

SINGAPORE MEDICAL GROUP LIMITED
(Company Registration No.: 200503187W)

LEASE AGREEMENTS

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 28 August 2019 entered into 2 tenancy agreements with K S Beng Pte Ltd (“**KSB**”) (the “**Leases**”), an interested person of the Company. Details of the Leases are as set out below:

DETAILS OF THE TENANCY AGREEMENTS

Premise 1	6 Napier Road #08-19 Gleneagles Medical Centre Singapore 258499
Area	678 square feet
Rental	S\$16.00 per square foot (inclusive of service charge), total being S\$10,848.00 per month
Lease period	Commencing 1 July 2019 to 30 June 2020, for a period of one year
Fair market rental*	S\$16.00 per square foot per month (inclusive of service charge)
Premise 2	1 Farrer Park Station Road #08-10 Connexion Singapore 217562
Area	775 square feet
Rental	S\$5.50 per square foot (inclusive of service charge), total being S\$4,262.50 per month
Lease period	Commencing 1 July 2019 to 30 June 2020, for a period of one year
Fair market rental*	S\$5.50 per square foot per month (inclusive of service charge)

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

In accordance with the tenancy agreements, security deposits amounting to S\$30,221 shall be maintained with KSB by way of cash.

TENANCY AGREEMENTS AS AN INTERESTED PERSON TRANSACTION

The aggregate value of the Leases of S\$181,326 represents 4.9% of the latest audited net tangible assets of the Group as at 31 December 2018 of S\$3,785,000.

KSB is wholly-owned by the immediate family member of Dr Beng Teck Liang, the Company’s Executive Director and Chief Executive Officer, and substantial shareholder of the Company. Accordingly, KSB is an interested person as defined under Chapter 9 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”).

The Leases are for a period of one year and the terms of the tenancy agreements are supported by independent Valuation Reports from Asian Appraisal Company Pte Ltd dated 3 June 2019. Accordingly, the tenancy agreements and the Leases thereunder will not require the shareholders’ approval as exempted under Rule 916(1) of the Catalyst Rules.

The Audit Committee, having considered all terms and conditions of the Leases and the Valuation Reports, is of the view that the Leases are on normal commercial terms, and are 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 28 August 2019, of (i) all transactions with KSB, 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 and 1 July 2018 entered into tenancy agreements with KSB to lease Premise 1 and 2 for a period of two years and one year with effect from July 2017 and July 2018 respectively. The rental paid by the Company under these tenancy agreements for the period from January to August 2019 was S\$127,859. Accordingly, the current total of all transactions with KSB for FY2019 will be S\$127,859.
- (b) The current total of all interested person transactions for FY2019 are as follows:

Name of interested person	S\$'000
K S Beng Pte Ltd - Rental	128
MW Medical Holdings Pte Ltd - Rental	111
MW Medical Pte Ltd - Nursing services	2
CHA SMG (Australia) Pte Ltd - Shareholder's loan	300

Save as disclose above, no other interested person transaction was entered into by the Company. Dr Beng Teck Liang, being an interested person to the transactions, had abstained from the review and approval of the Leases.

RATIONALE FOR THE TENANCY AGREEMENTS

The continuance of the Leases will allow the Group to maintain its presence and its patient base at the respective private medical centre.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Leases and Valuation Reports 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
28 August 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.