



HC SURGICAL SPECIALISTS LIMITED

MEDIA RELEASE

Medical services group HC Surgical Specialists launches Initial Public Offer at S\$0.27 per share

- Dedicated to making high quality private healthcare accessible to the broadest consumer base possible
- Intends to distribute at least 70% of profit after tax as dividends for FY2017, FY2018 and FY2019
- Placement of 30,000,000 Placement Shares at S\$0.27 each

SINGAPORE, 25 October 2016 – HC Surgical Specialists Limited (“**HCSS**” and together with its subsidiaries, the “**Group**”), 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, has launched its Initial Public Offering (“**IPO**”) in conjunction with its proposed listing on the Catalist board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

Led by specialist surgeons, Dr. Heah Sieu Min (Chief Executive Officer) and Dr. Chia Kok Hoong (Chief Operating Officer), and supported by a team of experienced specialist surgeons and general practitioners, HCSS operates a network of clinics throughout Singapore. Its clinics are located across central Singapore in certain private hospitals and in residential areas, including the heartlands, and are close to public transportation. Its specialist surgeons also operate evening clinics, which enhances the Group’s accessibility to patients at any time of the day. Common conditions treated by the Group include haemorrhoids, gallstones and inflammation of the gallbladder, hernias, colorectal cancer, stomach cancer and colonic diverticular disease.

The Group’s clinics offer an extensive range of endoscopic and general surgical procedures. Most of its clinics are fully equipped to provide a comprehensive suite of diagnostic and therapeutic endoscopic procedures, excision of lumps and removal of

polyps, as well as other minor surgical services on site. As the clinics are Medisave accredited, Medisave funds may be used to offset procedure costs. MediShield insurance may also be generally used.

Dr. Heah and Dr. Chia collectively have over 40 years of experience, and both have received several awards and accreditations throughout their careers. Their active involvement in the day-to-day operations of the clinics enables the Group to increase its responsiveness to its patients. Each of the Group's other specialist surgeons also have extensive track records.

To reward shareholders for participating in the Group's growth, HCSS intends to pay out at least 70.0% of its profit after tax as dividends for FY2017, FY2018 and FY2019.

Prospects and Future Plans

The rising affluence in Singapore increases the affordability of private healthcare services. Higher educational standards may also increase the awareness of, and drive the demand for, high quality and comprehensive medical services. With an ageing population in Singapore, there could be a corresponding increase in the incidence of certain diseases such as colorectal cancer, which may translate into a greater demand for medical services. The ageing population has also led to changes being made to the national insurance scheme, including an increase in the coverage age under MediShield. In addition, increasing healthcare costs and greater interest in healthcare services has led to a growing demand for private healthcare insurance. As a result, Singaporeans are becoming more well-insured, which could increase their willingness to seek out private healthcare services.

Besides diversifying its patient base to include more corporate clients, the Group plans to expand its business locally through organic growth, entering into joint ventures or through acquisitions of other clinics, surgical specialists and general practitioners. It also intends to extend its capabilities by setting up day surgery centres equipped with surgical facilities for, among others, general surgery, orthopaedics, dental services and aesthetic procedures.

On the regional front, HCSS plans to bring its medical services into Vietnam. It has entered into a non-binding memorandum of understanding with the Transport Hospital in Hanoi, Vietnam, to provide consultancy and training services. The Group will also assist the

Transport Hospital in establishing a day surgery and endoscopy centre, where its specialist surgeons will have exclusive rights to perform surgical and endoscopic procedures.

Dr. Heah said, *“The Group will continue to expand our network of clinics and extend our capabilities, in line with our vision to develop an organisation dedicated to reaching out to the broadest consumer base possible. Most of our specialist clinics are equipped to perform endoscopies and minor surgical procedures safely, seamlessly and with a reduced waiting time, thereby adding convenience for patients. We intend to continue contributing to our nation by making high quality, affordable healthcare accessible to our growing population.”*

The Placement

30,000,000 new shares are being offered (the “**Placement Shares**”) for subscription by way of placement at the issue price of S\$0.27 per share (the “**Issue Price**”). The Placement Shares, upon issue and allotment, will rank pari passu in all respects with the existing issued shares of the Company.

Trading in the Company’s shares on Catalist is expected to commence at 9.00 a.m. on 3 November 2016.

Use of Proceeds

The net proceeds raised of approximately S\$6.15 million will be used for the following purposes:

- S\$2.80 million (45%) for the expansion of the Group’s business operations locally and regionally;
- S\$1.20 million (20%) for the expansion of the Group’s surgical facilities; and
- S\$2.15 million (35%) for general working capital purposes

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Issued on behalf of **HC Surgical Specialists Limited** by:

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IMPORTANT NOTICE

This media release and any accompanying materials is for information purposes only, and does not constitute or form part of an offer, solicitation or invitation of any offer to buy or subscribe for any securities in HC Surgical Specialists Limited (the "**Company**"), nor should it form the basis of, or be relied in any connection with, any contract or commitment whatsoever.

The information in this media release is based on, qualified in its entirety by, and subject to, the more detailed information found in the offer document dated 25 October 2016 issued by the Company and registered by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), acting as agent on behalf of the Monetary Authority of Singapore (the "**Offer Document**"). Words and expressions, unless otherwise defined in this media release, shall bear the same meanings assigned to them in the Offer Document.

This media release contains forward-looking statements that may be identified by their use of words like "plans", "intends" or other words of similar meaning and that involve assumptions, risks and uncertainties. All statements that address expectations or projections about the future and all statements other than statements of historical facts included in this media release, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations of future events regarding the Company's present and future business strategies and the environment in which the Company will operate, and must be read together with those assumptions. The Company does not guarantee that these assumptions and expectations are accurate or will be realised. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements. The Company does not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

Any decision to subscribe for securities issued by the Company must be made solely on the basis of information contained in the Offer Document after seeking appropriate professional advice, and no reliance should be placed on any information other than that contained in the Offer Document.

A printed copy of the Offer Document and the application forms in respect of the offering of ordinary shares in the capital of the Company (the "**Placement Shares**"), may be obtained upon request, subject to availability, from the office of PrimePartners Corporate Finance Pte. Ltd., 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, during normal office hours. An electronic copy of the Offer Document is also available on the SGX-ST website, <http://www.sgx.com>. Anyone who wishes to subscribe for the Placement Shares will need to make an application in the manner set out in the Offer Document.