

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

INTERESTED PERSON TRANSACTION – TENANCY AGREEMENT WITH CH INVESTMENT HOLDINGS PTE. LTD. (“CHIH”)

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, Hougang Clinic Pte. Ltd. (“**HGG**”) had on 1 September 2020 entered into a tenancy agreement (the “**Tenancy Agreement**”) with CHIH. Pursuant to the Tenancy Agreement, CHIH will lease a portion of the premise at Block 190 Lorong 6 Toa Payoh #01-572 Singapore 310190 (the “**Premise**”) to HGG for a term of three (3) years, including one (1) month of rent-free period.

CHIH is 50% owned by Dr. Heah Sieu Min (“**HSM**”), the Executive Director and Chief Executive Officer, and 50% owned by Dr. Chia Kok Hoong (“**CKH**”), the Executive Director and Medical Director, of the Company. As at the date of signing the Tenancy Agreement, HSM and CKH are also the controlling shareholders of the Company with direct interests of 42.36% and 23.01% respectively (based on the issued share capital of the Company, excluding treasury shares).

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**”).

HGG will operate in the Premise under the name of “HC Endoscopy & Piles Centre (TPY)”, pending the successful incorporation of the sole proprietorship, which will be 100% owned by HGG.

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

The rental for the Premise payable for the duration of the lease is S\$413,000, representing approximately 3.38% of the Group’s latest audited net tangible assets (“**NTA**”). The latest audited NTA as at 31 May 2020 was S\$12,219,000.

The lease is for a period not exceeding 3 years, with an effective commencement date of 1 September 2020 and the terms of the Tenancy Agreement are supported by an independent valuation report dated 25 August 2020 from GB Global Pte Ltd (“**Valuation**”).

Report”). The market rental value indicated in the Valuation Report is S\$12,000 per month (the “**Market Rental Value**”). The rental payable under the Tenancy Agreement is S\$11,800 per month, representing a discount of 1.7% from the Market Rental Value.

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 HGG is approximately 600 square feet. The rental is arrived based on the Valuation Report and negotiation between the parties to the Tenancy Agreement. A security deposit equivalent to one month’s rent of S\$11,800 shall be maintained with CHIH.

The Tenancy Agreement includes a one-month rent-free period from 1 September 2020 to 30 September 2020.

4. RATIONALE FOR THE TENANCY AGREEMENT

The Premise is located in the Toa Payoh central area within the Toa Payoh town centre and directly linked to Toa Payoh MRT station and bus interchange. The immediate neighbourhood comprises mainly HDB shops and commercial developments and HDB residential flats.

The Company intends to operate an endoscopy and piles centre in the Premise. In addition, as the rental under the Tenancy Agreement is lower than the market rate as indicated in the Valuation Report, the entry into the Tenancy Agreement will result in cost-savings for the Group.

5. CURRENT TOTAL VALUE OF IPTS

The current value of all IPTs, excluding any transaction below S\$100,000, with HSM, CKH and their associates for the financial year ending 31 May 2021 (“**FY2021**”) is S\$409,160.

The current value of all IPTs for FY2021, excluding any transaction below S\$100,000, is as follows:-

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$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 S\$100,000)
Heah Sieu Min (RVP) Pte. Ltd. (“RVP”) ⁽¹⁾	S\$48,000	-
Chee and Heah Surgical Associates Pte. Ltd (“CHSA”) ⁽²⁾	S\$159,684	-
CH Hillford Investments Pte. Ltd. (“CHHI”) ⁽³⁾	S\$46,800	-
CHIH ⁽³⁾	S\$94,400	-
Farrer Park Holdings Pte. Ltd. (“FPH”) ⁽⁴⁾	S\$60,276	-
Total	S\$409,160	-

Notes:

(1) RVP is 100% owned by HSM. As such, RVP is the associate of HSM.

(2) CHSA is 50% owned by HSM. As such, CHSA is the associate of HSM.

(3) CHHI and CHIH are 50% owned by HSM and 50% owned by CKH. As such, CHHI and CHIH are associates of each of HSM and CKH.

(4) FPH is 100% owned by CKH. As such, FPH is the associate of CKH.

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
1 September 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 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.