

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

RESPONSE TO SGX-ST QUERIES

The Board of Directors (the “**Board**”) of HC Surgical Specialists Limited (the “**Company**” and together with its subsidiaries, the “**HCSS Group**”) refers to its announcements made on 11, 12, 21 and 24 April 2020 relating to the Straits Times article of 10 April 2020 “Surgeon loses defamation suit as judge upholds woman’s claim that he took advantage of vulnerable patients” (the “**Announcements**”).

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as that in the Announcements.

The Board would like to provide the Company’s response to further queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 25 April 2020 (“**SGX-ST Queries**”) in relation to the Announcements as follows.

Query 1

Please provide the NC and Board’s opinion as to why Dr Ong should be able to continue to practice as a key specialist of the Group between now and the outcome of the SMC investigations.

Company’s response

As noted in the Company’s announcement dated 24 April 2020, the Board and NC note that Dr Ong’s professional conduct as a specialist of the HCSS Group has not previously been affected by his personal conduct.

It is also noted that prior to the complaint lodged with SMC (the “**Complaint**”), neither Dr Ong nor the Company had received any complaints in respect of Dr Ong’s conduct or the medical services he provided, and patients were generally satisfied with his professionalism.

Accordingly, the Board and NC have determined that notwithstanding his personal indiscretions, Dr Ong is a surgeon who has continued to provide quality medical services to his patients. In view of the Complaint, the Board has requested that Dr Ong inform all his patients of the matters alluded to in the Complaint prior to any consultation and obtain the consent of each patient to act as their physician if they should so agree, save for any emergency consultation.

The Board would like to reiterate that the Suit relates to a defamation proceeding which Dr Ong took against the defendant. The facts assessed in the Suit relates purely to the defamation matter.

As SMC is still looking into the Complaint, the Board notes the importance of allowing due process to run its course and will take into consideration the findings of the SMC Complaints Committee and determine if any further action needs to be taken.

Finally, the Company notes that in respect of other medical doctors who have had complaints lodged against them, there are no guidelines issued by the SMC to prevent them from continuing their medical practice.

Query 2

Please clarify why the Board feels it is “*impractical*” to conduct its own investigation before SMC has provided its findings.

Company’s response

The Company refers to its announcement dated 24 April 2020. Dr Ong updated the Company of the purported Complaint and reiterated that the accusations were untrue as they indicated that he had intentionally preyed on vulnerable women patients and took advantage of them.

Dr Ong informed the Company that these were one-sided statements made by an unrelated third party who was not his patient, and the Complaint constituted groundless accusations. Dr Ong emphasised that these statements were untrue and he had pursued the matter against the defendant through the Suit. Dr Ong also mentioned that he had obtained confirmation from a third party referred to in the statements that the allegations were untrue. Dr Ong wanted to keep matters relating to the Suit private as it related to defamatory statements. Therefore, the detailed contents relating to the WhatsApp messages and the Complaint were never made known to the Board when and after Dr Ong informed the Company about the Complaint until the written grounds of judgement was given at the conclusion of the suit.

In its follow up to the disclosure of the matters by Dr Ong, the Company noted that prior to the Complaint, neither Dr Ong nor the Company had received any complaints in respect of Dr Ong’s conduct or the medical services he provided, and patients were generally satisfied with his professionalism. The Company’s chief executive officer, Dr Heah, and medical director, Dr Chia, both note that Dr Ong’s professional conduct otherwise as a specialist of the Company has not been affected by his personal conduct.

For the foregoing reasons, the Company was of the view back in early 2019 that it would be impractical to further investigate Dr Ong among staff and patients before the SMC had provided its findings, as there were no complaints filed by any of Dr Ong’s patients, or any issues relating to Dr Ong raised by any employee at such time. To date, there remains no complaints at work or by any patient as regards matters relating to Dr Ong’s alleged behaviour.

Query 3

The Exchange notes that “*the Company has requested that Dr Ong inform all his patients of the matters alluded to in the Complaint prior to any consultation and obtain the consent of each patient to act as their physician*”. What other additional safeguards have the Company put in place to protect its patients in light of the Complaint and ongoing investigations by SMC of Dr Ong.

Company’s response

HCSS Group’s top priority is and will remain, its patients, and will always make the health of its patients its first consideration. Dr Ong had voluntarily provided the SMC with an undertaking on 15 April 2020

that for so long as the inquiry into the Complaint is ongoing, he will: (a) refrain from contacting his female patients for purposes that are outside the scope of his medical practice; (b) comply fully with the provisions of the SMC's Ethical Code and Ethical Guidelines (2016 Edition), in particular, Guidelines C4 and C12; and (c) refrain from conduct which brings disrepute to the medical profession (the "**Undertaking**"). Dr Ong voluntarily provided the Undertaking on 15 April 2020. The Company had obtained a similar undertaking from Dr Ong.

The Company would like to reiterate that each patient's data is only available to that particular doctor that the patient is consulting. Dr Ong has no access to other patient data who are consulting with other doctors within the Group.

The Company further notes that subsequent to the above controls being implemented, to date, none of Dr Ong's patients have decided to consult with another doctor after being informed by Dr Ong of the matters alluded in the Complaint.

Query 4

What investigations / steps have the Company and Board taken to satisfy themselves that Dr Ong has the character and integrity required of a key specialist of the Group?

Company's response

The Company refers to its announcement dated 10 April 2020 and 24 April 2020, that the Company's immediate actions in early 2019 were to speak to Dr Ong at length in respect of the Complaint and to counsel him on the ramifications of his actions and his obligations under the SMC Ethical Code and Ethical Guidelines.

The Company has stressed upon Dr Julian Ong of his obligations under the SMC's Ethical Code and Ethical Guidelines. Consequently, the Company has further reminded and stressed upon all its doctors of their obligations under the SMC's Ethical Code and Ethical Guidelines, in particular, to maintain propriety and observe appropriate boundaries in their relationship with patients as well as to maintain always a professional code of conduct.

The Company would also highlight that its whistleblowing policy is clearly set out in its corporate website with the contacts of its independent directors provided. The policy sets out a list of reportable incidents, including and not limited to, a breach of failure to implement or comply with the Group's policies or code of conduct, impropriety, abuse of power or authority, and concealment of malpractice or misconduct. The policy further assures employees that if they raise a genuine concern, he or she will not be at risk of losing his or her job or suffering from retribution or harassment as a result. Provided that the employee is acting in good faith, it does not matter if he or she is mistaken. The Company has reminded its employees of such policy in place and to date, has not received any information from its employees of such misconduct by Dr Ong.

The Company would like to reiterate that pending the SMC Complaints Committee's determination on the Complaint, it is important to let due process run its course.

Query 5

The Parkway Group has suspended Dr Julian Ong's accreditation and denied him from using the facilities at Parkway Group's hospitals until there is an outcome from the SMC investigations. Please explain in detail, the NC's and Board's consideration in allowing Dr Ong to practice at the Group's heartland centres.

Company's response

The Company refers to its announcement dated 24 April 2020, Dr Ong is not able to utilise the facilities at Parkway Group's hospitals. However, he is able to practise from his clinic at Mount Elizabeth Novena Hospital, which is under the Parkway Group. The Board would like to reiterate that Dr Ong is not prevented from carrying out his medical practice.

Due to the COVID-19 situation, the Ministry of Health has implemented measures such as restricting doctors to practise only in one hospital instead of multiple hospitals. Accordingly, Dr Ong has designated an alternative hospital to be his institution of practice. Dr Ong has practiced and used facilities at the Group's heartland centres since he joined the Group in 2017 without any adverse incidents.

Moving forward, he will consult majority of his patients at heartland centres owned by the HCSS Group. In addition, he will utilise the facilities at an alternative hospital for inpatients, where necessary.

The Company also notes that Dr Ong has been called up by the Ministry of Defence on 22 April 2020, to serve as a doctor in respect of assistance on the current COVID outbreak from 27 April 2020 to 17 May 2020.

The Board, including the NC, have considered the reasons as set out in Query 2 of this announcement, and have considered with the safeguards as implemented as set out in Query 3 of this announcement, that Dr Ong should be able to continue to practice at the Group's heartland centres as similar to the use of facilities at a designated alternative hospital.

Query 6

Please explain how the actions / decision of the Company in relation to matters which are the subject of SMC investigation and the defamation suit:

- (a) Protect the Group's patients; and
- (b) Are in the best interest of the Company and its shareholders.

Company's response

- (a) Please see the Company's response to Query 3 above.
- (b) The Company believes that each of its actions in respect of the SMC investigation and the defamation suit were made, with the information available to it at the relevant time, in the best interests of the Company and its shareholders. The Company notes the importance of allowing due process to run its course and has implemented sufficient safeguards as set out in Query 3 above.

Query 7

The Company has responded that the defamation suit, SMC investigation and suspension by Parkway Group, are not expected to have material impact on the Group's financial position. Has the Board considered the impact on the Group's reputation and patients? How is the Board satisfied that such risks are adequately addressed?

Company's response

As set out in the responses above, the Company had carried out investigations and imposed safeguards to protect its patients. The Company wishes to emphasise its position that it will not approve of misconduct in a professional setting, which must be balanced by allowing due process to run its course.

The Company refers to its announcement dated 24 April 2020, given the current COVID-19 Circuit Breaker measures in place, it will be difficult to assess any material adverse financial impact to the HCSS Group to be directly attributable to the Suit due to any reputational damage. The Company further notes that to date, none of its doctors have been asked by their patients of Dr Ong and none of Dr Ong's patients have decided to consult with another doctor after being informed by Dr Ong of the matters alluded in the Complaint.

Nevertheless, the Company will continue to remind and stress upon all its doctors of their obligations under the SMC's Ethical Code and Ethical Guidelines, in particular, to maintain propriety and observe appropriate boundaries in their relationship with patients as well as to maintain always a professional code of conduct. Together with its whistleblowing policy in place, the Board is satisfied that sufficient controls are in place.

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer
27 April 2020

About HC Surgical Specialists Limited

HC Surgical Specialists Limited (the "Company") was incorporated on 1 September 2015 in Singapore and listed on 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 17 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.

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