

HC SURGICAL SPECIALISTS LIMITED

Incorporated in the Republic of Singapore

Registration No. 201533429G

INTERESTED PERSON TRANSACTION – RENEWAL OF TENANCY AGREEMENT WITH FARRER PARK HOLDINGS PTE. LTD. (“FPH”)

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, CKH (Farrer Park) Pte. Ltd. (“**CFP**”) has on 20 January 2017 renewed its tenancy agreement (the “**Tenancy Agreement**”) with FPH. Pursuant to the Tenancy Agreement, FPH will lease the entire clinic space at 1 Farrer Park Station Road #13-13 Connexion Singapore 217562 (the “**Premise**”) to CFP for a term of three (3) years.

FPH is 100% owned by Dr. Chia Kok Hoong (“**CKH**”), the Executive Director and Chief Operating Officer of the Company. As at the date of signing the Tenancy Agreement, CKH is also the controlling shareholder of the Company with direct interest of 23.75%.

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 CFP and FPH for the Premise is for a period of one year from 1 January 2016 to 31 December 2016, at a rental rate of S\$5,320 per month.

The rental for the Premise payable for the duration of the renewed lease is S\$180,000, representing approximately 8.37% 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\$5,000 per month. The rental payable for the entire unit under the Tenancy Agreement is S\$5,000 per month, which is equal to 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 occupies a floor area of 775 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 within the Connexion at Farrer Park, which is an integrated healthcare and hospitality complex, comprising of a hospital, a specialist medical centre and a luxury hotel with its own full-fledged conference facilities, and a retail zone.

CFP has been operating in the Premise under the name of “Endoscopy, Veins & 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 | - |
| Chee and Heah Surgical Associates Pte. Ltd. (“CHSA”) ⁽²⁾ | 486,000 | - |
| FPH ⁽³⁾ | 180,000 | - |
| Total | 861,516 | - |

Note:

- (1) CHHI is 50% owned by Dr. Heah Sieu Min (“HSM”), the Executive Director and Chief Executive Officer of the Company, and 50% owned by CKH. 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.
- (3) FPH is 100% owned by CKH. As such, FPH is the associate of CKH.

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.