

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 30 June 2021 entered into the following tenancy agreements with MW Medical Holdings Pte. Ltd. (“**MMH**”) and K S Beng Pte. Ltd. (“**KSB**”) (the “**Leases**”), both interested persons of the Company, as set out below:

DETAILS OF THE TENANCY AGREEMENTS

- (1) Tenancy agreement entered into with MMH (the “**MMH Lease**”):

Premise 1

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 2021 to 30 June 2023, for a period of two years
Fair market rental*	S\$11.00 per square foot per month (inclusive of service charge)

- (2) Tenancy agreements entered into with KSB (the “**KSB Leases**”):

Premise 2

The Premise	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 2021 to 30 June 2022, for a period of one year
Fair market rental*	S\$16.00 per square foot per month (inclusive of service charge)

Premise 3

The Premise	1 Farrer Park Station Road #08-10 Connexion Singapore 217562
Area	775 square feet
Rental	S\$5.00 per square foot (inclusive of service charge), total being S\$3,875.00 per month
Lease period	Commencing 1 July 2021 to 30 June 2022, for a period of one year
Fair market rental*	S\$5.00 per square foot per month (exclusive of service charge)

* Based on the valuation reports dated 4 June 2021 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\$25,586 and S\$29,446 shall be maintained with MMH and KSB respectively by way of cash.

TENANCY AGREEMENTS AS AN INTERESTED PERSON TRANSACTION

The aggregate value of the MMH Lease and KSB Leases represent 1.0% and 0.6% of the latest audited net tangible assets of the Group as at 31 December 2020 of S\$29,599,000.

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**").

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 Catalist Rules.

The Leases are for the periods of either one or two years and the terms of the tenancy agreements are supported by an independent Valuation Reports from Asian Appraisal Company Pte Ltd dated 4 June 2021.

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 and as at the date of this announcement, the current total of all (i) transactions with MMH and MW Medical Pte Ltd, being companies owned by Dr Wong Seng Weng, (ii) transactions with KSB, and (iii) interested person transactions for the financial period ending 31 December 2021 ("**FY2021**"), were as follows:

- (a) The Company had on 1 July 2019 entered into a tenancy agreement with MMH to lease Premise 1 for a period of two years with effect from July 2019. The rental paid by the Company under this tenancy agreement for the period from January to May 2021 was S\$63,965. The Group had also procured nursing services from MW Medical Pte Ltd of S\$3,135 during this period. Accordingly, the current total of all transactions with MMH and MW Medical Pte Ltd for FY2021, including the MMH Lease, will be S\$67,100.
- (b) The Company had on 1 July 2020 entered into tenancy agreements with KSB to lease Premise 2 and 3 for a period of one year with effect from July 2020. The rental paid by the Company under these tenancy agreements for the period from January to May 2021 was S\$75,553. Accordingly, the current total of all transactions with KSB for FY2021, including the KSB Leases, will be \$75,553.
- (c) The current total of all interested person transactions for FY2021 were as follows:

Name of interested person	S\$'000
MW Medical Holdings Pte Ltd	
- Rental	64
MW Medical Pte Ltd	
- Nursing services	3
K S Beng Pte Ltd	
- Rental	76

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

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

30 June 2021

*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.*

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