

LEASE AGREEMENT

INTRODUCTION

The Board of Directors (the “**Board**”) of Singapore Medical Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 1 July 2019 entered into a tenancy agreement with MW Medical Holdings Pte Ltd (“**MMH**”) (the “**Lease**”), an interested person of the Company. Details of the Lease are as set out below:

DETAILS OF THE TENANCY AGREEMENT

The Premise	38 Irrawaddy Road #05-34/35 Singapore 329563
Area	1,163 square feet
Rental	S\$11.00 per square foot (inclusive of service charge), total being S\$12,793.00 per month
Lease period	Commencing 1 July 2019 to 30 June 2021, for a period of two years
Fair market rental*	S\$11.00 per square foot per month (inclusive of service charge)

* Based on the valuation report dated 3 June 2019 issued by Asian Appraisal Company Pte Ltd, an independent valuer appointed by the Company (the “**Valuation Report**”).

In accordance with the tenancy agreement, a security deposit amounting to S\$25,586 shall be maintained with MMH by way of cash.

TENANCY AGREEMENT AS AN INTERESTED PERSON TRANSACTION

The aggregate value of the Lease represents 8.1% of the latest audited net tangible assets of the Group as at 31 December 2018 of S\$3,785,000.

MMH is owned by Dr Wong Seng Weng, the Company’s Executive Director, and his immediate family member. Accordingly, MMH is an interested person as defined under Chapter 9 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”).

The Lease is for a period of two years and the terms of the tenancy agreement are supported by an independent Valuation Report from Asian Appraisal Company Pte Ltd dated 3 June 2019. Accordingly, the tenancy agreement and the Lease thereunder will not require the shareholders’ approval as exempted under Rule 916(1) of the Catalist Rules.

The Audit Committee, having considered all terms and conditions of the Lease and the Valuation Report, is of the view that the Lease is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

Pursuant to Rule 917(5) of the Catalist Rules, the current total, as at 30 June 2019, of (i) all transactions with MMH and MW Medical Pte Ltd, being companies owned by Dr Wong Seng Weng, and (ii) all interested persons transactions for the financial period ending 31 December 2019 (“**FY2019**”), are as follows:

- (a) The Company had on 1 July 2017 entered into a tenancy agreement with MMH to lease the Premise for a period of two years with effect from July 2017. The rental paid by the Company under this tenancy agreement for the period from January to June 2019 was S\$85,098. The Group had also procured nursing services from MW Medical Pte Ltd of S\$1,543 during this period. Accordingly, the current total of all transactions with MMH and MW Medical Pte Ltd for FY2019, excluding the Lease, is S\$86,641.
- (b) The current total of all interested person transactions for FY2019 are as follows:

Name of interested person	S\$'000
MW Medical Holdings Pte Ltd - Rental	85
MW Medical Pte Ltd - Nursing services	2
K S Beng Pte Ltd - Rental	98

Save as disclose above, no other interested person transaction was entered into by the Company. Dr Wong Seng Weng, being an interested person to the transactions, had abstained from the review and approval of the Lease.

RATIONALE FOR THE TENANCY AGREEMENT

The continuance of the Lease will allow the Group to maintain its presence and its patient base at Mount Elizabeth Novena Specialist Centre, one of the leading private medical centre in Singapore.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Lease and Valuation Report are available for inspection at the registered office of the Company at 1004 Toa Payoh North, #06-03/07, Singapore 318995 during normal business hours for a period of 3 months from the date of this announcement.

By Order of the Board

Dr Beng Teck Liang
Executive Director and Chief Executive Officer
1 July 2019

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Catalist Rules. 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. Eric Wong, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623, Telephone: +65 6337 5115.