

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 companies, the “**Group**”) wishes to announce that its wholly-owned subsidiary, HC (TPY) Pte. Ltd. (“**HCTPY**”) has on 6 September 2023 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 HCTPY for a term of three (3) years.

CHIH is 100% 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 a direct interest of 42.98% of the Company’s 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**”).

HCTPY operates in the Premise under the name of “HC Endoscopy & Piles Centre (TPY)”, which is 100% owned by HCTPY.

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\$482,400, representing approximately 6.93% of the Group’s latest audited net tangible assets (“**NTA**”). The latest audited NTA as at 31 May 2022 was S\$6,963,000.

The lease is for a period not exceeding 3 years, with an effective commencement date of 1 September 2023 and the terms of the Tenancy Agreement are supported by an independent valuation report dated 23 August 2023 from GB Global Pte Ltd (“**Valuation Report**”). The market rental value indicated in the Valuation Report is S\$13,500 per month (the “**Market Rental Value**”). The rental payable under the Tenancy Agreement is S\$13,400 per month, representing a discount of 0.7% 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 Catalyst Rule 916(1).

3. DETAILS OF THE TENANCY AGREEMENT

Under the Tenancy Agreement, the Premise occupied by HCTPY 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\$13,400 shall be maintained with CHIH.

4. RATIONALE FOR THE TENANCY AGREEMENT

The Premise is located in the Toa Payoh central area within the Toa Payoh town centre and is 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 operates 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 renewal of 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 all interested persons for the financial year ending 31 May 2024 (“FY2024”) is S\$559,176.

The current value of all IPTs for FY2024, 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\$34,650	-

Chee and Heah Surgical Associates Pte. Ltd (“CHSA”) ⁽²⁾	S\$164,400	-
CHIH ⁽¹⁾	S\$156,000 ⁽³⁾	-
CH Hillford Investments Pte. Ltd. (“CHHI”) ⁽⁴⁾	S\$50,400	-
Farrer Park Holdings Pte. Ltd. (“FPH”) ⁽⁴⁾	S\$60,276	-
G 7 Investment Holdings Pte. Ltd. (“G7”) ⁽⁴⁾	S\$93,450	-
Total	S\$559,176	-

Notes:

- (1) RVP and CHIH are 100% owned by HSM. As such, RVP and CHIH are the associates of HSM.
- (2) CHSA is 50% owned by HSM. As such, CHSA is the associate of HSM.
- (3) This amount includes the value under the Tenancy Agreement in respect of FY2024.
- (4) CHHI, FPH and G7 are 100% owned by Dr. Chia Kok Hoong (“CKH”), the Executive Director and Medical Director of the Company. As such, CHHI, FPH and G7 are the associates of CKH.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Other than HSM, 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
6 September 2023

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 15 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 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.