁾	(3,982) ⁽³⁾	818
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	(4,744)	1,436

Notes:

- (1) S\$1.2 million of the IPO net 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 IPO net proceeds to expand the Group's surgical facilities, S\$0.8 million of the IPO net 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 proposed acquisition of 51% of the equity interest in Jason Lim Endoscopy and Surgery Pte. Ltd. ("**JLES**"), details of which are contained in a separate announcement released by the Company today.
- (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\$150,000.
- (4) Utilised for purchase of medical equipment and consumables for HC 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 IPO net proceeds as and when they are materially disbursed.

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer

7 May 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.

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).