

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

INTERESTED PERSON TRANSACTION – RENEWAL OF TENANCY AGREEMENT WITH CHEE AND HEAH SURGICAL ASSOCIATES PTE. LTD. (“CHSA”)

1. INTRODUCTION

The Board of Directors (the “**Board**”) of HC Surgical Specialists Limited (“the **Company**”) and together with its subsidiaries and associated company, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Heah Sieu Min (Mt E) Pte. Ltd. (“**HME**”) has on 20 January 2017 renewed its tenancy agreement (the “**Tenancy Agreement**”) with CHSA. Pursuant to the Tenancy Agreement, CHSA will lease approximately half of the entire clinic space at 3 Mount Elizabeth #12-06 Mount Elizabeth Hospital Singapore 228510 (the “**Premise**”) to HME for a term of three (3) years.

CHSA is 50% owned by Dr. Heah Sieu Min (“**HSM**”), the Executive Director and Chief Executive Officer, of the Company. As at the date of signing the Tenancy Agreement, HSM is also the controlling shareholder of the Company with direct interest of 43.73%.

Accordingly, the Tenancy Agreement would constitute an Interested Person Transaction (“**IPT**”) under Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

2. TENANCY AGREEMENT AS IPT AND RULE 916(1) OF THE CATALIST RULES

The existing tenancy agreement between HME and CHSA for the Premise is for a period of one year from 1 January 2016 to 31 December 2016, at a rental rate of S\$15,000 per month.

The rental for the Premise payable for the duration of the renewed lease is S\$486,000, representing approximately 22.59% of the Group’s latest audited net tangible assets (“**NTA**”). The latest audited NTA as at 31 May 2016 was S\$2,151,784.

The renewed lease is for a period not exceeding 3 years, with an effective commencement date of 1 January 2017 and the terms of the Tenancy Agreement are supported by an independent valuation report dated 13 January 2017 from Premas Valuers & Property Consultants Pte Ltd (“**Valuation Report**”). The market rental for the entire unit indicated in the Valuation Report is S\$27,000 per month. The rental payable

for approximately half of the entire clinic space under the Tenancy Agreement is S\$13,500 per month, which is equal to half of the valuation in the Valuation Report.

Accordingly, the Tenancy Agreement and the lease thereunder will not require the approval of the shareholders of the Company as it is exempted under Catalist Rule 916(1).

3. DETAILS OF THE TENANCY AGREEMENT

Under the Tenancy Agreement, the Premise occupied by HME is approximately half of the total floor area of 1,195 square feet. The rental is arrived based on the Valuation Report and negotiation between the parties to the Tenancy Agreement.

4. RATIONALE FOR THE TENANCY AGREEMENT

The Premise is located in Orchard area, and is one of the largest private healthcare centre in Singapore.

HME has been operating in the Premise under the name of “Heah Colorectal Endoscopy & Piles Centre”. It will continue its operation in the Premise following the renewal of the Tenancy Agreement.

5. CURRENT TOTAL VALUE OF IPTS

Save for the interested person transactions as disclosed in pages 125 to 130 of the offer document dated 25 October 2016, the value of all IPTs conducted during the financial year ending 31 May 2017 (“FY2017”) is as follows:-

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
CH Hillford Investments Pte. Ltd. (“ CHHI ”) ⁽¹⁾	195,516	-
CHSA ⁽²⁾	486,000	-
Total	681,516	-

Note:

- (1) CHHI is 50% owned by HSM and 50% owned by Dr. Chia Kok Hoong (“CKH”), the Executive Director and Chief Operating Officer, of the Company. As such, CHHI is the associate of each HSM and CKH.
- (2) CHSA is 50% owned by HSM. As such, CHSA is the associate of HSM.

Save as disclosed above, there are no other IPT above S\$100,000 for FY2017.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the other Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Tenancy Agreement, save for their shareholdings in the Company.

7. DOCUMENTS FOR INSPECTION

Copies of the Tenancy Agreement and the Valuation Report are available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

By Order of the Board

Dr. Heah Sieu Min
Executive Director and Chief Executive Officer

Date: 20 January 2017

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 Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("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 Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.