



DELIVERING
NEW LIFE, HEALTH & WELLNESS

ANNUAL REPORT 2018

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About SOG

With an established track record in the Obstetrics and Gynaecology (“O&G”) field in Singapore, Singapore O&G Ltd. (“SOG”) or collectively with its subsidiaries (the “Group”) is a leading group of specialist medical practitioners dedicated to providing holistic healthcare to women and children.

SOG is disciplined and focused in delivering a wide range of premier specialist services at affordable prices, to cater to the healthcare needs of the modern woman, her children and her family.

The Group’s spectrum of services include: pre-pregnancy counselling, antenatal care, delivery and post-delivery care, gynaecological and breast care, skin and aesthetic treatments and paediatric care.

As at 31 December 2018, the Group has a total of 14 specialist medical practitioners, across four business segments – O&G, Cancer-related, Dermatology and Paediatrics, comprising:

- » Six O&G Specialists
- » Three Cancer Specialists: One Gynae-Oncologist and two Breast and General Surgeons
- » Two Dermatologists
- » Three Paediatricians

SOG was listed on the Catalist board of the Singapore Exchange Securities Trading Limited since 4 June 2015.

This Annual Report has been prepared by the Company and its content have been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”), for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Annual Report.

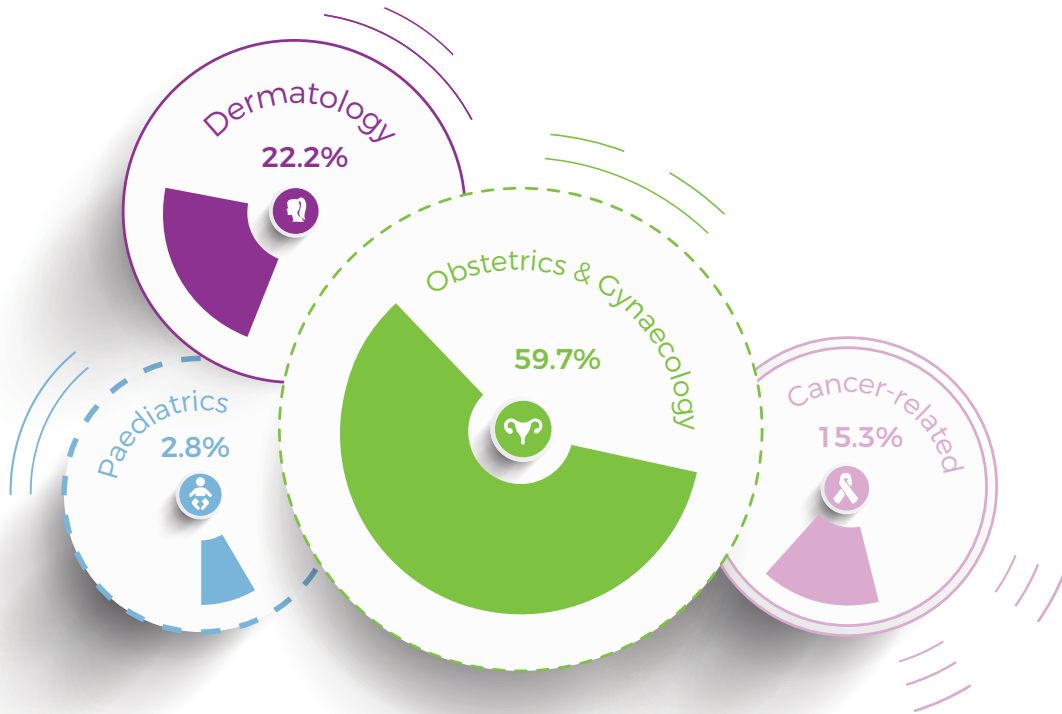
This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms. Keng Yeng Pheng, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).

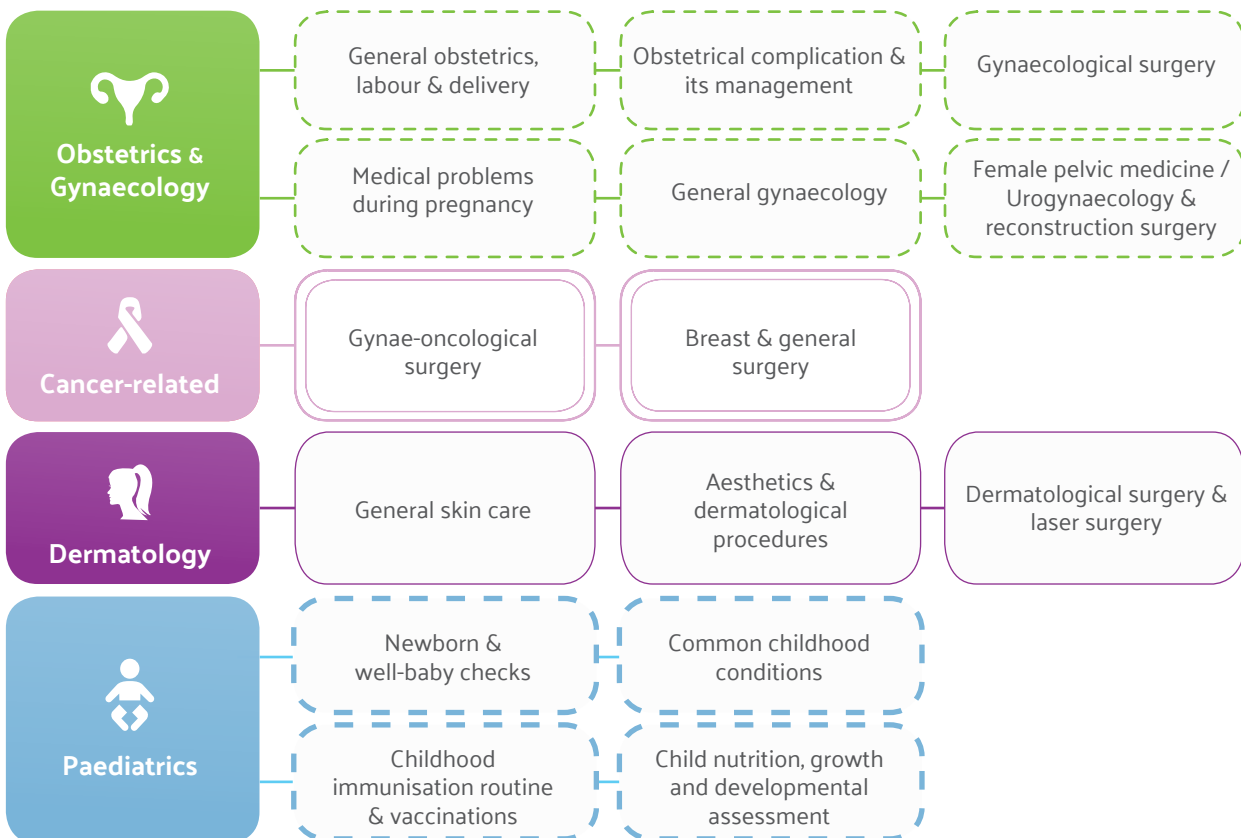


Our BUSINESS

Revenue Contribution by Operating Segments



Our Services



Our GROUP STRUCTURE



Singapore O&G Ltd.



¹ Incorporated on 8 August 2018.

² Incorporated on 8 January 2019.

Our SPECIALIST MEDICAL PRACTITIONERS

OBSTETRICIAN &
GYNAECOLOGIST



Dr. Beh Suan Tiong

MBBS (Singapore), MRCOG (UK), FAMS (Singapore)

Specialisations

- Advanced reproductive surgeries and minimally invasive surgery (key hole surgery), namely laparoscopic and hysteroscopic surgery

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- Member of the Royal College of Obstetricians and Gynaecologists (“**MRCOG**”), United Kingdom
- Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Awards/Achievements

- First doctor recipient of the ‘KKH Service from the Heart Award’ that recognises service excellence
- One of the pioneer Singapore gynaecologists to successfully perform High Intensity Focused Ultrasound (“**HIFU**”), a non-invasive surgical procedure for the treatment of uterine fibroids
- Former President of the Obstetrical & Gynaecological Society of Singapore (“**OGSS**”) (2007 - 2009)
- Treasurer of Congress Fund, OGSS
- Chairman, Operating Theatre Committee, Thomson Medical Centre

OBSTETRICIAN &
GYNAECOLOGIST



Dr. Choo Wan Ling

MBBS (Singapore), MMed (O&G), FAMS (Singapore)

Specialisations

- Antenatal care and risk assessment, vaginal assisted and caesarean delivery, and treatment of gynaecological issues such as endometriosis, fertility challenges and ovarian cysts

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- Master of Medicine (Obstetrics and Gynaecology), National University of Singapore
- Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Awards/Achievements

- Winner of the IV Asian Obstetrics and Gynaecology Congress Gold Medal (2000), which recognises academic excellence
- Published articles in scientific journals – Gynaecologic and Obstetrics Investigations on vaginal delivery after previous caesarean section, and Annals of Medicine Osteoporosis on menopause
- Contributed to various other medical publications in her field of specialisation, and penned a few chapters of a pregnancy guidebook

OBSTETRICIAN &
GYNAECOLOGIST



Dr. Heng Tung Lan

MBBS (Singapore), MMed (O&G), FAMS (Singapore)

Specialisations

- Pregnancy care and delivery, menopause and female wellness enhancement

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- Master of Medicine (Obstetrics and Gynaecology), National University of Singapore
- Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Awards/Achievements

- Mentoring young doctors in the field of Obstetrics and Gynaecology
- Featured in publications to promote awareness for family planning and fertility issues
- Shares her expertise in various public forums and talks

OBSTETRICIAN &
GYNAECOLOGIST



Dr. Hong Sze Ching

MBBS (Singapore), MRCOG (UK), MMed (O&G), FAMS (Singapore)

Specialisations

- Obstetric care, management of general gynaecological conditions, laparoscopic surgery and colposcopy

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- Member of the Royal College of Obstetricians and Gynaecologists (“**MRCOG**”), United Kingdom
- Master of Medicine (Obstetrics and Gynaecology), National University of Singapore
- Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Awards/Achievements

- Awarded the SingHealth Quality Service Awards: Silver (2015)
- One of the pioneer Singapore gynaecologists to successfully perform High Intensity Focused Ultrasound (“**HIFU**”), a non-invasive surgical procedure for the treatment of uterine fibroids
- Adjunct Instructor of both NUS Yong Loo Lin School of Medicine and Duke-NUS Obstetrics and Gynaecology Academic Clinical Programme
- Trainer in local surgical workshops and congresses
- Written book chapters and authored several publications in peer-reviewed journals

Our SPECIALIST MEDICAL PRACTITIONERS

OBSTETRICIAN &
GYNAECOLOGIST



Dr. Lee Keen Why

MBBS (Singapore), FRCOG (UK), FAMS (Singapore)

Specialisations

- Endoscopic work – especially hysteroscopy, laparoscopy and vaginal rejuvenation

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- Fellow of the Royal College of Obstetricians and Gynaecologists (“**FRCOG**”), United Kingdom
- Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Awards/Achievements

- Presented the National Serviceman of the Year Award (1996) for his leadership and dedication to Singapore Armed Forces Medical Services
- Awarded the prestigious Benjamin Henry Sheares Gold Medal (2003), by the Obstetrical and Gynaecological Society of Singapore
- One of the pioneer Singapore gynaecologists to successfully perform High Intensity Focused Ultrasound (“**HIFU**”) in treatment of uterine fibroids and adenomyosis
- President of Obstetrical and Gynaecological Society of Singapore (2003 to 2005)
- Chairman of the Minimally Invasive Surgery Centre at Gleneagles (2001 to 2008)
- Chairman of Surgeons International Holdings Pte. Ltd. (2005 to 2010)
- Founding member of Asia Pacific Association of Gynaecological Endoscopist
- Associate of Laser Vaginal Institute of Los Angeles, USA
- Medical volunteer at the Singapore International Foundation

OBSTETRICIAN &
GYNAECOLOGIST



Dr. Natalie Chua Weilyn

MBBS (Singapore), MRCOG (UK), FAMS (Singapore)

Specialisations

- Obstetric care – preconception health screening, antenatal care and delivery
- Gynaecological cancer screening and prevention, and the management of common gynaecological problems

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- Member of the Royal College of Obstetricians and Gynaecologists (“**MRCOG**”), United Kingdom
- Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Awards/Achievements

- Honoured with the Excellence Service Award (2010) by SingHealth for her outstanding contributions
- Council Member of the Obstetrical and Gynaecological Society of Singapore (2010 to 2015)
- O&G representative for the Association for Breastfeeding Advocacy (2011 to 2013)
- Chairman of the 12th and 13th Regional MRCOG Preparatory Course for aspiring gynaecologists

CANCER-RELATED
SPECIALIST



Dr. Cindy Pang Yi Ping

MBBS (Singapore), MMed (O&G), MRCOG (UK)

Specialisations

- Antenatal care to expectant mothers and manages a wide range of conditions related to the female reproductive system
- Main sub-specialty in gynaecological cancers and complex pelvic surgeries

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- Master of Medicine (Obstetrics & Gynaecology), National University of Singapore
- Member of the Royal College of Obstetricians and Gynaecologists (“**MRCOG**”), United Kingdom

Awards/Achievements

- Awarded the Tony McCartney Surgical Innovation Prize (2013) at the Australian Society of Gynaecological Oncologists Annual Scientific Meeting in Darwin
- Council Member in the Society of Colposcopy and Cervical Pathology of Singapore
- Clinical instructor at NUS Yong Loo Lin School of Medicine
- Adjunct Professor at Duke-NUS Graduate School of Medicine
- Written in various medical journals and presented at several international conferences
- Visiting Consultant at Singapore General Hospital

CANCER-RELATED
SPECIALIST



Dr. Lim Siew Kuan

MBBS (Singapore), MMed (Surgery), FRCS (Edinburgh)

Specialisations

- Management of both benign and malignant breast conditions, breast cancer management, breast oncoplastics and reconstructive surgery, minimally invasive breast surgery and partial or full breast reconstruction

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- Master of Medicine (Surgery), National University of Singapore
- Fellow of the Royal College of Surgeons (“**FRCS**”) of Edinburgh

Awards/Achievements

- Received Health Manpower Development scholarship (2013)
- Observerships in several prestigious hospitals in Korea and Japan - Yonsei Severance Hospital, Kameda Medical Center and Nakagami Hospital
- Visiting Consultant at Khoo Teck Puat Hospital and Changi General Hospital

Our SPECIALIST MEDICAL PRACTITIONERS

CANCER-RELATED
SPECIALIST



Dr. Radhika Lakshmanan

MBBS (Singapore), MMed (Surgery), FRCS (Edinburgh)

Specialisations

- Management of breast cancer, benign breast disorders such as breast cysts, lumps, nipple discharge, screening, breast abscess, lactational problems, breast reduction and male breast disorders, and oncoplastic breast surgery

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“MBBS”), National University of Singapore
- Master of Medicine (Surgery), National University of Singapore
- Fellow of the Royal College of Surgeons (“FRCS”) of Edinburgh

Awards/Achievements

- Adjunct Assistant Professor at Lee Kong Chian School of Medicine, Nanyang Technological University/Imperial College of London
- Member of the Singapore Breast Cancer Foundation
- Published several peer-reviewed articles and chapters on cancer-related topics
- Visiting Consultant at Khoo Teck Puat Hospital

DERMATOLOGIST



Dr. Liew Hui Min

MBChB (UK), MRCP (UK), FAMS (Singapore)

Specialisations

- Children and women’s dermatology, genital dermatology and general medical adult dermatology

Qualifications

- Bachelor of Surgery & Medicine, University of Dundee Medical School, United Kingdom
- Member of the Royal College of Physicians (“MRCP”), United Kingdom
- Fellow of the Academy of Medicine of Singapore (“FAMS”)

Awards/Achievements

- Winner of the KKH Service from the Heart Award (2014)
- International Fellow of the American Academy of Dermatology
- Member of the Dermatological Society of Singapore
- Member of the Allergy and Clinical Immunology Society (Singapore)
- Member of the Paediatric Dermatology Focus Group of Dermatological Society of Singapore
- Collegiate member of Royal College of Physicians (United Kingdom)
- International Member of Women’s Society of Dermatology
- Visiting Consultant at KK Women’s and Children’s Hospital
- Clinical lecturer at Lee Kong Chian School of Medicine and NUS Yong Loo Lin School of Medicine, and honorary lecturer at the University of Leeds
- Published articles in multiple peer-reviewed scientific journals

DERMATOLOGIST



Dr. Joyce Lim Teng Ee

MBBS (Malaysia), FRCPI (Ireland), FAMS (Singapore)

Specialisations

- Dermatologic and laser surgery

Qualifications

- Bachelor of Medicine and Bachelor of Surgery ("MBBS"), University of Malaya
- Fellow of the Royal College of Physicians and Surgeons, Ireland ("FRCPI")
- Fellow of the Academy of Medicine of Singapore ("FAMS")

Awards/Achievements

- Fellow of the American Academy of Dermatology
- Fellow of the American Society of Dermatologic Surgery
- Fellow of the American Society of Cosmetic Dermatology and Aesthetic Surgery
- Fellow of the International Society of Cosmetic Laser Surgeons
- Fellow of the International Society of Cosmetic Dermatology
- Honorary Fellow of the Philippines Dermatology Society
- Council Member of the Asian Dermatological Congress
- Member of the Pigment Disorders Academy
- Member of the Asia Pacific Academy of Anti-aging Medicine
- Member of the European Academy of Dermatology and Venereology
- Member of the European Society for Laser and Energy based Devices
- Member of the Dermatological Society of Malaysia
- Co-founded Asian Dermatologic Laser and Surgery Research Group, a platform that gathers dermatologists from the region once a year to share their experiences and exchange professional opinions
- Provides Certification Courses for Aesthetic Medicine under the Singapore Medical Council
- Adjunct Professor with USTI University (Kuala Lumpur, Malaysia)
- One of the key founding directors of Aesthetic Dermatology Educational Group, approved by Singapore Medical Council to conduct courses and issue certificates of competence in aesthetic procedures
- Published articles in multiple peer-reviewed scientific journals

Our SPECIALIST MEDICAL PRACTITIONERS

PAEDIATRICIAN



Dr. Lim Xue Yan

MBBS (Singapore), MRCPCH (UK), FAMS (Singapore)

Specialisations

- General paediatrics which includes newborn and well-baby screening, children immunisation, developmental assessment and behavioural care advice, nutrition and growth advice, and management of common childhood conditions

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“MBBS”), National University of Singapore
- Member of the Royal College of Paediatrics and Child Health (“MRCPCH”), United Kingdom
- Fellow of the Academy of Medicine of Singapore (“FAMS”)

Awards/Achievements

- Awarded Nestlé Gold Medal in Paediatrics (2005)
- Awarded SingHealth Outstanding House Officer Award (2005)
- Member of the NUS Yong Loo Lin School of Medicine Undergraduate Training Committee
- Member of Singapore Paediatric Society
- Clinical Physician Faculty Member of Paediatric Residency
- Co-authored numerous articles and papers in the paediatric community

PAEDIATRICIAN



Dr. Irene Teo Ai Ngee

MBBS (London), MRCPCH (UK), FAMS (Singapore)

Specialisations

- General paediatrics which includes newborn and well-baby screening, children immunisation, developmental assessment and behavioural care advice, nutrition and growth advice, and management of common childhood conditions including skin conditions

Qualifications

- Bachelor of Medicine & Surgery (“MBBS”), Royal Free and University College London, United Kingdom
- Member of the Royal College of Paediatrics and Child Health (“MRCPCH”), United Kingdom
- Fellow of the Academy of Medicine of Singapore (“FAMS”)

Awards/Achievements

- Awarded the Long Service Award by KKH for her dedication and commitment for over 10 years
- Appointed the Physician Faculty Member (2013 to 2016) by SingHealth to develop the SingHealth Residency Programme
- Clinical lecturer at the Department of Paediatrics, NUS Yong Loo Lin School of Medicine
- Co-authored numerous articles and papers in the paediatric community

PAEDIATRICIAN



Dr. Christina Ong

MBBS (London), MRCPCH (UK), FRCPC (UK), FAMS (Singapore)

Specialisations

- Management of children with gastrointestinal conditions and performing endoscopic procedures, as well as treating children with general medical conditions

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“MBBS”), Imperial College School of Medicine, London, United Kingdom
- Member of the Royal College of Paediatrics and Child Health (“MRCPCH”), United Kingdom
- Fellow of the Royal College of Paediatrics and Child Health (“FRCPC”), United Kingdom
- Fellow of the Academy of Medicine of Singapore (“FAMS”)

Awards/Achievements

- Awarded Service of the Heart Awards at KKH (2013 & 2015)
- Awarded SingHealth Quality Service Award: Silver (2012), Gold (2013) and Star (2014 & 2015)
- Authored multiple peer-reviewed articles in international journals
- Key opinion leader in the field of paediatric gastroenterology
- Head and Senior Consultant at the Gastroenterology service, Paediatric Medicine at KKH (2018)

PAEDIATRICIAN



Dr. Petrina Wong Poh Chen

MBBS (Singapore), MRCPCH (UK), FAMS (Singapore)

Specialisations

- Management of children with respiratory and sleep conditions like pneumonia, childhood wheezing, asthma, allergic rhinitis, snoring, sleep apnoea, parasomnias and behavioural sleep problems as well as treating children with general medical conditions

Qualifications

- Bachelor of Medicine and Bachelor of Surgery (“MBBS”), National University of Singapore
- Member of the Royal College of Paediatrics and Child Health (“MRCPCH”), United Kingdom
- Fellow of the Academy of Medicine of Singapore (“FAMS”)

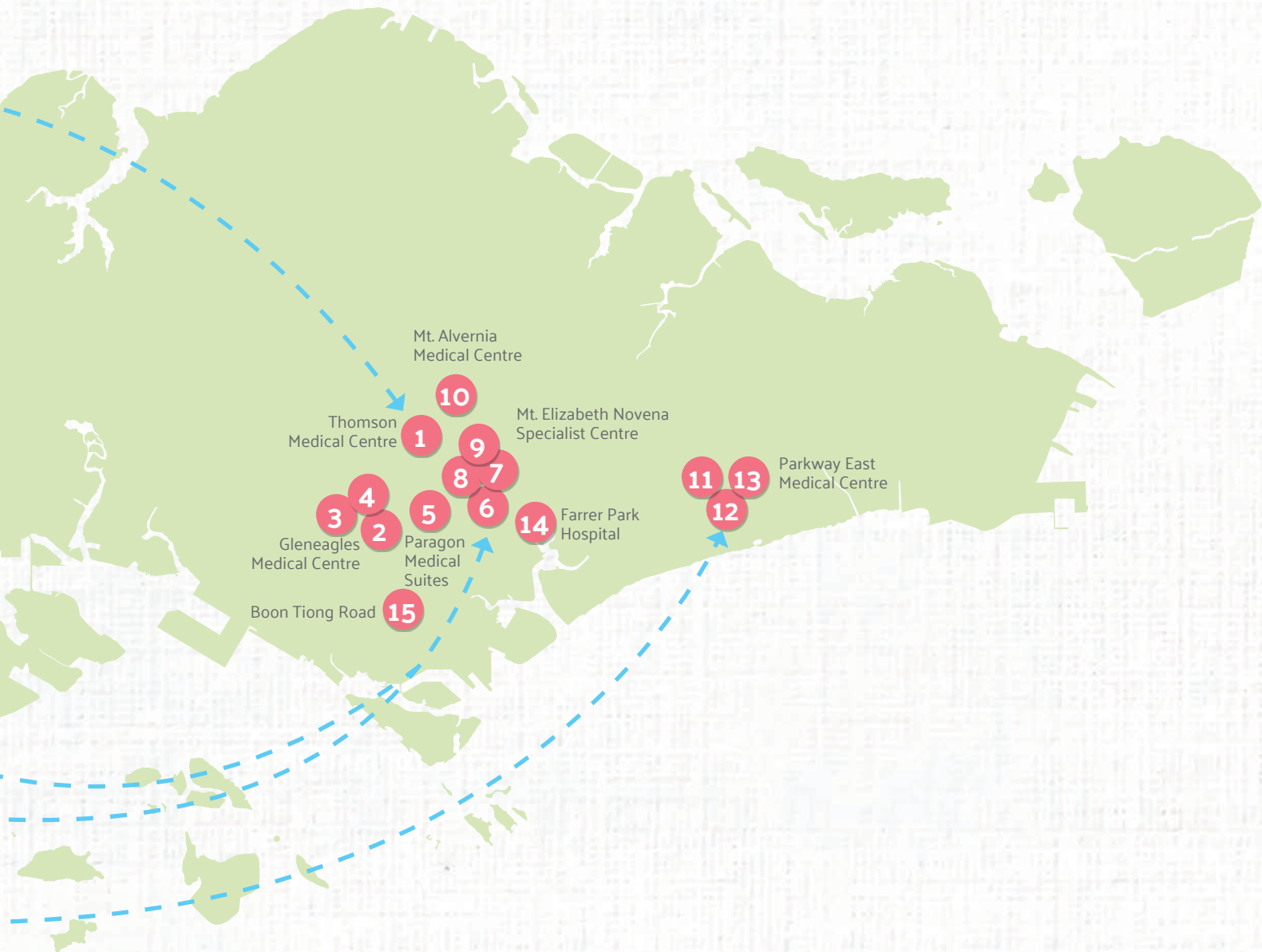
Awards/Achievements

- Awarded SingHealth Outstanding Medical Officer Award (2004)
- Awarded KKH Service from the Heart Award (2014)
- KKH Service Chief in the SingHealth - Duke Sleep Centre (2017)
- Authored several peer-reviewed articles in international journals
- Visiting Consultant at KK Women’s and Children’s Hospital

Our NETWORK



- 1 SOG - Beh Clinic for Women**
 Thomson Medical Centre #05-03
 339 Thomson Road
 Singapore 307677
- 2 SOG - KW Lee Clinic for Women**
 Gleneagles Medical Centre #08-15/16
 6 Napier Road
 Singapore 258499
- 3 SOG - HM Liew Skin and Laser Clinic**
 Gleneagles Medical Centre #06-01
 6 Napier Road
 Singapore 258499
- 4 SOG - Petrina Wong Clinic for Children Respiratory and Sleep**
 Gleneagles Medical Centre #08-14
 6 Napier Road
 Singapore 258499
- 5 Joyce Lim Skin & Laser Clinic**
 Paragon Medical Suites #11-16/20
 290 Orchard Road
 Singapore 238859
- 6 SOG - SK Lim Breast & General Surgicare**
 Mount Elizabeth Novena Specialist Centre #06-53
 38 Irrawaddy Road
 Singapore 329563
- 7 SOG - Choo Wan Ling Clinic for Women**
 Mount Elizabeth Novena Specialist Centre #10-30
 38 Irrawaddy Road
 Singapore 329563
- 8 SOG - Cindy Pang Clinic for Women & GynaeOncology**
 Mount Elizabeth Novena Specialist Centre #08-25
 38 Irrawaddy Road
 Singapore 329563



9 **SOG - Christina Ong Clinic for Children and Gastroenterology**
 Mount Elizabeth Novena Specialist Centre #07-53
 38 Irawaddy Road
 Singapore 329563

10 **SOG - SC Hong Clinic for Women**
 Mount Alvernia Medical Centre
 Block D #07-62
 820 Thomson Road
 Singapore 574623

11 **SOG - Heng Clinic for Women**
 Parkway East Medical Centre #02-08
 319 Joo Chiat Place
 Singapore 427989

12 **SOG - Natalie Chua Clinic for Women**
 Parkway East Medical Centre #02-07
 319 Joo Chiat Place
 Singapore 427989

13 **SOG - Clinic for Children (Joo Chiat)**
 Parkway East Medical Centre #04-06
 319 Joo Chiat Place
 Singapore 427989

14 **SOG - Radhika Breast & General Surgicare**
 Farrer Park Hospital #14-20
 1 Farrer Park Station Road
 Singapore 217562

15 **SOG - Clinic for Children (Tiong Bahru)**
 11A Boon Tiong Road #01-11
 Singapore 161011

Message to **SHAREHOLDERS**



TO BE THE PREMIER
SPECIALIST PROVIDER IN
HOLISTIC HEALTHCARE FOR
WOMEN AND CHILDREN.

Dr. Beh Suan Tiong
Executive Chairman



Dr. Ivan Lau
Chief Executive Officer



Dear Shareholders,

In my first year assuming the role as Chairman of the Board of Directors (the “**Board**”) and together with our new Chief Executive Officer, Dr. Ivan Lau Eng Kien who joined us in May 2018, we are pleased to present SOG’s annual report for financial year ended 31 December 2018 (“**FY 2018**”) and share with you the performance of the Group during the year.

Financial Performance

For FY 2018, the Group turned in a commendable set of results with net profit increasing 7.5% to S\$9.1 million on the back of healthy revenue growth of 16.0% to S\$34.7 million. Excluding a one-off goodwill impairment of S\$2.8 million, and a non-recurring income of S\$0.9 million (net of taxes and associated expenses), net profit for the year would have increased by a higher quantum of 29.4% to S\$11.0 million.

The growth in revenue for the year was largely attributable to higher contributions from our Obstetrics & Gynaecology (“**O&G**”) and Cancer-related segments, which grew 14.8% and 40.2% to S\$20.7 million and S\$5.3 million respectively.

Our Paediatrics segment in its first full year of operations in FY 2018 also saw a marked jump in revenue to S\$1.0 million

from S\$0.2 million in FY 2017, while our Dermatology segment dipped by a marginal 2.2% to S\$7.7 million.

The Group continues to generate healthy operating cash flows of S\$13.4 million, a six-fold increase from S\$2.2 million in FY 2017, which is partially due to the absence of consideration payable for the acquisition of the business and medical practices of Dr. Joyce Lim Teng Ee in FY 2018, with cash and cash equivalents at the end of the financial year period at S\$21.5 million. As at 31 December 2018, the Group has utilised S\$6.6 million of its IPO net proceeds leaving a balance of S\$2.6 million.

Expanding Services

Founded on the values of providing compassionate, attentive and quality healthcare services to our patients and their families, we have, over the years, recruited like-minded specialist medical practitioners to strengthen our suite of healthcare services.

Since our listing in 2015, we have expanded from our core business segments of O&G and Cancer-related to include Dermatology and Paediatrics, and as at 31 March 2019, we have expanded to 15 clinics strategically located island-wide to provide easy accessibility to our patients.

With six highly experienced and well-reputed O&G specialists, this business segment continued to be a significant contributor to SOG's business, accounting for 59.7% of the Group's revenue in FY 2018.

In 2018, despite a 1.3% decline in total live-births to 39,115 from 39,615 in 2017¹, our O&G segment registered 108 more births in FY 2018, bringing the total number of babies delivered in FY 2018 to 1,824 as compared to 1,716 in FY 2017. With growing demand for O&G services, we plan to further increase our O&G specialists in FY 2019.

During the year, three of our O&G specialists, Dr. Lee Keen Whye, Dr. Beh Suan Tiong and Dr. Hong Sze Ching, also successfully performed the High Intensity Focused Ultrasound ("HIFU") procedure, a non-invasive surgical procedure for the treatment of uterine fibroids and adenomyosis, making them one of the pioneer gynaecologists to perform HIFU in Singapore.

In Singapore, statistics have shown that cancer cases have been rising and breast cancer is the top cancer affecting women. Our highly-trained cancer-related specialists provide an extensive range of breast care services, both medical and surgical to treat diseases of the breast and also educate our patients and their families to conduct regular self-examinations for early detection. In FY 2018, our Cancer-related segment accounted for 15.3% of the Group's total revenue.

In 2016, the Group expanded into the Dermatological segment with the acquisition of Dr. Joyce Lim's businesses, to provide aesthetic care to patients who encounter skin conditions due to pregnancy such as outbreak of pimples, eczema, blemishes, stretch marks and sudden skin allergies. With this new business segment, we are able to provide a more comprehensive healthcare services to our patients.

With a healthy demand for dermatological services in Singapore and growing patient loads from our core O&G and new Paediatric segments, the Group has recruited another dermatological specialist, Dr. Liew Hui Min, who joined us in December 2018.

Dr. Liew brings with her more than 12 years of experience in dermatology care with special focus on children and women. She received her specialist training in the United Kingdom and was attached to various prestigious hospitals in the United Kingdom. With her on-board, we look forward to further boost our Dermatology business segment.

Our new Paediatrics segment, which commenced operations in July 2017 with two specialists, Dr. Lim Xue Yan and Dr. Irene

Teo, has shown stellar performance in FY 2018 with revenue growing five-fold compared to FY 2017.

With growing volume for our Paediatrics segment as well as an increase in referrals from our O&G segment, the Group has increased our paediatrics by another two doctors. Dr. Christina Ong, who joined us in November 2018 and Dr. Petrina Wong, who joined us in February 2019.

Dr. Ong is an experienced paediatrician with more than 20 years of clinical experience, specialising in treating children with general medical conditions, with sub-specialty in management of children with gastrointestinal problems. Having trained in various paediatric specialties for the last 15 years, Dr. Wong has a wealth of experience when it comes to babies and children, specifically in respiratory and sleep-related conditions.

Rewarding Shareholders

In view of the Group's commendable performance in FY 2018, the Board has recommended a final one-tier exempt dividend of 0.90 Singapore cents per share, which together with the interim dividend payment of 0.80 Singapore cents, brings the total dividend payment for FY 2018 to 1.70 Singapore cents, representing 88.6% of the Group's net profit for the year.

Appreciation

On behalf of the Board, we would like to welcome Ms. See Tho Soat Ching as an Independent Director of the Board. We look forward to her counsel and expertise.

We would also like to extend our appreciation to our patients and their families who have continued to trust us with their healthcare needs.

To our management team, doctors, clinical assistants and staff, we would like to thank you for your compassion and dedication towards the growth of SOG. To our business partners and vendors, thank you for your continuous support.

Lastly, to our shareholders, thank you for your continued faith in SOG. In our new capacities as Chairman of the Board and Chief Executive Officer of the Group, we will work closely with our Board and management team to continue to deliver sustainable growth for the Group.

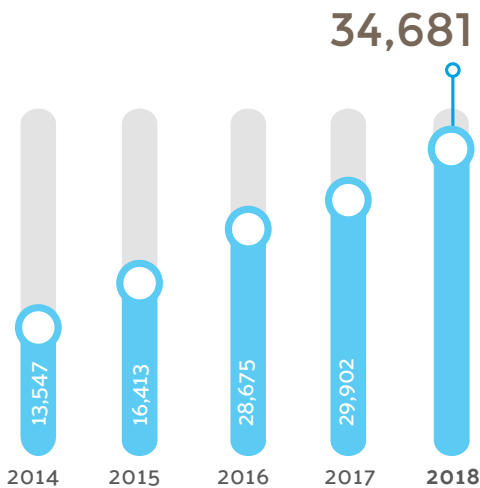
Dr. Beh Suan Tiong
Executive Chairman

Dr. Ivan Lau
Chief Executive Officer

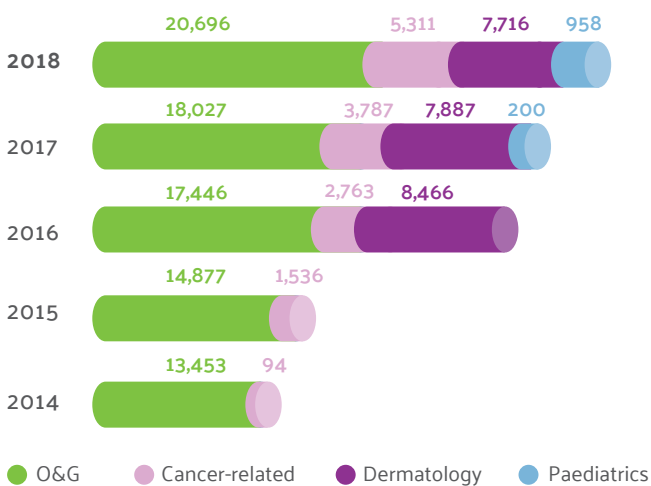
¹Department of Statistics: <https://www.singstat.gov.sg/find-data/search-by-theme/population/births-and-fertility/latest-data>

Financial HIGHLIGHTS

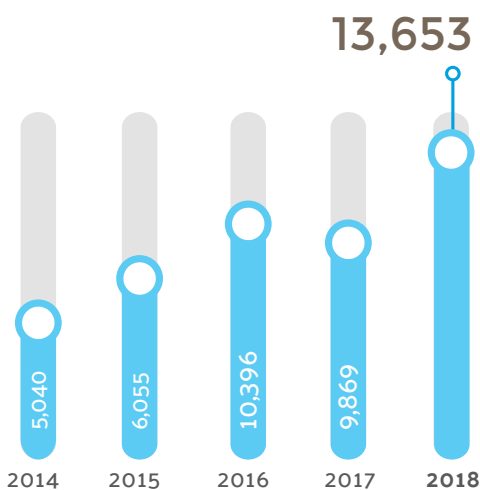
Revenue (S\$'000)



Revenue by Operating Segments (S\$'000)

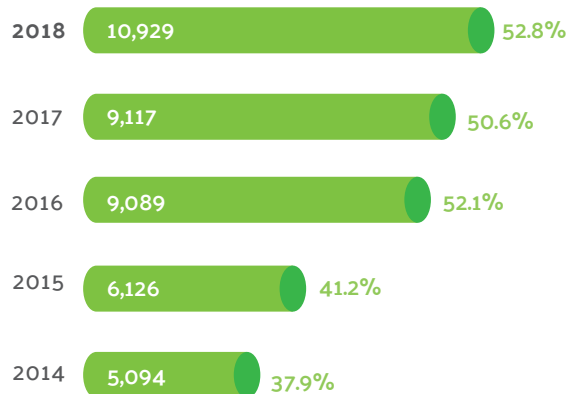


Profit from Operations (S\$'000)

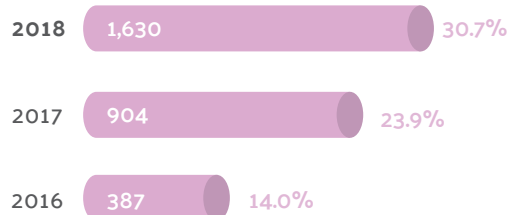


Profit (S\$'000)/Margins (%) from Operations by Business Segments

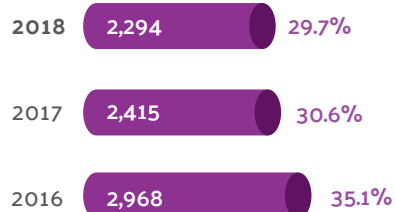
O&G



Cancer-related



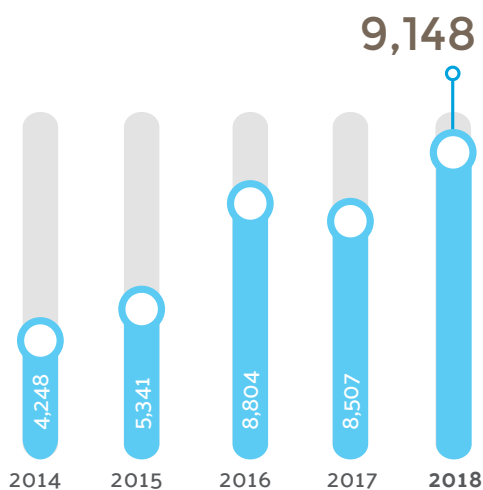
Dermatology



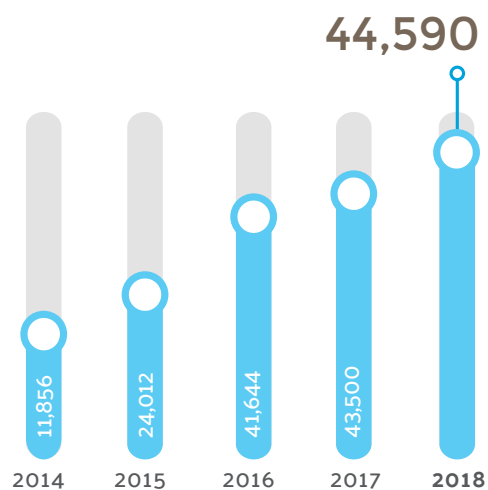
Paediatrics

Not meaningful to be discussed.

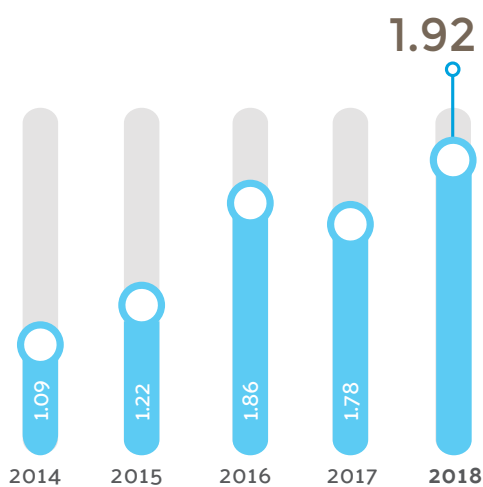
Profit after Tax (S\$'000)



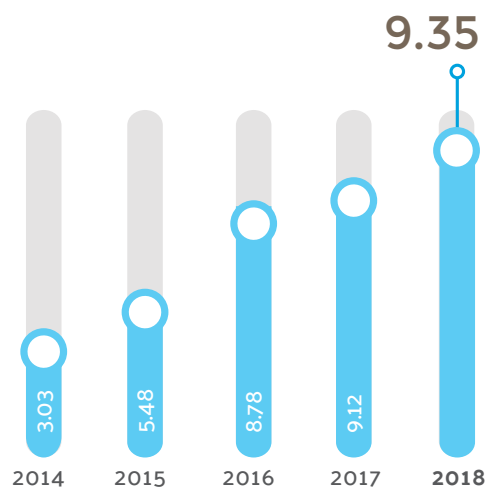
Net Asset Value (S\$'000)



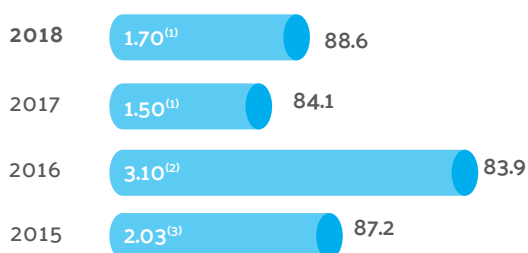
Earnings Per Share[^] (Singapore Cents)



Net Asset Value Per Share* (Singapore Cents)



Dividend (Singapore Cents)/ Payout (%)



[^] On 15 May 2017, the Company completed and effected the share split of every one existing ordinary share in the capital of the Company held by shareholders of the Company into two ordinary shares ("Share Split").

For better comparison, the weighted average number of ordinary shares for 2014 to 2016 have been adjusted for the increase in the number of ordinary shares resulting from the Share Split.

* The calculation of net asset value per ordinary share as at 31 December 2014 to 2016 was adjusted for the Share Split.

⁽¹⁾ Based on 476,803,002 shares for interim and final dividend

⁽²⁾ Based on 238,401,501 shares for interim and final dividend

⁽³⁾ Based on 218,000,000 shares for interim dividend and 238,401,501 for final dividend

Income statement

S\$'000	FY 2018	FY 2017	Change (%)	Changes due to:
Revenue	34,681	29,901	16.0	<ul style="list-style-type: none"> Increase in contribution of S\$2.7 million, S\$1.5 million and S\$0.8 million from O&G, Cancer-related and Paediatrics segments respectively Marginal S\$0.2 million decline from Dermatology segment
Other operating income	1,424	215	> 100.0	<ul style="list-style-type: none"> Increase largely due to the receipt of S\$1.25 million from SOG's former Lead Independent Director, Mr. Christopher Chong Meng Tak, for the full and final settlement of a Dispute
Consumables and medical supplies used	(4,873)	(4,562)	6.8	<ul style="list-style-type: none"> Increase due to higher patient loads from O&G, Cancer-related and Paediatrics segments
Employee remuneration expense	(13,543)	(11,998)	12.9	<ul style="list-style-type: none"> Increase of S\$1.0 million for incentive bonus for a few specialist medical practitioners Increase of S\$0.7 million from new Paediatrics segment which started in July 2017 Decrease of S\$0.2 million for bonuses of management staff
Depreciation of plant and equipment	(554)	(524)	5.7	<ul style="list-style-type: none"> New ultrasound machines acquired for SOG-Cindy Pang Clinic for Women & GynaeOncology in September 2017 and SOG-Radhika Breast & General Surgicare Clinic in March 2018 Renovation of the new PAED-Central Clinic and PAED-Gastro Clinic in November 2017 and November 2018 respectively
Other operating expense	(3,482)	(3,163)	10.1	<ul style="list-style-type: none"> Increase in advertising expenses, medical professional indemnity insurance premiums for our specialist medical practitioners and rental expense amounting to S\$0.3 million A non-recurring professional and legal fees of S\$0.1 million incurred for the Dispute Absence of S\$0.1 million impairment charge on investment in unquoted equity in FY 2017
Profit from operations	13,653	9,869	38.3	

S\$'000	FY 2018	FY 2017	Change (%)	Changes due to:
Impairment of Goodwill	(2,800)	-	N/M	<ul style="list-style-type: none"> Relate to the excess of the carrying amount of the cash generating unit (“CGU”) over the recoverable amount of the CGU as at 31 December 2018 for Dermatology segment
Finance income	78	57	36.0	<ul style="list-style-type: none"> More cash placed in fixed deposit and higher fixed deposit interest rates
Finance expense	-	(238)	N/M	<ul style="list-style-type: none"> There is no finance expense in FY 2018 as the contingent consideration for the JL Acquisition was fully paid
Net finance income/ (expense)	78	(181)	N/M	
Profit before income tax	10,931	9,688	12.8	<ul style="list-style-type: none"> Excluding the impairment of goodwill of S\$2.8 million and the non-recurring income of S\$1.1 million arising from the Dispute, net of professional and legal fees, profit before income tax would have been S\$12.6 million, an increase of S\$2.9 million
Income tax expense	(1,783)	(1,181)	51.0	<ul style="list-style-type: none"> Higher profits from operations, excluding the impact of impairment of goodwill in FY 2018
Profit for the year	9,148	8,507	7.5	

Balance Sheet

S\$'000	As at 31 December 2018	As at 31 December 2017	Change (%)	Changes due to:
Non-current assets	25,543	28,580	(10.6)	<ul style="list-style-type: none"> Decrease of S\$2.8 million for impairment of goodwill relating to the JL Acquisition Decrease of S\$0.2 million for plant and equipment due to depreciation charge of S\$0.5 million offset by the plant and equipment additions of S\$0.3 million for FY 2018
Current assets	26,185	20,546	27.4	<ul style="list-style-type: none"> Inventories increased S\$0.1 million due mainly to higher inventories balance held by Dermatology and Paediatrics segments Trade and other receivables increase of S\$0.5 million arising from the increase in specialist medical practitioners' professional fees due from hospitals and insurance companies Cash and cash equivalents increase of S\$5.1 million due mainly to S\$13.4 million net cash inflows from operating activities for FY 2018, offset by S\$4.2 million and S\$3.8 million for FY 2017 final dividend and FY 2018 interim dividend paid to shareholders respectively, and purchase of plant and equipment of \$0.3 million in FY 2018
Total assets	51,728	49,127	5.3	

Non-current liabilities	140	110	27.2	<ul style="list-style-type: none"> Non-current liabilities consisting of only deferred tax liabilities arising from the timing differences in temporary differences of the Group's plant and equipment, amounted to S\$0.1 million
Current liabilities	6,999	5,517	26.9	<ul style="list-style-type: none"> Trade and other payables increase of S\$0.9 million due mainly to the increase in accrual for FY 2018 incentive bonus for specialist medical practitioners Contract liabilities remained fairly consistent at S\$0.4 million. It relates to antenatal, aesthetics and vaccination package fees collected upfront from patients for consultations and/or procedures that have yet to be performed Current tax liabilities comprising income tax payables for FY 2018 amounted to of S\$1.8 million
Total liabilities	7,139	5,627	26.9	

S\$'000	As at 31 December 2018	As at 31 December 2017	Change (%)	Changes due to:
Share capital	29,646	29,646	-	
Reserves	14,944	13,854	7.9	<ul style="list-style-type: none"> Capital reserve of S\$1.8 million represents the difference between the fair value of the purchase consideration paid by the Company and the fair value of the net assets of Choo Wan Ling Women's Clinic Pte. Ltd. and Beh's Clinic for Women Pte. Ltd. acquired in 2014 Retained earnings of S\$14.9 million Partially offset by deficit in merger reserve of S\$1.7 million, the difference between the consideration paid by the Company and the fair value of the net assets of Heng Clinic for Women Pte. Ltd. and K W Lee Clinic & Surgery for Women Pte. Ltd. acquired by the Company
Total equity	44,590	43,500	2.5	

Cash Flow

S\$'000	FY 2018	FY 2017	Change (%)	Changes due to:
Net cash generated from operating activities	13,401	2,153	>100	<ul style="list-style-type: none"> Absence of payment of S\$4.0 million each for the second and third cash consideration for the JL Acquisition in FY 2017 Higher profit before taxation of S\$4.0 million, excluding the non-cash goodwill impairment of S\$2.8 million in FY 2018 as compared to FY 2017
Net cash used in investing activities	(224)	(451)	(50.5)	<ul style="list-style-type: none"> Purchase of plant and equipment of S\$294,000 Offset by interest received of S\$70,000 from fixed deposit placement
Net cash used in financing activities	(8,058)	(6,651)	21.1	<ul style="list-style-type: none"> Attributed to the FY 2017 final dividend of S\$4.2 million and FY 2018 interim dividend of S\$3.8 million paid to shareholders in May 2018 and September 2018 respectively
Net increase/ (decrease) in cash and cash equivalents	5,120	(4,950)	N/M	
Cash and cash equivalents at end of year	21,546	16,426	31.2	



Dr. Beh Suan Tiong

Executive Chairman

Date of first appointment as Director
14 May 2015

Length of service as a Director (as at 31 December 2018)
3 years 7 months

Board Committees

- » Nil

Academic & Professional Qualification

- » Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- » Member of the Royal College of Obstetrician and Gynaecologists (“**MRCOG**”), United Kingdom
- » Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Present Directorships

SOG

- » Beh’s Clinic for Women Pte. Ltd.
- » Heng Clinic for Women Pte. Ltd.
- » Choo Wan Ling Women’s Clinic Pte. Ltd.
- » K W Lee Clinic & Surgery for Women Pte. Ltd.
- » SOG-Radhika Breast and General Surgicare Pte. Ltd.
- » SOG-Cindy Pang Clinic for Women Pte. Ltd.
- » SOG Dermatology Pte. Ltd.
- » SOG-Natalie Chua Clinic for Women Pte. Ltd.
- » SOG-SK Lim Breast & General Surgicare Pte. Ltd.
- » SOG-SC Hong Clinic for Women Pte. Ltd.
- » SOG Children (Paediatrics – East) Pte. Ltd.
- » SOG Children (Paediatrics – Central) Pte. Ltd.
- » SOG Children (Paediatrics – Gastroenterology Liver) Pte. Ltd.
- » SOG Dermatology (Gleneagles) Pte. Ltd.
- » SOG Children (Paediatrics – Gleneagles) Pte. Ltd.

Other Companies

- » Behealthy LLP

Past Directorships in Listed Companies held over the preceding five years

- » Nil



Dr. Heng Tung Lan

Executive Director

Date of first appointment as Director
18 October 2011

Length of service as a Director (as at 31 December 2018)
7 years 2 months

Board Committees

- » Nil

Academic & Professional Qualification

- » Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- » Master of Medicine (Obstetrics and Gynaecology), National University of Singapore
- » Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Present Directorships

SOG

- » Heng Clinic for Women Pte. Ltd.
- » Beh’s Clinic for Women Pte. Ltd.
- » K W Lee Clinic & Surgery for Women Pte. Ltd.
- » SOG Dermatology Pte. Ltd
- » SOG-Natalie Chua Clinic for Women Pte. Ltd.
- » SOG-SK Lim Breast & General Surgicare Pte. Ltd.
- » SOG-SC Hong Clinic for Women Pte. Ltd.
- » SOG Children (Paediatrics – East) Pte. Ltd.
- » SOG Children (Paediatrics – Central) Pte. Ltd.
- » SOG Children (Paediatrics – Gastroenterology Liver) Pte. Ltd.
- » SOG Dermatology (Gleneagles) Pte. Ltd.
- » SOG Children (Paediatrics – Gleneagles) Pte. Ltd.

Past Directorships in Listed Companies held over the preceding five years

- » Nil



Dr. Lee Keen Whye

Executive Director

Date of first appointment as Director
6 January 2011

Length of service as a Director (as at 31 December 2018)
7 years 11 months

Board Committees

- » Nil

Academic & Professional Qualification

- » Bachelor of Medicine and Bachelor of Surgery (“**MBBS**”), National University of Singapore
- » Fellow of the Royal College of Obstetrician and Gynaecologists (“**FRCOG**”), United Kingdom
- » Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Present Directorships

SOG

- » K W Lee Clinic & Surgery for Women Pte. Ltd.
- » Heng Clinic for Women Pte. Ltd.
- » Beh’s Clinic for Women Pte. Ltd.
- » Choo Wan Ling Women’s Clinic Pte. Ltd.
- » SOG-Radhika Breast & General Surgicare Pte. Ltd.
- » SOG-Cindy Pang Clinic for Women Pte. Ltd.
- » SOG Children (Paediatrics – Central) Pte. Ltd.
- » SOG Children (Paediatrics – Gastroenterology Liver) Pte. Ltd.
- » SOG Dermatology (Gleneagles) Pte. Ltd.
- » SOG Children (Paediatrics – Gleneagles) Pte. Ltd.

Other Companies

- » Avesa Pte. Ltd.
- » Clover Mum Pte. Ltd.
- » Lee & Lee Clinic Pte. Ltd.
- » Singa Hospitality Pte. Ltd.
- » Singa Hotel Development Pte. Ltd.
- » Singa Hotel Nagoya Pte. Ltd.
- » Singa Management Pte. Ltd.
- » Singa Project Development Pte. Ltd.
- » Singa Realty Pte. Ltd.
- » Singa SV Investment Pte. Ltd.
- » Singa Wealth Pte. Ltd.
- » 3LA-HK Pte. Ltd.
- » 3LA-SB Pte. Ltd.
- » 3LA-SU Pte. Ltd.

Past Directorships in Listed Companies held over the preceding five years

- » Nil



Mr. Ng Boon Yew

Lead Independent Director

Date of first appointment as Director
1 February 2018

Length of service as a Director (as at 31 December 2018)
10 months

Board Committees*

- » Chairman of the Audit Committee
- » Member of the Nominating Committee

Academic & Professional Qualification

- » Fellow Member of the Institute of Chartered Accountant in England & Wales
- » Associate Member of the Institute of Chartered Secretaries and Administrators
- » Associate Member of the Institute of Taxation
- » Fellow of CPA Australia
- » Fellow of the Institute of Singapore Chartered Accountants
- » Fellow of the Association of Chartered Certified Accountants

Present Directorships

Other Companies

- » Bismac Consultants Pte. Ltd.
- » Equal-Ark Singapore Ltd.
- » Excelsior Education Management Sdn. Bhd.
- » Excelsior International Education Pte. Ltd.
- » Kee Song Bio-Technology Holdings Limited
- » National Kidney Foundation
- » Pek Chuan Development Pte. Ltd.
- » Pek Tiong Seng Foundation
- » Raffles Campus Foundation Ltd.
- » Raffles Campus Pte. Ltd.
- » Raffles Campus (Malaysia) Pte. Ltd.
- » Raffles Campus Sdn. Bhd.
- » Raffles Campus (Seri Alam) Sdn. Bhd.
- » SingHealth Fund Limited
- » Singapore Raffles Education Co. Ltd.

Past Directorships in Listed Companies held over the preceding five years

- » Fischer Tech Ltd.

* Served as a member of the Remuneration Committee till 10 February 2019



Mr. Chan Heng Toong

Independent Director

Date of first appointment as Director

14 May 2015

Length of service as a Director (as at 31 December 2018)

3 years 7 months

Board Committees

- » Chairman of the Nominating Committee
- » Member of the Audit Committee
- » Member of the Remuneration Committee

Academic & Professional Qualification

- » Bachelor of Engineering (Honours),
University of Singapore
- » Master of Business Administration (Finance),
University of British Columbia, Canada

Present Directorships

Other Companies

- » Ayondo Ltd.
- » City Gate Pte. Ltd.
- » XMH Holdings Ltd.

Past Directorships in Listed Companies held over the preceding five years

- » Nil



Mr. Chooi Yee-Choong

Independent Director

Date of first appointment as Director

14 May 2015

Length of service as a Director (as at 31 December 2018)

3 years 7 months

Board Committees*

- » Chairman of the Remuneration Committee
- » Member of the Nominating Committee

Academic & Professional Qualification

- » Bachelor of Industrial and Systems Engineering, Ohio State University, United States

Present Directorships

Other Companies

- » Taiwan Sky Ground Services Private Limited

Past Directorships in Listed Companies held over the preceding five years

- » Nil

* Served as a member of the Audit Committee till 10 February 2019



Ms. See Tho Soat Ching (Situ Shuzhen)

Independent Director

Date of first appointment as Director
11 February 2019

Length of service as a Director (as at 31 December 2018)
Not applicable

Board Committees

- » Member of the Audit Committee
- » Member of Remuneration Committee

Academic & Professional Qualification

- » Bachelor of Accountancy,
Nanyang Technological University
- » Master of Business Administration,
Adelaide University
- » Member of the Institute of Singapore Chartered
Accountants
- » Member of Chartered Institute of Management
Accountants
- » Member of ISACA
- » Member of Singapore Institute of Directors

Present Directorships

Other Companies

- » Brick & Mortar Pte. Ltd.
- » Brick & Mortar Intelligence Pte. Ltd.
- » Pronoia Foods LLP

Past Directorships in Listed Companies held over the
preceding five years

- » Nil

Senior MANAGEMENT



Dr. Ivan Lau Eng Kien

Chief Executive Officer

Dr. Ivan Lau Eng Kien was appointed as Chief Executive Officer in May 2018. He is responsible for leading the management in setting and executing the Group's strategies, goals and missions, as well as oversees the day-to-day operations, overall administration, business and strategic development, marketing, corporate planning and management of the Group.

Dr. Lau has over 20 years of experience in the healthcare industry. He obtained his medical degree from the National University of Singapore in 1999, and his family physician accreditation in 2009. He served as a clinician in SingHealth Institutions, National Healthcare Group Polyclinics, School Health Service at Health Promotion Board and private healthcare groups including Healthway Medical and Parkway Shenton.

Dr. Lau held several healthcare executive roles in the last seven years. He served as the medical director at Jiahui Health (Shanghai) and led the medical and corporate teams to set up and grow two new private specialist medical facilities in Shanghai between 2016 and 2018. He was also involved in setting up the hospital ambulatory clinics in Jiahui International Hospital (Shanghai) in 2017. Prior to that, he was the medical director at Parkway Shenton (Singapore) and managed the primary care services for key government accounts.



Ms. Doreen Chew Wai Yin

Chief Financial Officer

Ms. Doreen Chew Wai Yin was appointed as Chief Financial Officer in December 2018. She is responsible for managing the entire spectrum of the Group's financial, taxation and regulatory compliance functions. She also assists the Group's CEO on merger and acquisition activities.

Ms. Chew has over 18 years of experience in the accounting and finance sector. Prior to joining the Group, she was finance director (Asia) for Harris Pye Engineering Group. She also has over eight years of audit and assurance experience as audit manager at KPMG Singapore. Her professional experience includes provision of assurance and advisory services to clients from a wide range of industries.

Ms. Chew graduated from the National University of Malaysia with a Bachelor of Accountancy (Honours) degree and is a member of the Institute of Singapore Chartered Accountants and Singapore Institute of Directors.

Investor RELATIONS

SOG is committed to good communications with all our stakeholders and recognises the importance of investor relations (“IR”) as a strategic management responsibility.

Investor Relations Policy

SOG is committed to providing timely and consistent disclosure of financial results and significant corporate activities to its shareholders, investors, the financial community and the investing public.

Our IR policy ensures fair and open communications with all our stakeholders. We ensure that relevant and material information are disclosed in a clear, concise and consistent manner in accordance with the Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”) and the Securities and Futures Act.

All announcements are released via SGXNet and on our IR website (<https://sog.listedcompany.com/>) which include the quarterly and full year financial results, annual reports, distribution of notices, press releases, presentations and any major corporate developments.

Price sensitive information to shareholders is publicly released on an immediate basis where required under the Catalist Rules. All shareholders will receive the Annual Report, which would also be made available on the SGXNet.

We maintain and update our corporate website regularly to ensure investors are keep abreast with the latest developments of the Group.

We have also continuously improved the presentation and contents of our Annual Report, so as to provide readers a better understanding of the Group.

Dividend Policy

The Company currently does not have a dividend policy. However, the Company has declared and paid dividends each year since IPO. The form, frequency and amount of any proposed dividend will take into consideration the Group’s

operating results, financial position, committed capital expenditures and any other relevant considerations the Board of Directors may deem appropriate in the best interest of the Company. In the event that no dividend has been declared and recommended, the Company will disclose the reason(s) for the decision, in accordance to the requirements of the Catalist Rules.

For FY 2018, the Board of Directors has proposed a final one-tier exempt dividend of 0.90 Singapore cents per share, which together with the interim dividend payment of 0.80 Singapore cents, will bring the total dividend payment for FY 2018 to 1.70 Singapore cents, representing 88.6% of the Group’s net profit for the year.

Stakeholders Engagement

In keeping with the pro-active investor and media relations approach, SOG engages financial analysts, existing and potential investors, and shareholders through multiple channels. Key senior management is present at such engagements to keep the stakeholders informed of SOG’s financial performance and to discuss its business strategies and outlook

Tentative Financial Calendar for FY 2019*

8 May 2019	1Q 2019 Results Announcement
7 August 2019	2Q 2019 Results Announcement
7 November 2019	3Q 2019 Results Announcement
19 February 2020	4Q 2019 Results Announcement

* Subject to change

Corporate INFORMATION

Board of Directors

Dr. Beh Suan Tiong (Executive Chairman)
Dr. Heng Tung Lan (Executive Director)
Dr. Lee Keen Whye (Executive Director)
Mr. Ng Boon Yew (Lead Independent Director)
Mr. Chan Heng Toong (Independent Director)
Mr. Chooi Yee-Choong (Independent Director)
Ms. See Tho Soat Ching (Independent Director)

Audit Committee

Mr. Ng Boon Yew (Chairman)
Mr. Chan Heng Toong
Ms. See Tho Soat Ching

Remuneration Committee

Mr. Chooi Yee-Choong (Chairman)
Mr. Chan Heng Toong
Ms. See Tho Soat Ching

Nominating Committee

Mr. Chan Heng Toong (Chairman)
Mr. Ng Boon Yew
Mr. Chooi Yee-Choong

Company Secretary

Ms. Chong Pei Wen
(as a member of the Singapore Association of the
Institute of Chartered Secretaries and Administrators)

Registered Office

229 Mountbatten Road
#02-02 Mountbatten Square
Singapore 398007
Tel: +65 6440 4123
Fax: +65 6440 8240

Website

<https://www.sog.com.sg/>

Share Registrar and Share Transfer Office

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

Sponsor

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

Auditors

Foo Kon Tan LLP
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621
Partner-in-charge: Ms Ang Soh Mui
Date of appointment: 12 November 2014

Principal Bankers

United Overseas Bank Limited
DBS Bank Ltd

Investor Relations

August Consulting Pte Ltd
101 Thomson Road
#30-02 United Square
Singapore 307591
ir@sog.com.sg

Sustainability REPORT

SOG embarked on the sustainability reporting journey in 2015 by discussing the challenges and material issues that are important to our stakeholders. The report features the environmental, social and governance (“ESG”) factors, approaches and practices of the Group and identification of more material topics and disclosure of performance indicators.

The Board has considered material ESG topics as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors identified.

Scope of this Report

<p>Reporting Boundaries and Standards</p>	<p>The report is prepared with reference to the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist in defining report content, including:</p> <ul style="list-style-type: none"> » Materiality: Focusing on issues that impact business growth and are of utmost importance to stakeholders; » Stakeholder Inclusiveness: Responding to stakeholder expectations and interests; » Sustainability Context: Presenting performance in the wider context of sustainability; and » Completeness: Including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Company’s performance. <p>SOG Group’s Sustainability Report draws on the internationally recognized standard of reporting, the Global Reporting Initiative (“GRI”) GRI Standards, which represent the global best practice for reporting on a range of economic, environmental and social impacts. For reference to the GRI Content Index, please refer to Page 46.</p> <p>We use a consolidated operating approach to determine organisational boundaries. Our data is an aggregation of all our clinics and corporate office in Singapore, and our base year is FY 2017.</p>
<p>Report Period and Scope</p>	<p>This report covers data and information from 1 January 2018 to 31 December 2018 (“FY 2018”) and discusses SOG’s achievements and performance towards Environmental, Social and Governance (“ESG”) issues.</p> <p>This report has been prepared in accordance to the GRI Standards: Core Option.</p>
<p>External Assurance on this Report</p>	<p>This report has not been audited by external auditors.</p> <p>However, we will consider seeking external assurance for our future sustainability reports to build trust and confidence in the areas of governance, management and stakeholder relations.</p>
<p>Accessibility</p>	<p>SOG continues to print only limited copies of our annual report as part of our environmental conservation efforts.</p> <p>Current electronic editions of the report is available at www.sog.com.sg</p>

Our Strategic Approach to Sustainability

With our vision and corporate values in mind, we are making an effort to integrate sustainability into the businesses of SOG so that it is systematic and seamless. Where possible, we incorporate sustainability considerations in our decision-making processes.

Our sustainability efforts are led by the Board of Directors and senior management who ensures that the Company’s business objectives are in line with our commitments to sustainable development. Senior management updates the Board of Directors on key performance and developments, at least on an annual basis.



The Board of Directors and senior management determined material topics where SOG can have the greatest economic, environmental and social impact, as well as the topics that are most important to our stakeholders. The Board also reviews and approves our annual report, which includes our sustainability report.

Sustainability REPORT

Stakeholders' Engagement

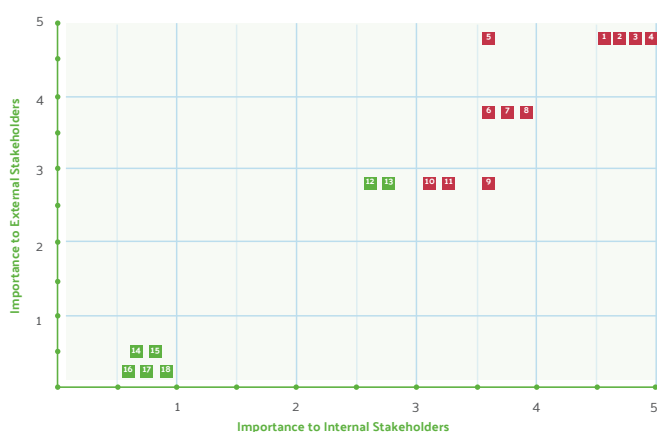
SOG has taken efforts to seek the opinion of many stakeholders either in a casual or formal way. We aspire to understand the needs and expectations of our key stakeholders and strive to build mutually beneficial relationships.

During the year, SOG engaged our key stakeholders through the following ways:

- » Conducted informal feedback sessions with some of our patients and their families.
- » Conducted meetings and interviews with various working groups, consisting of our specialist medical practitioners, clinical and management staff, and independent directors.
- » Engaged in conversations with current and potential investors especially institutional fund managers.

Our patients and their families are our top priority and we are committed to do the best for them through the Group's beliefs in bringing new life, health and wellness to our patients and their families through the provision of excellent healthcare.

Our Materiality Matrix



Defining Our Materiality Issues

With the top ten risks identified in our Risk Refresher exercise in FY 2018, and from the results of our engagement with key stakeholders, we have performed a materiality analysis to identify challenges and issues that are important to our stakeholders and which are relevant to our businesses today and in the future.

Our material issues are identified and marked on the materiality matrix taking into consideration of the following:

1. Those risks ranked as high impact and likelihood of occurrence to the Group, and
2. Those that are ranked as high and critical by both our internal and external stakeholders for sustainability issues.

Accordingly, we focus our sustainability efforts and reporting on these issues.

We have identified and compiled eighteen (18) relevant sustainability issues for developing this report. These issues were further deliberated and narrowed down through our engagement process with stakeholders. The senior management then reviewed the list of issues, identified and prioritised eleven (11) material issues based on importance to our stakeholders and the sustainability impact to our businesses.

Issue	Page
1. Legal compliance and corporate governance	38
2. Service quality and responsibility	40
3. Patients and community engagement	45
4. Health and safety	40
5. Economic contribution to society	38
6. Anti-corruption and anti-fraud	38
7. Training and staff development	42
8. Labour-management relations	44
9. Diversity and equal opportunity	44
10. Biohazard and medical waste management	40
11. Supply chain and procurement practices	39
12. Wages and local hiring	-
13. Business partners engagement	-
14. Energy management	-
15. Certified green clinic/office interior	-
16. Environmental impact assessment and mitigation	-
17. Water conservation	-
18. Climate change and emission	-

Accountability to Stakeholders

In determining our stakeholders, we look at who are the individuals, groups or organisations that affect and/or could potentially be affected by our business activities, products or services, and associated performance.

We strive to be a corporate responsible citizen by working closely with our key stakeholders to understand their concerns and feedback. The stakeholder engagement provides valuable information for our sustainability reporting, particularly in determining the material environmental and social issues.

We will continue to engage our stakeholders more extensively and through different engaging channels to gather feedbacks and identify areas that are material, sustainable and necessary for future development.

Our Key Stakeholders	How We Engage Them	Key Topics / Concerns Discussed	Our Responses
Our patients and their families	<ul style="list-style-type: none"> » Adhoc informal feedback from our patients and their families to our specialist medical practitioners and clinical staff » Annual public forum organised by SOG » Adhoc informal surveys conducted by management staff 	<ul style="list-style-type: none"> » Medical-related topics in treating certain medical conditions and issues » Patient care and customer service satisfaction 	<p>Our specialist medical practitioners provides:</p> <ul style="list-style-type: none"> » Proper explanation of the medical conditions and issues, and the required treatment and procedures for their patients » Ensure good patient care and satisfactory customer service to our patients and their families
Shareholders and Financial Community	<ul style="list-style-type: none"> » Quarterly results briefing » Annual General Meeting » Adhoc emails and tele-conferences 	<ul style="list-style-type: none"> » Financial results » Key business developments such as recruitment of new specialist medical practitioners and acquisitions » Investor relations 	<ul style="list-style-type: none"> » Publish concise and clear financial statement announcements » Update our key business developments on a timely basis via SGXNet » Adhere to our investor relations policies and procedures

Sustainability REPORT

Our Key Stakeholders	How We Engage Them	Key Topics / Concerns Discussed	Our Responses
Employees (including specialist medical practitioners)	<ul style="list-style-type: none"> » Adhoc townhall meetings » Annual performance appraisals » Adhoc team bonding and company events » Adhoc internal communication through emails and social media 	<ul style="list-style-type: none"> » Patient care and customer service satisfaction » Staff performance and skills » Information update by management » Staff morale 	<ul style="list-style-type: none"> » Continuously review our internal clinical policies and procedures to ensure patient care and customer service satisfaction » Provide regular feedback to staff in relation to their performance » Provide updates on the Group's direction and future plans » Continuously review our staff morale and have two-way communication to understand their problems
Suppliers	<ul style="list-style-type: none"> » Adhoc regular meetings » Adhoc emails and teleconferences 	<ul style="list-style-type: none"> » Feedback on their products and services » Information of their new products or services 	<ul style="list-style-type: none"> » Gather feedback from our patients and their families and pass on the feedback to our suppliers for improvement » Obtain clarifications or understanding of their products or services
Government and Regulatory Agencies	<ul style="list-style-type: none"> » Adhoc consultations » Adhoc discussions 	<ul style="list-style-type: none"> » Regulatory and industry standards and guidelines 	<ul style="list-style-type: none"> » Obtain clarifications or understanding of the new or revised regulatory and industry standards and guidelines
Local Community	<ul style="list-style-type: none"> » Adhoc donations to worthy causes 	<ul style="list-style-type: none"> » Partner with local not-for-profit charitable organisations to identify the target beneficiaries 	<ul style="list-style-type: none"> » Identify the beneficiaries and the needs and support required
Media	<ul style="list-style-type: none"> » Quarterly financial statement announcements and adhoc press releases » Adhoc communication through emails and teleconferences 	<ul style="list-style-type: none"> » Financial results » Key business developments such as recruitment of new specialist medical practitioners and acquisitions 	<ul style="list-style-type: none"> » Ensure timely communication of our financial results, key business developments and any other reportable matters

Our Sustainability Value Model



Economic

- » **Generate good returns to shareholders** by sustaining efficient capital structure and good dividend payout.
- » **Business model** focuses on cost and skills leadership without compromising our service level and priority on patient's care.
- » **Drive organic growth** from the existing pool of specialist medical practitioners as well as through the acquisition of new synergistic businesses.
- » **Maintain market position** by ensuring we gain the trust of our patients and their families, and continually build our reputation and brand name in the healthcare industry.



Legal Compliance and Corporate Governance

- » **Focus on risk by having good corporate governance processes** underpinned by openness, transparency and being risk prepared.
- » **Business ethics** built into the SOG culture and articulated by a Code of Ethics.
- » **Compliance management** implies compliance with all applicable laws and regulations.
- » **Risk management** reflects our Enterprise Risk Management system and risk minimization measures.



Environmental

- » **Environmental conservation** through adopting 'Reduce', 'Re-use', 'Recycle' and energy efficient practices.
- » **Hygiene and safety through proper biohazard and medical waste management** focused on the proper disposal of infectious and biomedical waste.



Social

Employees (including Specialist Medical Practitioners)

- » **Recruitment and retention of talent** includes grooming them through mentorship, talent development and retention, and grievance mechanism.
- » **Occupational health and safety** implies adherence to government regulations such as Private Hospitals and Medical Clinics Act, Nurses and Midwives Act, Medicine Act, Singapore Medical Council Ethical Code and Ethical Guidelines.
- » **Personnel development** focuses on key performance indicators, trainings, employee feedback and conducting townhall meetings.

Community

- » **Proactive communities relations** include organising public forums and conducting public and private seminars and lectures to create health awareness, participating in analysts' forums and engaging fund managers, referring our patients and their families to other medical colleagues for services that are not within our specialization.

Sustainability REPORT



Economic

As at 31 December 2018, we operate fourteen (14) clinics in Singapore. Each clinic is operated by one of our specialist medical practitioners and overseen by SOG Corporate Office. We work closely with our specialist medical practitioners and clinical staff to identify and consider any sustainability opportunities and risks that may arise.

Sustainability trends such as climate change, resource scarcity and demographic changes shape the competitive environment in which companies like SOG operates by introducing long term sustainability opportunities and recognising risks. We therefore view our business performance beyond short term gains and financial bottom line. Our conviction is to achieve a balanced bottom line for sustained growth for the organisation and the community we operate in.

The success of our business is highly dependent on the commitment of our specialist medical practitioners. Their medical knowledge, willingness to work and their job satisfaction are key to our economic sustainability.

More importantly, we strive to contribute positively to the society through our economic presence by contributing to the health and well-being of our patients and their families, maintaining good stewardship of the resources we manage and generating good shareholders' value.

Our business model focuses on cost leadership without compromising our service level and priority on patient's care. We seek organic growth from the existing pool of specialist medical practitioners as well as through the acquisition of new synergistic businesses that reap good returns. For our new junior specialist medical practitioners, we seek to groom and grow them through the mentorship of our senior specialist medical practitioners as part of the Group's succession planning.

We strive to maintain our market position by ensuring we gain the trust of our patients and their families, and continually build our reputation and brand name in the healthcare industry.

In today's highly volatile and complex business environment, SOG has gone beyond sustaining earnings to diligently embrace prudent financial management, capitalise on our assets and investments, and remain focus on our growth and sustainability strategies, in enhancing shareholders' value.

For more information on SOG's financial performance, please refer to "Financial Highlights" section of our Annual Report.



Legal Compliance and Corporate Governance

Legal compliance and corporate governance have always been one of the top priorities for SOG. The decision making process in SOG is strictly in line with legal and regulatory requirements, and in compliance with the Code of Corporate Governance 2012 issued by Monetary Authority of Singapore and the regulations and guidelines issued by Ministry of Health.

The Group has not received any correspondences or notifications in relation to any non-compliance of legal and regulatory requirements or the Code of Corporate Governance from any government and regulatory agencies in FY 2018. Neither has the Audit Committee received any whistle-blowing letters during the year.

For further details on Corporate Governance, please refer to Page 58.

Ethics and Integrity

We promote an ethical and 'act with integrity' culture throughout the Group and our clinics, and seek to conduct our business in an ethical manner and in compliance with the best practices. All directors, specialist medical practitioners, clinical and management staff are required to fully comply with our Code of Ethics.

The Code of Ethics details our expected standards of employee's professional behaviour towards our business partners whom we have business dealings with, the people in the society whom we serve as patients and their families, and towards each other as employees of the Company. Above all, we are inculcated with strong corporate values to act with integrity.

All directors, specialist medical practitioners and key management personnel are required to complete and sign an annual declaration form declaring any and all direct or indirect interests they have in the Group or its associated companies. The Board of Directors are required to declare and confirm their direct or indirect directorships and any interested party transactions in relation to the Group on a quarterly basis.

Anti-Corruption and Anti-Fraud

With zero-tolerance policy to bribery and corruption, we have put in place monitoring and management control systems to detect bribery, fraud or other malpractices. We have also established a whistle-blowing mechanism for employees (including specialist medical practitioners) and any other stakeholders concerned such as patients and their families, suppliers, competitors and contractors.

The Group has assessed the need to have more than one whistle-blowing channels. Our stakeholders are able to use any of the following whistle-blowing channels:

1. Audit Committee Chairman

Mr. Ng Boon Yew

✉ boonyew@rafflescampus.edu.sg

2. Auditors

Foo Kon Tan LLP

Attention to Audit Partner-in-charge: Ms. Ang Soh Mui

✉ shirley.ang@fookontan.com

By doing so, our stakeholders can be assured that all reports or suspicions of potential breaches of our Code of Ethics, corruption and frauds are taken seriously by the Group. The whistleblowers can also be assured their identities are kept anonymous.

Compliance with Laws and Regulations

We are proactive in ensuring compliance with all relevant laws and regulations. Our management team is responsible to review and monitor the Group's policies and practices in respect to legal and regulatory requirements across all clinics and corporate office. Any non-compliance of the relevant laws and regulations with the proposed resolutions will be reported to the Board of Directors on a quarterly basis. There is no incidence of non-compliance with the relevant laws and regulations in FY 2018 and the Group has met its targets set for FY 2018 in the FY 2017 Sustainability Report.



Target for FY 2019:

To continue to achieve full compliance with laws and regulations

The Group has put in place policies and procedures to ensure compliance with the relevant laws and regulations, particularly those relating to Ministry of Health and Singapore Medical Council. At corporate level, we also ensure compliance both in substance and in form with the Listing Rules of SGX-ST, Securities and Futures Act, and Singapore Companies Act.

Any new enactment of or changes to the relevant laws and regulations will be communicated to all clinical and management staff via emails and small group meetings. Such communication is necessary to ensure that all staff are aware of the changes and can take the necessary steps and actions to ensure compliance.

We seek to use our patient's data to serve our patients and their families responsibly, and adhere to and uphold the provisions of the Personal Data Protection Act ("PDPA"). We have put in place policies to ensure we are in compliance with PDPA and we respect our patients' choices in respect of their personal data and the protection of patients' privacy.

The main purpose for which personal data is collected, used or disclosed by SOG and its clinics, and any of our service providers in Singapore include furnishing our patients and their families with information relating to our products and services, managing their subscriptions, renewals and their accounts, processing payments, addressing questions and feedbacks, improving our products and service level as well as, where permitted under law, sending them our marketing and promotional offers on products and services, and personalised content and advertising based on their preferences and demographics.

There is no incidence of breach of PDPA, product and service mis-information and labelling, or marketing communications in FY 2018 and the Group has met its targets set for FY 2018 in the FY 2017 Sustainability Report.



Target for FY 2019:

To continue to achieve full compliance with PDPA

Risk Management

We recognise the importance of risk management and how business risks may adversely affect the Group's financial and operating performance.

The Group has implemented an ERM system and performed annual Risk Refresher exercise to identify, assess and manage the top ten risks in FY 2018.

While it is the responsibility of the Audit Committee, as delegated by the Board of Directors, to oversee the effectiveness of our system of risk management and internal controls, the core function of the ERM framework is coordinated by our Chief Financial Officer as the Chief Risk Officer. The Chief Risk Officer prepares risk reports to the Audit Committee on a periodic basis.

Supply Chain and Procurement Policies

Our supply chain constitutes mainly the suppliers for our consumables and medical supplies for our fourteen (14) clinics. We maintained a stringent evaluation criteria on the suppliers for our consumables and medical supplies based on the list of approved health products from Health Science Authority of Singapore ("HSA") and product and service quality guidelines issued by HSA and other regulatory bodies.

For instance, we never use drugs that are expired. We believe in transparency in our supply chain and our approach is to positively engage with suppliers if we find any issues. Any non-compliance with the guidelines of any local and international health authorities will result in us terminating the procurement contracts and business relationships.

Sustainability REPORT

There is no incidence of non-compliance with the guidelines of any local and international health authorities for our consumables and medical supplies used in FY 2018 and the Group has met its targets set for FY 2018 in the FY 2017 Sustainability Report.



Target for FY 2019:

To continue to achieve full compliance with the guidelines of any local and international health authorities for our consumables and medical supplies used

Service Quality and Responsibility

For a healthcare service provider like SOG, we rank our service quality and responsibility to our patients and their families as the top priority for sustainable success of the Group. We are committed to provide high quality patient care and emphasise on service excellence.

We ensure our specialist medical practitioners and clinical staff practise good medicine and treat our patients professionally and ethically. We also educate and give full efforts in explaining to our patients and their families the patients' medical conditions and treatment they will be undergoing.



Environment

We believe our business has low impact on the environment. Nevertheless, we strive to embrace environmental sustainability by managing environmental conservation through adopting 'reduce', 're-use', 'recycle' and energy efficient practices.

Specifically, we look into ways to 'reduce', 're-use' and 'recycle' of papers, and conserve water and energy, in reducing our operating costs. However, these costs are assessed to be insignificant to the Group.

Based on discussions with our stakeholders, we have identified the following key environment issues relating to our business and operations:

Biohazard and Medical Waste Management

As a responsible corporate citizen, we recognise the importance of proper biohazard and medical waste management. If such biohazard and medical waste are not well-managed, they will pose health concerns to humans and the environment.

All biohazard and medical waste are properly managed by our clinics in accordance with the rules and regulations from

Ministry of Health ("MOH") and National Environment Agency ("NEA"). Surprise inspection of our clinics may be carried out by NEA to ensure proper biohazard and medical waste management.

The water supply, liquid and/or chemical products and consumables we used for our business operations or medical procedures are carefully monitored and responsibly discharged.

In FY 2018, there were no incidents of non-compliance with the rules and regulations from MOH and NEA in FY 2018 and the Group has met its targets set for FY 2018 in the FY 2017 Sustainability Report.



Target for FY 2019:

To continue to achieve full compliance with the rules and regulations from MOH and NEA



Social

People

The success of our business is highly dependent on the commitment of our specialist medical practitioners. Likewise, our specialist medical practitioners could not function without the support from clinical staff, and the Group could not grow without our management team. Thus, we view all our employees as equally important and together they form the human capital asset of the Group. Hence, we emphasise on the following areas in relation to our employees:

1 Health and Safety (Employees/ Patients/ Public)

Occupational health and safety implies adherence to all government regulations such as Private Hospitals and Medical Clinics Act, Nurses and Midwives Act, Medicine Act, Singapore Medical Council Ethical Code and Ethical Guidelines.

Be it for the patients, employees (including specialist medical practitioners) or the external healthcare support team and the public, our specialist medical practitioners are responsible to ensure their respective clinics are in compliance with the required government regulations. The specialist medical practitioners receive periodic updates from the relevant government agencies. Any relevant updates will be highlighted and discussed at our quarterly meetings.

All our medical support team are carefully trained in the proper handling of all medical equipment, disposal of biohazard and medical waste management, and any occurrence of major events such as infectious diseases and haze.

We have put in place processes to identify and monitor for any incidences of non-compliance. Our specialist medical practitioners are required to make a declaration if they are aware of such non-compliance incidences on a quarterly basis.

Our patients and their families are our top priority. We seek the most appropriate medical products and treatments which serve the needs of our patients. All consumables and medical supplies used on our patients must be approved by the HSA.

All our medication dispensed are carefully labelled with the instructions for proper consumption and usage.

In FY 2018, there were no incidents of health and safety issue to our employees, patients and public, and no workplace injury or work-related fatalities in our operations and the Group has met its targets set for FY 2018 in the FY 2017 Sustainability Report.

All incidences are reported to SOG Corporate Office, and investigated if deemed necessary. Safety measures are put in place if bio-hazards are identified.

Key Performance Indicators	FY 2018	Target for FY 2019
Lost Days Rate*	0%	0%

* Lost Days Rate refers to percentage of total number of work days that are lost as a result of health and safety incident over total number of work days per year.



Target for FY 2019:
To continue to achieve zero incidence of health and safety issue

2 Recruitment and Retention of Talents

The recruitment and retention of talents include cooperation with professional institutions, talent pool development and retention, and staff grievance mechanism.

We are continuously recruiting talents, particularly younger talents and grooming them through mentorship, recommending patients to them and supporting them to give free public presentations to potential patients and their families.

Our recruitment policy is based on meritocracy, pre-requisite skills and academic qualifications required to perform the required job scope. During the recruitment process, we have implemented stringent assessment criteria to ensure we recruit the people, particularly for specialist medical practitioners, with the same SOG's values.

We focus on talents retention by providing fair and sustainable financial and non-financial incentives, and learning and development opportunities. Our compensation and benefits policies are determined by guidelines proposed by senior management and approved by SOG's Remuneration Committee. All our employees are subject to annual performance review and receive constant performance feedbacks from their immediate superiors.

The Group also contributes to the Central Provident Fund Scheme and obtains medical benefits such as Hospitalisation & Surgical Plan for all our employees. We provide maternity as well as paternity leave in accordance with the guidelines from the Ministry of Manpower of Singapore.

Below is the headcount as at 31 December 2018.

The actual turnover rate for FY 2018 is 25% as compared to the targeted turnover rate of 10%. To enhance the appropriateness of performance metric used in the determination of retention of talents, the Group will in FY 2019 be revising its performance metric from turnover rate to retention rate.



Target for FY 2019:
We aim to achieve 80% retention of employees

Number of Headcount	Specialist Medical Practitioners	Clinical Staff	Management Staff	Total
As at 31 December 2018	14	44	14	72
As at 31 December 2017	12	38	14	64
As at 31 December 2016	10	34	11	55

“SOG, Caring for Women’s and Children’s Health...”



3 Training and Staff Development (including Specialist Medical Practitioners)

Apart from providing fair and sustainable financial incentives to our employees, we also strive to create a culture of developing our employees through the following ways:

» Mentorship

We have a strong culture of mentorship throughout our organisation. Our senior management leads and develops the organisation in achieving the goals and vision of the Group. Our senior specialist medical practitioners provides guidance and professional support to our junior specialist medical practitioners. On a periodic basis, our specialist medical practitioners meet to discuss operational issues and senior specialist medical practitioners share their experiences and provide mentorship to the junior specialist medical practitioners.

Our senior nurses provide on-the-job-training and coaching to our junior nurses and clinical assistants.

» Training and Skills Upgrading Opportunities

We are constantly developing our employees through providing regular feedbacks and trainings. We believe that everyone needs to know their areas of improvement. For those with high potential, career tracks are developed and opportunities are given to help them advance progressively in SOG.

Trainings such as medical conference and courses relating to their work are critical to equip our employees with up-to-date medical knowledge and skills in serving our patients and their families, and to support one another in SOG.

In FY 2018, the Group has met its targets set for FY 2018 in the FY 2017 Sustainability Report for the provision of trainings for our specialist medical practitioners and clinical staff. We will continuously work on providing the appropriate training for our management staff.







Target for FY 2019:

We aim to provide more trainings to our management staff by increasing the average number of training hours per FTE by 10%, and maintain to the same average number of training hours for our specialist medical practitioners and clinical staff.





Average hours of training per year per employee (Specialist medical practitioner):

2018	Gender	No. of Specialist Medical Practitioners Headcount [^]	No. of Medical Conferences	No. of Days	No. of Training Hours*	Average No. of Training Hours per FTE [^]
	 					
	Male	2	7	20	160	80.0
	Female	12	26	63	504	42.0
	Total	14	33	83	664	122.0

2017	Gender	No. of Specialist Medical Practitioners Headcount [^]	No. of Medical Conferences	No. of Days	No. of Training Hours*	Average No. of Training Hours per FTE [^]
	 					
	Male	2	4	14	112	56.0
	Female	10	17	49	392	39.2
	Total	12	21	63	504	95.2



Average hours of training per year per employee (Clinical staff):

2018	Gender	No. of Clinical Staff Headcount [^]	No. of Training Conferences	No. of Days	No. of Training Hours*	Average No. of Training Hours per FTE [^]
	 					
	Male	0	0	0	0	0
	Female	44	14	45	360	8.2
	Total	44	14	45	360	8.2

2017	Gender	No. of Clinical Staff Headcount [^]	No. of Trainings	No. of Days	No. of Training Hours*	Average No. of Training Hours per FTE [^]
	 					
	Male	0	0	0	0	0
	Female	38	3	5	40	1.1
	Total	38	3	5	40	1.1



Average hours of training per year per employee (Management staff):

2018	Gender	No. of Management Staff Headcount [^]	No. of Trainings	No. of Days	No. of Training Hours*	Average No. of Training Hours per FTE [^]
	 					
	Male	6	4	4.5	36	6.0
	Female	8	3	2.5	20	2.5
	Total	14	7	7	56	8.5

2017	Gender	No. of Management Staff Headcount [^]	No. of Trainings	No. of Days	No. of Training Hours*	Average No. of Training Hours per FTE [^]
	 					
	Male	7	9	9	72	10.3
	Female	7	8	9	72	10.3
	Total	14	17	18	144	20.6

*Assume 8 training hours per day.

[^]The number of headcount represents the full-time employees ("FTE") of the Group as at 31 December.

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4 Diversity and Equal Opportunities

We advocate gender diversity in our Board and across the Group. We set out the approach in our Board Diversity Policy Statement to achieve continued strong current and future business performance by promoting diversity on the Board and later, amongst the specialist medical practitioners and management of the Company.

The Board has established the following measurable objectives for workforce diversity in FY 2018:

Measurable Objectives	Progress
1. To have women on the Board.	One of our Executive Director is a woman.
2. To have women on board our senior management	There are currently two senior management members, and one of whom is a woman.
3. Due to the nature of the healthcare industry, we have more female than male employees. Where possible, recruit more male employees for our business.	As at 31 December 2018, the Group has a total of 72 employees (including specialist medical practitioners); and of whom, 63 and 9 are female and male employees respectively.

As at the date of this report, we have two (2) female directors among our seven (7) board members as well as a good representation of two (2) male doctors and thirteen (13) female doctors among our specialist medical practitioners.

Dr. Heng Tung Lan (“**Dr. Heng**”) is one of our founders and Executive Directors of the Company. She is an Obstetrician and Gynaecologist and is one of the thirteen (13) female doctors among our specialist medical practitioners. She currently serves on the Board as Executive Director and is one of our substantial shareholder.

We ensure there are fair work practices, and remuneration are ascertained based on individual work performance and not on any gender consideration. The chairmanship

of the Board of Director is rotated on a two-year basis to ensure fair opportunities for leadership within the Board. No form of discrimination is tolerated within the Group.

In FY 2018, there were no incidents of discrimination and corrective actions taken and the Group has met its target set for FY 2018 in the Sustainability Report for FY 2017.



Target for FY 2019:

To continue to achieve zero incidents of discrimination and corrective actions taken

5 Labour-Management Relations (including Specialist Medical Practitioners)

It is important to have effective communication between management and employees so that employees are more engaged with the organisation, and have a more positive attitude towards their work and our patients and their families. They are provided with frequent management updates and at least one-week of notice period for any new or changes in the Group’s policies and procedures.

We often engage our employees in the following ways:

1. Regular Meetings for Specialist Medical Practitioners

- » Management conducts regular meetings for our specialist medical practitioners to discuss on business development, finance, human resource and administrative, marketing and operational matters.

Notwithstanding the Group did not conduct quarterly meetings for Special Medical Practitioners in FY 2018 as set out in the Sustainability Report for FY 2017, informal and small group meetings are often held to engage our specialists on matters concerning their respective clinics.



Target for FY 2019:

To conduct at least one (1) meetings for Specialist Medical Practitioners.

2. Regular Small Group Meetings for clinical staff

- » Management conducts regular small group meetings to connect with our clinical staff at various locations. During the small group meetings, management explains certain new initiatives, policies and processes, and solicits opinions and feedbacks.

Notwithstanding the Group did not conduct townhall meeting for clinical staff in FY 2018 as set out in the

Sustainability Report for FY 2017, informal and small group meetings are often held to engage our clinical staff on matters concerning Group's policies and processes. The management considers small group meetings to be more effective and efficient.

3. Informal and Small Group Meetings for employees

- » Informal and small group meetings are often held by management for feedback on employee's concerns and grievances.

Community

Being a responsible corporate citizen, we believe in giving back to the society. While we strive to achieve our financial goals and objectives, we also believe in playing our part to engage and benefit our local community.

Over the last three years, we have been actively involved in various patient and community initiatives:

Public Forums

We are committed to organise at least one public forum annually. Since 2014, SOG has been conducting an annual public forum where our specialist medical practitioners share their knowledge and expertise, and when our medical and healthcare suppliers set up their booths to educate the public on their products and services.

Such educational and informative public forums bring our specialist medical practitioners, medical and healthcare suppliers together to provide the public with valuable insights and information on major health topics of interest. Our public forums are usually fully subscribed as we can cater to audiences of 200 to 250.

2018	Pregnancy, A Journey Like No Other (held on 7 July and 27 October 2018)
2017	Let's Talk About Her Health (held on 14 October 2017)
2016	Pregnancy - A Journey Like No Other (held on 8 October 2016)

Educational Health Talks

Frequently, we receive invitations from corporations, schools and other organisations to have our specialist medical practitioners give educational health talks to their employees, general medical practitioners, and general public.

In sharing their knowledge and expertise, our specialist medical practitioners take time-off from their clinics and give talks to these target audiences. During the talks, the audiences were welcome to ask questions relating to the subject matter.

Year	No. of Specialist Medical Practitioners	No. of Health Talks
2018	12	70
2017	8	34
2016	6	22

Giving Back To Community

At SOG, we believe in providing long-term committed support to the under-privileged. We have consistently demonstrated our commitment to improve the well-being and development of the community and environment in which we operate.

SOG have, over the years, worked with various community and charity organisations and participated in social development projects by providing support through either community day or cash donations.

We hope that with these initiatives, we are able to cultivate a sense of giving and sharing within the Group.



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103-2	The management approach and its components	39 - 40
103-3	Evaluation of the management approach	39 - 40
301-1	Materials used by weight or volume	Not applicable as it is deemed to be immaterial.
301-2	Recycled input materials used	Not applicable as it is deemed to be immaterial.
Energy		
103-1	Explanation of the material topic and its Boundary	40
103-2	The management approach and its components	40
103-3	Evaluation of the management approach	40
302-1	Energy consumption within the organization	Not applicable as it is deemed to be immaterial.
302-2	Energy consumption outside of the organization	Not applicable as it is deemed to be immaterial.
302-3	Energy intensity	Not applicable as it is deemed to be immaterial.
Water		
103-1	Explanation of the material topic and its Boundary	40
103-2	The management approach and its components	40
103-3	Evaluation of the management approach	40
303-1	Water withdrawal by source	Not applicable as it is deemed to be immaterial.
Effluent and Waste		
103-1	Explanation of the material topic and its Boundary	40
103-2	The management approach and its components	40
103-3	Evaluation of the management approach	40
306-1	Water discharge by quality and destination	40

Disclosure Number	Disclosure Title	Section Reference/Page
306-2	Waste by type and disposal method	40
306-4	Transport of hazardous waste	40
Environmental Compliance		
103-1	Explanation of the material topic and its Boundary	37, 40
103-2	The management approach and its components	37, 40
103-3	Evaluation of the management approach	37, 40
307-1	Non-compliance with environmental laws and regulations	40
Social		
Employment		
103-1	Explanation of the material topic and its Boundary	37, 40 - 41
103-2	The management approach and its components	37, 40 - 41
103-3	Evaluation of the management approach	37, 40 - 41
401-1	New employee hires and employee turnover	41
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	41 - 43
401-3	Parental leave	41
Labour-Management Relations		
103-1	Explanation of the material topic and its Boundary	37, 44
103-2	The management approach and its components	37, 44
103-3	Evaluation of the management approach	37, 44
402-1	Minimum notice periods regarding operational changes	44
Occupational Health and Safety		
103-1	Explanation of the material topic and its Boundary	37, 40 - 41
103-2	The management approach and its components	37, 40 - 41
103-3	Evaluation of the management approach	37, 40 - 41
403-1	Workers representation in formal joint management-worker health and safety committees	40 - 41
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	40 - 41
403-3	Workers with high incidence or high risk of diseases related to their occupation	40 - 41
Training and Education		
103-1	Explanation of the material topic and its Boundary	37, 42
103-2	The management approach and its components	37, 42
103-3	Evaluation of the management approach	37, 42
404-1	Average hours of training per year per employee	42 - 43

Sustainability REPORT

Disclosure Number	Disclosure Title	Section Reference/Page
404-2	Programs for upgrading employee skills and transition assistance programs	42 - 43
404-3	Percentage of employees receiving regular performance and career development reviews	41
Diversity and Equal Opportunity		
103-1	Explanation of the material topic and its Boundary	44
103-2	The management approach and its components	44
103-3	Evaluation of the management approach	44
405-1	Diversity of governance bodies and employees	44
405-2	Ratio of basic salary and remuneration of women to men	Not applicable as employee's remuneration are ascertained based on individual work performance and not gender consideration.
Non-discrimination		
103-1	Explanation of the material topic and its Boundary	44
103-2	The management approach and its components	44
103-3	Evaluation of the management approach	44
406-1	Incidents of discrimination and corrective actions taken	44
Human Rights Assessment		
103-1	Explanation of the material topic and its Boundary	40 - 41
103-2	The management approach and its components	40 - 41
103-3	Evaluation of the management approach	40 - 41
412-1	Operations that have been subject to human rights reviews or impact assessments	Not applicable as there is no such occurrence.
Local Communities		
103-1	Explanation of the material topic and its Boundary	37, 45
103-2	The management approach and its components	37, 45
103-3	Evaluation of the management approach	37, 45
413-1	Operations with local community engagement, impact assessments, and development programs	45
413-2	Operations with significant actual and potential negative impacts on local communities	45
Customer Health and Safety		
103-1	Explanation of the material topic and its Boundary	40 - 41
103-2	The management approach and its components	40 - 41
103-3	Evaluation of the management approach	40 - 41
416-1	Assessment of the health and safety impacts of product and service categories	40 - 41

Disclosure Number	Disclosure Title	Section Reference/Page
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	40 - 41
Marketing and Labeling		
103-1	Explanation of the material topic and its Boundary	40 - 41
103-2	The management approach and its components	40 - 41
103-3	Evaluation of the management approach	40 - 41
417-1	Requirements for product and service information and labeling	40 - 41
417-2	Incidents of non-compliance concerning product and service information and labeling	40 - 41
417-3	Incidents of non-compliance concerning marketing communications	40 - 41
Customer Privacy		
103-1	Explanation of the material topic and its Boundary	39
103-2	The management approach and its components	39
103-3	Evaluation of the management approach	39
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	39
Socioeconomic Compliance		
103-1	Explanation of the material topic and its Boundary	37 - 39
103-2	The management approach and its components	37 - 39
103-3	Evaluation of the management approach	37 - 39
419-1	Non-compliance with laws and regulations in the social and economic area	38 - 39

Note:

SOG takes a phased approach for our sustainability reporting and the adoption of GRI indicators. We will review the relevance of each indicators to our operations annually.

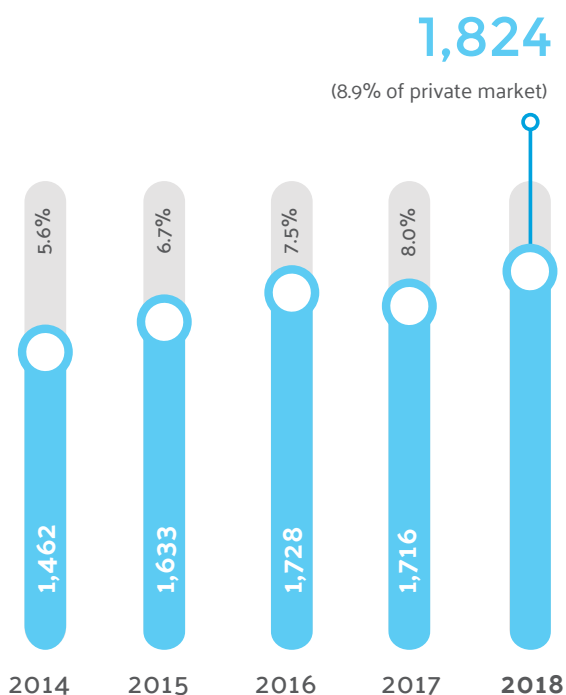
Sustainable Development STRATEGIES



Delivering New Lives (Babies) in Singapore

2018 Highlights

No. of babies delivered by SOG



SOG delivered 1,824 babies or 8.9% market share of the private sector healthcare market. This is an increase of 0.9% market share of the private sector healthcare market as compared to FY 2017.

2019 Outlook

Singapore government has continuously provided assistance and support in a bid to encourage couples to get married and have babies.

1. Provide financial assistance for those who face difficulties conceiving and opt to use Assisted Reproduction Technology treatments.
2. Enhance healthcare support with MediShield Life extended to cover serious pregnancy and delivery-related complications.
3. Provide paternity leave for eligible working fathers.
4. Help couples get their own homes more quickly.
5. Increase provision of affordable and quality infant-care and childcare places.
6. Extend and enhance the Work-Life Grant to provide more support to businesses to encourage the adoption of Flexible Work Arrangements for employers to implement practices that enhance family-friendliness.

With the Singapore Government's assistance and support, we believe that they will entice couples to get married and have babies, and this would position our O&G segment well in gaining market share in the number of babies delivered and thereby increase the contribution to the Group.

Continuing Patient Care and Support to the New Lives (Babies) and Children

2018 Highlights

Our Paediatrics segment has a direct correlation with that of the O&G segment i.e. market share in the number of babies delivered. With the increase in market share in terms of number of babies delivered in Singapore by our O&G segment, the contribution from our Paediatrics segment to the Group would also increase.

Revenue contribution from this segment increased from S\$0.2 million to S\$1.0 million in FY 2018, as this segment started operations in July 2017. In FY 2018, we have recruited Dr. Christina Ong who sub-specialises in Paediatric Gastroenterology.

2019 Outlook

We will continue to grow our base of O&G and Paediatrics specialists to better serve our patients and to increase our market share. We have well positioned our Paediatrics medical specialists at locations near our O&G medical specialists.

Enhancing, Preserving and Extending Lives for Our Patients and Their Families

2018 Highlights

Enhancing lives for our patients and their families

For our Dermatology segment, notwithstanding the challenges in Singapore's medical tourism, revenue contribution from this segment reduced marginally from S\$7.9 million to S\$7.7 million in FY 2018.

In FY 2018, we have recruited Dr. Liew Hui Min to grow our Dermatology segment.

Preserving and extending lives for our patients and their families

Our Cancer-related segment forms the pillar of medical services for patients seeking attentive and effective treatment for cancers, particularly breast and gynaecological

cancers. Our Cancer Specialist team, comprising two Breast Surgeons and one Gynae-Oncologist, aims to provide holistic and altruistic options to support our patients in their fight against cancer.

We are pleased with the growth of our cancer-related segment in FY 2018, with revenue growth from S\$3.8 million to S\$5.3 million. We have also seen a rise in the number of surgeries performed.

Year	No. of Gynaecological Surgeries Performed	No. of Breast Surgeries Performed
2018	213	214
2017	149	186
2016	153	139

2019 Outlook

Enhancing lives for our patients and their families

For our Dermatology segment, we will continue to look out for talents to help grow our Dermatology segment. Our Dermatology segment has provided an alternative dimension to the Group's revenue stream and enhanced synergistic possibilities to our core O&G business.

Preserving and extending lives for our patients and their families

Our Cancer Specialists have well established their bases in various hospitals and medical centres. With cancer cases on the rise, we will continue to strengthen our team of Cancer Specialists and equip them with the necessary skills and medical technology to support our patients' fight against cancer.

SOG is committed to enhance, preserve and extend the lives of our patients and we are constantly looking to recruit the right specialist medical practitioners to help us achieve our mission.

Sustainable Development **STRATEGIES**

FUTURE PLANS

Our strategic business approach is centred on a four-pronged strategy:



Expansion of new services based on our vision of 'Being the premier specialist provider in holistic healthcare for women and children'



Expansion of our business operations regionally through organic growth, joint ventures and acquisitions



Invest in our healthcare professionals and synergistic businesses to maintain our market leadership



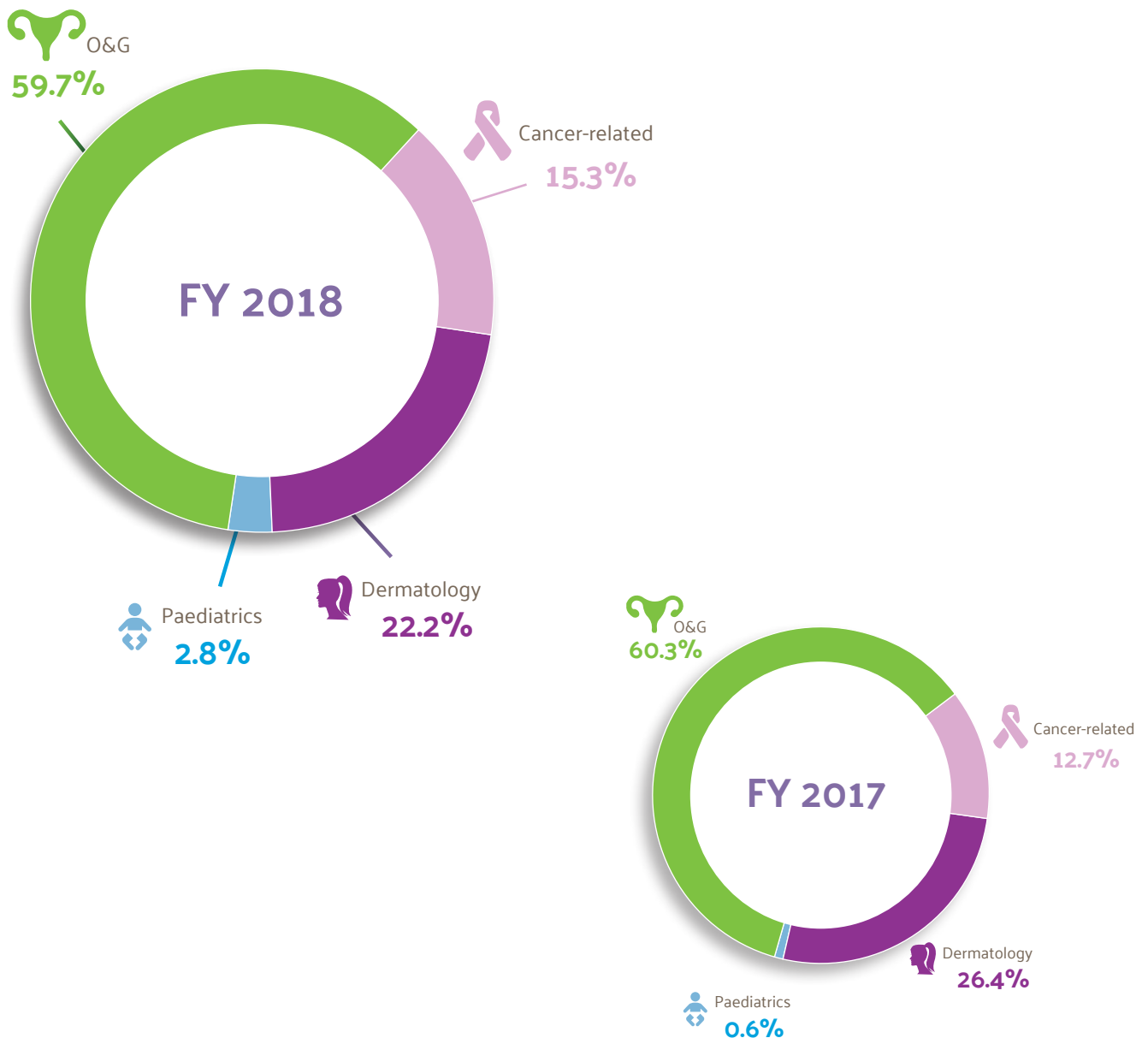
Diversify and grow our patient bases to target more corporate clients and medical tourists

Where Are We Now

As a leading group of specialist medical practitioners dedicated to women’s and children’s health and wellness, we strive to provide the full suite of services for our patients and their families. In FY 2018, we continue to expand the depth and breadth of our healthcare services by growing our Paediatric and Dermatology segments. We have recruited two Specialist Medical Practitioners namely Dr. Christina Ong (Paediatrics and Paediatrics Gastroenterology) and Dr. Liew Hui Min (Dermatologist) in November and December respectively.

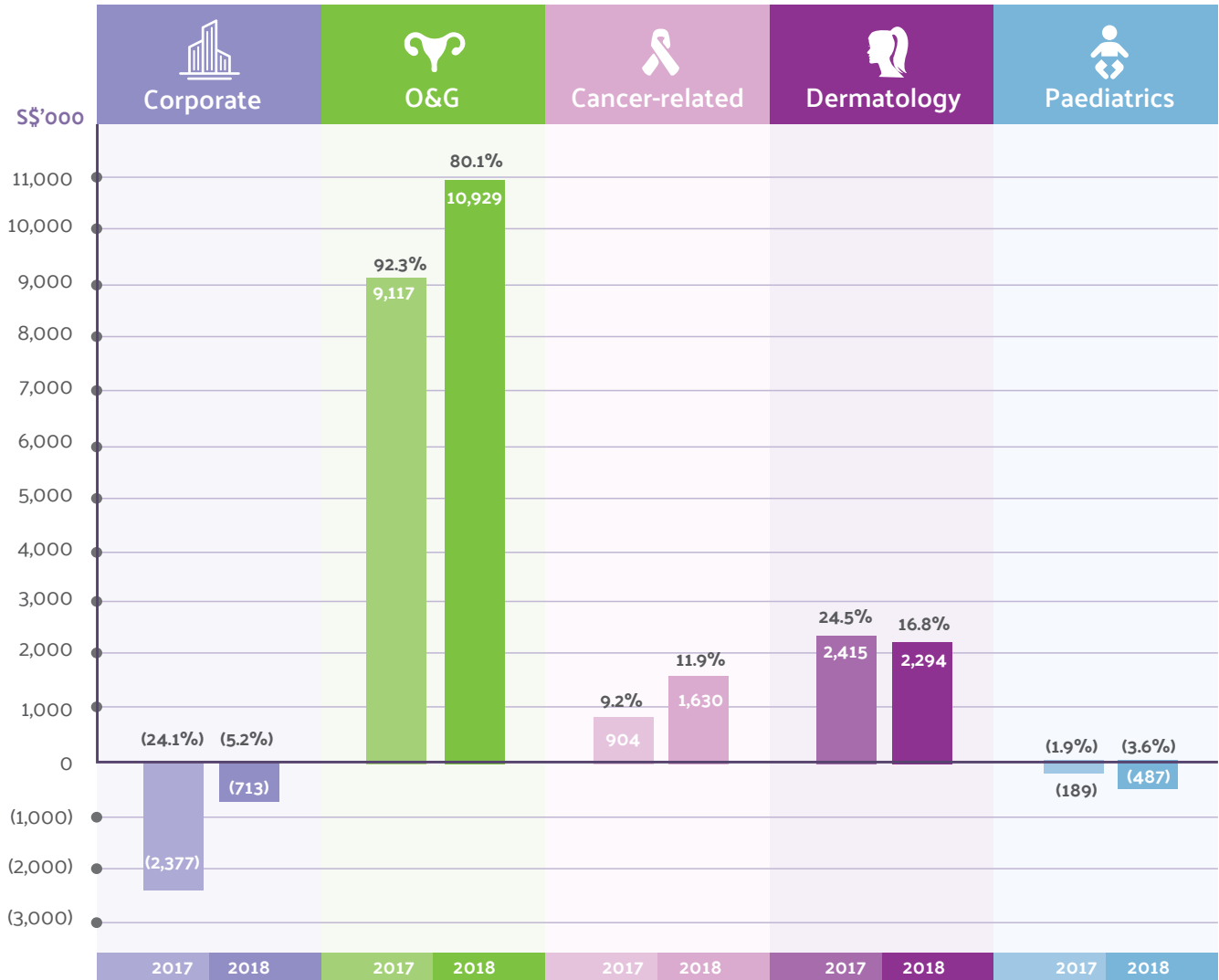
As at 31 December 2018, the Group has four business segments: (1) O&G, (2) Cancer-related, (3) Dermatology, and (4) Paediatrics. In comparison to the previous financial year, the revenue and profit from operations contribution from our fourteen (14) specialist medical practitioners for FY 2018 are as follows:

Revenue by Segment



Sustainable Development STRATEGIES

Profit from Operations by Segment



In FY 2018, we saw continuous growth of our Cancer-related segment. Profit from operations from our Cancer-related segment grew by 80.4% from S\$0.9 million for FY 2017 to S\$1.6 million for FY 2018.

The number of babies delivered by our O&G segment in FY 2018 increased from 1,716 babies in FY 2017 to 1,824 babies in FY 2018. Profit from operations from our O&G segment grew by 19.9% from S\$9.1 million for FY 2017 to S\$10.9 million for FY 2018.

What We Aim to Achieve in the Future



We take a progressive approach in achieving our future plans and aim to:

1. Continue to recruit more O&G Specialists to enlarge our core O&G segment of the Group.
2. With the number of babies delivered by SOG each year, we hope to build up the patient load for our Paediatrics segment. Our patients and their families can now return to SOG for paediatrics care.
3. Increase the level of our inter-clinic referrals through synergy awareness.
4. Look out for overseas opportunities, especially in areas where not just financial but also, the humanitarian and other ancillary perspective.
5. Continue to grow our non-O&G business segments to increase their revenue and profit contribution to the Group.

Corporate Governance REPORT

The Board of Directors (the “**Board**”) of Singapore O&G Ltd. (the “**Company**”) and its subsidiaries (together with the Company, the “**Group**”) recognises the importance of corporate governance and is committed to ensuring the highest standards of corporate governance are practised throughout the Group, as a fundamental part of discharging its responsibilities to protect and enhance shareholder value, as well as strengthening investors’ confidence in its management and financial reporting while seeking to achieve operational excellence and delivering the Group’s long-term strategic objectives.

This Corporate Governance report (the “**Report**”) describes the Group’s ongoing efforts during the financial year ended 31 December 2018 (“**FY 2018**”), in keeping pace with the evolving corporate governance practices and complying with the Code of Corporate Governance 2012 (the “**Code**”) and where applicable, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Catalist Rules**”) and the Companies Act (Cap. 50 of Singapore) (the “**Companies Act**”). The Board confirms that the Company has adhered to the principles and guidelines as set out in the Code. Where there are deviations from the Code, appropriate explanations are provided.

(A) BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The Board is primarily responsible for overseeing and supervising the management of the business and corporate affairs, the overall performance of the Group and to deliver sustainable value over the long term to shareholders. Board members are expected to act in good faith and exercise independent judgement in the best interests of the Group.

The principal functions of the Board are:

- providing entrepreneurial leadership, reviewing and setting the strategic directions and broad policies, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives and monitoring the organisational performance towards them;
- approving the Group’s annual budgets, key operational matters, investment and divestment proposals, corporate or financial restructuring, material acquisitions and disposals of assets and making decisions in the interest of the Group, interested person transactions of a material nature, convening of shareholders’ meetings and major funding proposals;
- establishing and reviewing the adequacy and integrity of the Company’s framework of risk management systems, internal controls and financial reporting systems to safeguard the shareholders’ interest and the Company’s assets;
- identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
- consider sustainability issues such as environmental and social factors, as part of its strategic formulation;
- ensuring the Group’s compliance with relevant laws, regulations, policies, directives, guidelines, internal codes of conduct and obligations to shareholders;
- approving all Board appointments or re-appointments and appointments of any persons who have authority and responsibility for planning, directing and controlling the activities of the Company (“**key management personnel**”) as well as evaluating their performance and reviewing their compensation packages;
- ensuring accurate, adequate and timely reporting to, and communication with shareholders;
- setting the Group’s values and standards of conduct and assuming the responsibility for the satisfactory fulfilment of social responsibilities of the Group; and

Corporate Governance REPORT

- reviewing the performance of the Group towards achieving adequate shareholder value including but not limited to the declaration of interim and final dividends, if applicable, approval of financial results of the Group and the audited financial statements and timely announcements of material transactions.

To facilitate effective management and assist the Board in discharging its responsibilities and to enhance the Group's corporate governance framework, the Board has delegated specific responsibilities to three committees namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"), details of which are set out in the terms of reference for each Board Committee.

These Board Committees have the authority to review and examine particular issues and to report to the Board their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board, which will take into consideration the overall interests of the Group. Each Board Committee has its own specific written terms of reference that clearly set out its objectives, scope of duties and responsibilities, rules and regulations, and procedure governing the manner in which it is to operate and how decisions are to be taken.

The Board has adopted a set of internal guidelines on matters requiring its approval. Matters which are specifically reserved for the Board's decision include those involving corporate policies, plans and budgets, Board structure, material acquisitions and disposals of assets, corporate strategy, financial restructuring, share issuances, dividends and other returns to shareholders, major financial decisions such as investment and divestment proposals, expenditure beyond a prescribed amount as well as interested person transactions.

The Company will provide a comprehensive new Director's package and conduct an orientation programme for newly appointed Directors that seek to familiarise them with the Group's businesses, Board processes, internal controls and governance practices. All newly appointed Directors who do not have prior experience as a Director of a public listed company in Singapore will be provided with the relevant training as prescribed by the SGX-ST. The orientation programme is conducted by the Chief Executive Officer (the "**CEO**") which includes meetings with various key management personnel and briefings on key areas of the Group's business, operations and regulatory environment to enable them to assimilate into their new roles. The programme also allows the new director to get acquainted with senior management, thereby facilitating Board interaction and independent access to senior management. The Company provides a formal letter to each new Director upon his appointment, setting out clearly the Director's duties and obligations. The new director will also receive a welcome-pack containing Board policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving restrictions on security dealings and the disclosure of price-sensitive information.

During the year, the Company appointed Mr. Ng Boon Yew as the Lead Independent Director, Chairman of AC, member of NC and RC with effect from 1 February 2018. The Company also appointed Ms. See Tho Soat Ching as additional Independent Director and member of AC and RC with effect from 11 February 2019.

The Directors are also provided with ongoing updates and/or briefings from time to time by the Management of the Company ("**Management**"), professional advisers, auditors, Sponsors and the Company Secretary in areas such as Directors' duties and responsibilities, corporate governance practices, risk management matters and changes in financial reporting standards which have a direct impact on financial statements. The Company also encourages and where it feels appropriate, will arrange for training courses to supplement and keep Directors updated on areas such as accounting, legal, regulatory, industry-specific knowledge or trends and changes in regulatory requirements pertaining to the Group's business. The Company is responsible for funding the training of Directors.

Briefings and Updates Provided for Directors in FY 2018

- (a) The external auditor, Foo Kon Tan LLP, regularly briefed AC members on developments in accounting, financial reporting and governance standards.
- (b) The CEO updated the Board at each meeting on the business, strategic developments and key trends in the women's and children's healthcare industry and initiated discussions on the direction of the Company.
- (c) The Company Secretary/Sponsor briefed the Board on the updates and changes to the Companies Act and Catalist Rules of the SGX-ST throughout FY 2018 which were relevant to the Company.

Corporate Governance REPORT

The Directors also attended other appropriate courses, conferences and seminars and these included programmes conducted by the Singapore Institute of Directors, of which the Company is a member of.

The Board normally meets at least four (4) times a year with additional meetings convened as and when necessary. During FY 2018, the Company held six (6) Board meetings.

The Company's Constitution ("**Constitution**") allow for Board meetings to be conducted by way of telephone or video conferencing or other means of similar communication equipment, whereby all persons participating in the meeting are able to communicate with each other without requiring the Directors' physical presence at the meeting. All Directors are provided with the agenda and a set of the Board papers prior to the Board meetings. These are issued in advance to give the Directors sufficient time to better understand the matters to be discussed and to obtain further clarifications or explanations at the Board meeting where necessary. The Company and the Board acknowledge that an unimpeded flow of relevant information in a timely manner is crucial for the Board to be effective in discharging its duties and responsibilities.

The Board members may at any time request and/or obtain further information, explanation and briefing from the CEO and the Management to initiate informal discussion on the operations of the Group.

Each Board member brings with him/her independent judgment, diversified knowledge and experience when dealing with issues of strategy, performance, resources and standards of conduct.

The number of meetings held by the Board and Board Committees in FY 2018 and the attendance of Directors at these meetings are disclosed below:

Meeting of	Board	AC	NC	RC
Total meetings held	6 [^]	4	3	3
Total meetings attended				
Dr. Beh Suan Tiong	6	4*	3*	3*
Dr. Lee Keen Whye	6	4*	3*	3*
Dr. Heng Tung Lan	5	4*	3*	3*
Mr. Ng Boon Yew [#]	4	4	3	3
Mr. Chan Heng Toong	6	4	3	3
Mr. Chooi Yee-Choong	6	4	3	3
Ms. See Tho Soat Ching [®]	–	–	–	–

[^] In FY 2018, there was six (6) board meetings held by the Board. During the year, the Board also had on numerous occasions approve certain decision by way of circular resolutions in writing.

* Attendance of Executive Directors by invitation of the Board Committees.

[#] Appointed on 1 February 2018.

[®] Appointed on 11 February 2019.

The Directors do adopt other modes of communications and discussions apart from holding a physical Board meeting or in cases where a physical meeting is not possible. Directors could constantly communicate via telephone conferencing and emails to discuss matters of the Group. The Board and Board Committees may also make decisions by way of circulating resolutions.

Board Composition and Guidance

Principle 2

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Corporate Governance REPORT

As at the date of this Report, the Board comprises three (3) Executive Directors and four (4) Independent Directors. Guideline 2.2 of the Code is met as the Independent Directors make up a majority of the Board.

The current members of the Board and their membership on the Board Committees of the Company are as follows:

Name of Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
Dr. Beh Suan Tiong	Executive Chairman	-	-	-
Dr. Lee Keen Whye	Executive Director	-	-	-
Dr. Heng Tung Lan	Executive Director	-	-	-
Mr. Ng Boon Yew	Lead Independent Director	Chairman	Member	-
Mr. Chan Heng Toong	Independent Director	Member	Chairman	Member
Mr. Chooi Yee-Choong	Independent Director	-	Member	Chairman
Ms. See Tho Soat Ching	Independent Director	Member	-	Member

In 2019, the Company had appointed an additional Independent Director in furtherance of the Board's independence as part of its continuing effort in corporate governance practice. The Board believes that it is of the right size and composition for the Company. The NC reviews the size and composition of the Board annually, to ensure that it remains suitable for the Company and it continues to facilitate effective decision making, taking into account the size, nature and scope of the Group's operations, and to ensure that the Board has a strong independent element.

The NC, with the concurrence of the Board, is of the opinion that the current Board size of seven (7) Directors is adequate for effective debate and decision making and that the Board possesses the appropriate diversity. The Board's composition has an appropriate balance and diversity skills, experience, gender and knowledge to discharge its responsibilities. The NC also takes into account gender diversity in relation to the composition of the Board, as well as a mix of nationality, skills, knowledge, expertise and experience to provide core competencies in areas such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and patient-based experience or knowledge that are relevant to the direction of the expansion of the Group.

The current Board comprises, three (3) Executive Directors who are specialist medical practitioners and four (4) Independent Directors with significant experience and knowledge in corporate governance, finance and accounting, and compliance and internal controls.

Further details on the key information and profile of each Director, including their academic and professional qualifications, shareholding in the Company and its subsidiaries, dates of first appointment as a Director, directorships or chairmanships both present and those held over the preceding five (5) years in other listed companies and other major appointments or principal commitments, are presented under the "Directors' Report" and "Board of Directors" sections of this Annual Report.

As the majority of the Board comprised of Independent Directors, no individual or group is able to dominate the Board's decision-making process. There is also an appropriate balance, even though the Chairman is an Executive Director, the CEO is not a member of the Board and with the presence of Independent Directors who have the calibre and proven track record necessary to carry sufficient weight in Board decisions.

In addition, the NC had reviewed and confirmed the independence of the Independent Directors in accordance with the Code and the applicable listing rules. The Independent Directors had also confirmed their independence in accordance with the Code.

The Board and Management fully appreciate that an effective and robust Board whose members engage in open and constructive debate and challenge the Management on its assumptions and proposals is fundamental to good corporate governance. Although all the Directors have equal responsibilities towards the Group's operations, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the senior management team are fully discussed and examined, and take into account the long-term interests of shareholders as well as employees, patients, specialist medical practitioners, and the various communities which the Group conducts business with. They also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

Corporate Governance REPORT

The Company has adopted initiatives to ensure that the Directors are well supported by accurate, complete and timely information, have unrestricted access to Management, and have sufficient time and resources to discharge their oversight function effectively. These initiatives include regular informal meetings for Management to brief the Directors on prospective deals and potential developments at an early stage, and the circulation of relevant information on business initiatives, industry developments, and analyst and media commentaries on matters in relation to the Group and the industries in which it operates.

Independent Directors will also meet on a need-to basis without the presence of Management to discuss the matters in relation to the corporate development of the Group to ensure effective and independent review of the Management.

The Board also confirms that there is no Director who has served on the Board beyond nine (9) years from the date of his first appointment. All Directors have demonstrated objectivity in their deliberations in the interests of the Group.

Chairman and Chief Executive Officer/Executive Director

Principle 3

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Chairman, Dr. Beh Suan Tiong, is the Executive Chairman while the role of the CEO is held by Dr. Lau Eng Kien ("**Dr. Lau**") who was appointed on 2 May 2018.

The Chairman and CEO roles in the Company are assumed by different individuals. There is a clear division of the roles and responsibilities between the Chairman and CEO, which ensures a balance of power and authority at the top of the Company. The separation and clarity of the roles of the Chairman and CEO resulting a healthy professional relationship between the Board and the Management, and facilitate robust deliberations on the Group's business activities.

The Executive Chairman assists Management in charting the Group's strategic direction, and the business planning and development. The Executive Chairman reviews the Board papers together with the CEO and Chief Financial Officer ("**CFO**"), before they are presented to the Board, and ensures that Board members are provided with complete, adequate and timely information. The Executive Chairman monitors communications and relations between the Company and its shareholders, between the Board and Management, between Executive and Independent Directors, with a view to encourage constructive relations and dialogue amongst them. The Executive Chairman also works to facilitate the effective contribution of Directors and assists to ensure procedures are introduced to comply with the Company's guidelines on corporate governance. He contributes towards the quality and timeliness of information flow between the Board and the Management. In addition, he provides close oversight, guidance, and advice to the CEO and Management. At annual general meeting ("**AGM**") and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management as well as between Board members, and promote high standards of corporate governance.

The CEO leads Management in setting strategies, objectives and missions and executing the approved strategies and policies. He is responsible for the day-to-day operations, overall administration, business and strategic development, marketing, corporate planning and management of the Group. The role of the CEO also includes scheduling and controlling the quality, quantity and timeliness of information supplied to the Board.

The Executive Chairman and CEO are not related. In line with the best practices in corporate governance, the duties and responsibilities of the Executive Chairman and CEO have been approved by the Board.

The CEO's performance and remuneration will be reviewed annually by the NC and the RC, whose members comprises Independent Directors of the Company. As such, the strong independent element on the Board ensures decisions are not based on a considerable concentration of power in a single individual. With the existence of various committees with power and authority to perform key functions, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

Corporate Governance REPORT

Lead Independent Director

As the Executive Chairman and CEO are both part of the Specialist Medical Practitioner and Management team respectively, the Board has appointed a Lead Independent Director to lead and co-ordinate the activities of the Independent Directors of the Company. The Lead Independent Director assists the Board in ensuring effective corporate governance in managing the affairs of the Board and the Company.

The Lead Independent Director has the authority to call and lead meetings of the Independent Directors, when necessary and appropriate. Led by the Lead Independent Director, the Independent Directors communicate regularly without the presence of the other Executive Directors and Management to discuss matters such as board processes, corporate governance initiatives, succession and leadership development planning, and remuneration matters. Feedback on the outcomes of these discussions is provided to the Executive Chairman after such meetings.

The Lead Independent Director will represent the Independent Directors in responding to shareholders' questions and comments that are directed to the Independent Directors as a group.

Board Membership

Principle 4

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Company has established an NC to, among other things, make recommendations to the Board on all Board appointments and oversees the Company's succession and leadership development plans. The NC strives to ensure that the composition of the Board provides an optimal blend of skills, experience, gender and knowledge of the industry and that the Directors, as a group, have the necessary core competencies to enable balanced and well-considered decision to be made in the interest of the Group.

The NC, regulated by a set of written terms of reference, comprises the following three (3) members, all of whom, including the Chairman, are Independent Directors:

- Mr. Chan Heng Toong (Chairman)
- Mr. Chooi Yee-Choong (Member)
- Mr. Ng Boon Yew (Member)

The Lead Independent Director is a member of the NC.

The NC is responsible for the following under its terms of reference:

- reviewing and recommending candidates for appointments to the Board and Board Committees (excluding the appointment of existing members of the Board to a Board Committee);
- reviewing and approving any new employment of related persons and proposed terms of their employment;
- reviewing and recommending candidates to be nominees on the Boards and Board Committees of the listed companies and entities within the Company and its subsidiaries (the "Group");
- re-nomination of directors for re-election of directors in accordance with the Constitution at each annual general meeting and having regard to the director's contribution and performance (including alternate directors, if applicable);
- reviewing and determining annually, and as and when circumstances require, if a director is independent;

Corporate Governance REPORT

- deciding whether or not a Director of the Company is able to and has been adequately carrying out his duties and responsibilities, including time and effort contributed to the Company, attendance at meetings of the Board and Board Committees, participation at meetings and contributions of constructive, analytical, independent and well-considered views, and taking into consideration the Director's number of listed company board representations and other principal commitments;
- developing of a process for evaluation of the performance of the Board, its Board Committees and Directors and deciding how the Board's performance may be evaluated and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholder's value. These performance criteria should not be changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the onus should be on the Board to justify this decision;
- recommending to the Board the review of Board's succession plans for Directors, in particular, the Chairman and for the CEO;
- recommending the appointment of key management positions, reviewing succession plans for key positions within the Group and overseeing the development of key executives and talented executives within the Group;
- reviewing and assessing from time to time whether any director or any person involved in the day-to-day management of the Group is related to, or is appointed pursuant to an agreement or arrangement with, a Controlling Shareholder and/or its Associates; and
- reviewing the training and professional development programs for the Board.

During FY 2018, the NC held three (3) meetings to review the above matters. NC has been mandated by the Board to meet at least once a year.

The Board, through the NC, will review annually the effectiveness of the Board as a whole and its required mix of skills and experience and other qualities, including core competencies, which Directors should bring to the Board. The process that the NC will undertake shall include:

- reviewing if the Directors have met the key performance indicators ("KPIs") set for them which include attendance at meetings, attendance at courses designed to enhance Director's awareness and visiting the clinics, meeting staff and attending the open forum sessions held by the Company;
- assessment by other Directors of the Board; and
- self-assessment.

(For more information on the assessment forms, please see Principle 5)

The NC has in place a formal process for the selection of new Directors and re-appointment of Directors to increase transparency of the nominating process in identifying and evaluating nominees or candidates for appointment or re-appointment. In selecting potential new Directors, the NC will seek to identify the competencies and expertise required to enable the Board to fulfil its responsibilities. The NC will also evaluate the suitability of the nominee or candidate based on his qualifications, business and related experience such as in the financial, commercial, healthcare, corporate governance and compliance, including the commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board, before making its recommendation to the Board. The Board is to ensure that the selected candidate is aware of the expectations and the level of commitment required.

In its search and selection process for new Directors, the NC has a process that considers the attributes of the existing Board members, such as balance and diversity of skills, knowledge and experience on the Board, and the requirements of the Group.

Corporate Governance REPORT

The NC is most likely to use various independent external parties to help it source for new Directors such as executive recruitment consultants, and will also tap on to the resources of the Directors' personal contacts and the Company's sponsors and their recommendations for potential candidates, and associations such as the Singapore Institute of Directors that are independent of the Group or any of its Directors.

New Directors are appointed by way of a Board resolution or at a Board meeting, upon their nomination by the NC. Newly appointed Executive Directors will be provided with service agreements setting out their term of office and terms of appointment. The service agreement is subject to the RC's recommendations, and may be renewed for such period as the Board may decide after the expiry of its first term of appointment, unless terminated by either party. For Non-Executive Directors, formal letters of appointment setting out their terms of appointment will be issued to new appointees to the Board.

Annual Review of Director's Independence in FY 2018

Every year, the NC reviews and affirms the independence of the Company's Independent Directors. Each Independent Director is required to complete a Director's Independence Form on an annual basis to confirm his/her independence. The checklist is drawn up based on the guidelines provided in the Code and requires each Director to assess whether he considers himself independent despite not being involved in any of the relationships identified in the Code.

The checklist requires each Director to disclose any relationship which would interfere or be reasonably perceived to interfere with the exercise of independent judgment in carrying out the functions as an Independent Director of the Company. Amongst the items included in the checklist are disclosures pertaining to any employment including compensation received from the Company or any of its related corporations, relationship to an Executive Director of the Company, its related corporations or its 10% shareholders, immediate family members employed by the Company or any of its related corporations as senior executive officer whose remuneration is determined by the RC, shareholding or partnership or directorship (including those held by immediate family members) in an organisation to which the Company or any of its subsidiaries made, or from which the Company or its subsidiaries received, significant payments in the current or immediate past financial year. The NC will then review the checklist.

The Company has in place a policy whereby Directors must consult both the Chairman of the Board and the NC Chairman prior to accepting new Director appointment of a listed company. Directors must also immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence. This ensures Directors continually meet the stringent requirements of independence.

As at the date of this Report and in respect of FY 2018, the NC has reviewed and is satisfied with the independence of the Company's Independent Directors, Mr. Ng Boon Yew, Mr. Chan Heng Toong, Mr. Choo Yee-Chong and Ms See Tho Soat Ching. None of the Independent Directors have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders.

Each of the Independent Directors has also confirmed his independence pursuant to Catalist Rule 406(3)(d). The Board concurred with the NC's assessment that the Independent Directors continue to meet the "independence" criteria.

Re-nomination of Directors

The NC is also responsible for making recommendations to the Board on the re-nomination of Directors. In recommending a Director for re-appointment to the Board, the NC considers, amongst other things, his/her contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Group's business and affairs), his/her performance and independence.

Pursuant to Article 91 of the Company's Constitution, at every AGM, one-third of the Board is to retire from office by rotation and be subject to re-election and for this purpose, every Director shall retire from office once every three years. In addition, Article 97 of the Company's Constitution provides that a newly appointed Director must retire and submit himself/herself for re-election at the next AGM following his/her appointment. This will enable all shareholders to exercise their rights in selecting all Board members of the Company.

Corporate Governance REPORT

At the forthcoming AGM, the following Directors will be subject to retirement and all Directors, being eligible have offered themselves for re-election as director by shareholders:

- (1) Dr. Lee Keen Whye pursuant to Article 91
- (2) Mr. Chan Heng Toong pursuant to Article 91
- (3) Ms. See Tho Soat Ching pursuant to Article 97

Each and every retiring director has abstained from deliberating and recommending on his/her own re-election.

The Board does not encourage the appointment of alternate directors. There is no alternate director appointed to the Board.

Directors' Time Commitments & Multiple Board Representations

The NC also considers annually whether Directors who serve on multiple boards are able to commit the necessary time to discharge their responsibilities as Directors of the Company. The NC has taken into account the results of the assessment of the effectiveness of the individual Director, and the respective Director's actual conduct on the Board in making this determination and is satisfied that sufficient time and attention are being given by each Director to the affairs of the Group, notwithstanding that some of the Directors may have multiple board representations and other principal commitments. The NC requires each of the Directors to disclose and discuss with the Chairman of the NC and the Board before accepting any new appointment as a Director of a listed company. In addition, each Director is required to disclose and update their directorships and/or shareholdings in other companies. In view of the foregoing, the NC has determined the maximum number of listed company board representations which any Director may hold is not more than six (6) directorships.

Directors' Training

The Directors are also kept updated on the revisions to relevant laws and regulations through presentations and workshops organised by the Management. The Board recognises the importance of continual training and development for its Directors to equip them to discharge the responsibilities of their office as Directors and supports Directors receiving further relevant training in connection with their duties, particularly on relevant new laws and regulations. In addition, Management facilitates attendance at such training sessions by disseminating information on the availability of such training sessions to each Director.

During FY 2018, our Directors have attended various training programmes, forums and seminars as follows:

Names of Directors	Title of Seminar/Forum/Course	Date of Attendance
Dr. Beh Suan Tiong	SID Masterclasses for Directors : Leading from the Chair - What it takes to be Effective	23 January 2018
Dr. Heng Tung Lan	SID Masterclasses for Directors : Leading from the Chair - What it takes to be Effective	23 January 2018
Dr. Lee Keen Whye	SID Masterclasses for Directors : Leading from the Chair - What it takes to be Effective	23 January 2018
Mr. Chan Heng Toong	EY Roundtable discussion on "AGM: from shareholders' perspective"	5 April 2018
	Enterprise Risk Management: Taking Board Risk beyond the board.	16 November 2018
	SID "Corporate Governance Roundup 2018"	20 November 2018

Subsequent to the attendance of the training sessions by the Directors, they would share the relevant updates and information with other Board members during the meeting.

Succession Planning for the Board and Senior Management

Succession planning is an important part of the governance process. The NC will review and seek to refresh the Board membership and senior management progressively and in an orderly manner, to avoid losing institutional memory.

Corporate Governance REPORT

Board Performance

Principle 5

There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committee and the contribution by each director to the effectiveness of the Board.

The Board has implemented a process where the NC assesses the performance and effectiveness of the Board as a whole and its Board Committees in its monitoring role and the attainment of the strategic objectives set by the Board as well as the contribution of individual Directors to the effectiveness of the entire Board. The qualitative measures include the effectiveness of the Board in its monitoring and the attainment of the strategic objectives set by the Board. The evaluation exercise is carried out annually by Director Assessment Checklist and Performance Evaluation Sheet, which is circulated to the Board members for completion. The Company Secretary will collate the checklists and provide an independent summary of the ratings or score points of each Board member and individual Director's performance criteria. Thereafter, the NC will review the summary evaluation and ascertain key areas for improvements and requisite follow-up actions to ensure continuous improvement of the corporate governance of the Company and effectiveness of the Board as a whole and the contribution of each Director. The NC provides the outcome of the review process to the Board. The feedback, comments and recommendations by Directors will be discussed constructively by the NC and the Board.

Board performance criteria

The performance criteria for the evaluation of the Board are as follows:

- the Board's size and composition;
- the Board's independence;
- the Board's effectiveness in its monitoring role and attainment of the strategic and long-term objectives;
- the Board's information and accountability;
- the Board's performance in relation to discharging its principal functions; and
- the Board Committees' performance in relation to discharging their responsibilities set out in their respective terms of reference.

Individual Director's performance criteria

Individual Director's performance is evaluated annually and informally by the NC and the Chairman. In assessing the individual director's performance, the NC takes into consideration the following performance criteria:

- interactive skills (whether the Director works well with other Directors and participates actively);
- knowledge (the Director's industry and business knowledge, functional expertise, whether the Director provides valuable inputs, the Director's ability to analyse, communicate and contribute to the productivity of meetings, and understanding of finance and accounts, are taken into consideration);
- Director's duties (the Director's board committee work contribution, whether the Director takes his role as Director seriously and works to further improve his own performance, whether he listens and discusses objectively and exercises independent judgement, and meeting preparation are taken into account);
- availability (the Director's attendance at Board and Board Committee meetings, whether the Director is available when needed, and his informal contribution via email, telephone, written notes, etc. are considered); and
- overall contribution, bearing in mind that each Director was appointed for his strength in certain areas which taken together provides the Board with the required mix of skills and competencies.

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The performance of the Directors is evaluated using agreed criteria, aligned as far as possible with appropriate corporate objectives. The criteria include short and long term measures and cover financial and non-financial performance indicators such as the strength of his experience and stature, and his contribution to the proper guidance of the Company. The Company Secretary will collate the Board and Directors' evaluations and provide the summarised results to the NC.

The NC is satisfied that the current composition of the Board provides adequate ability to meet the existing scope of needs and the nature of operations of the Group. From time to time, the NC will review the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

The NC is satisfied that each Director has contributed effectively and demonstrated commitment to their respective role (including commitment of time for the Board and Board Committee meetings, and any other duties). The Board as a whole has also met the performance evaluation criteria and objectives during the financial year.

Each member of the NC will abstain from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as a Director. No external facilitator was used in the process to conduct an evaluation of Board's performance.

Access to Information

Principle 6

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Board and the Board Committees are furnished with management reports containing complete, adequate and timely information, and papers comprising relevant background or explanatory information required to support the decision-making process. Management team and the Company's auditors would also provide additional information on the matters for discussion.

All Directors have separate and independent access to key management personnel, senior management and the Company Secretary for any information that they may require. The Company Secretary administers and prepares minutes of Board and Board Committees meetings and assists the Chairman in ensuring that Board procedures are adhered to and that applicable statutory and regulatory rules and regulations are complied with.

The Company Secretary and/or her representative attend all Board and Board Committee meetings. The appointment and removal of the Company Secretary are subject to approval of the Board.

Where decisions to be taken require expert opinion or specialised knowledge, the Directors, whether as a group or individually, may seek independent professional advice as and when necessary in furtherance of their duties at the Company's expense. The appointments of such independent professional advisors are subject to approval of the Board.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Corporate Governance REPORT

Matters relating to the remuneration of the Board, key management personnel and other employees who are related to the controlling shareholders and/or Directors are handled by the RC whose primary function is to develop and ensure that formal and transparent policies and procedures on remuneration matters in the Group is in place for determining the remuneration packages of individual Directors, the CEO and key management personnel. All aspects of remuneration frameworks, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind, incentive payments and share options or other share awards are reviewed by the RC. The RC also reviews the specialist medical practitioners and related employees remuneration package annually to ensure that they are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The basis for determining the remuneration of related employees is the same as the basis for determining the remuneration of unrelated employees.

The recommendations of the RC are submitted for endorsement to the Board. Remuneration frameworks are reviewed periodically to ensure that the Directors and key management personnel are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also ensures that the Group's remuneration system is appropriate to attract, retain and motivate the required talents to run the Group successfully.

Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this Report under Principles 7, 8 and 9; and in the Financial Statements of the Company and of the Group.

The RC, regulated by a set of written terms of reference, comprises the following three (3) members as at the date of this Report, all of whom, including the Chairman, are Independent Directors:

- Mr. Chooi Yee-Choong (Chairman)
- Mr. Chan Heng Toong (Member)
- Ms. See Tho Soat Ching (Member)*

** Appointed on 11 February 2019. Mr Ng Boon Yew was a member of RC from 1 February 2018 to 10 February 2019 prior to Ms. See Tho Soat Ching's appointment.*

The RC is responsible for the following under its terms of reference, apart from the above primary function:

- reviewing and recommending to the Board for approval the policy for determining the remuneration of the key executives of the Company and its subsidiaries (the "**Group**"), including that of the Executive Director and key management personnel*;

** Key management personnel shall mean the CEO, senior management and other persons having authority and responsibility for planning, directing and controlling the activities of the Company.*

- reviewing the on-going appropriateness and relevance of the executive remuneration policy and other benefit programs including the terms of renewal for those Executive Directors;
- reviewing and recommending to the Board a general framework of remuneration for the Board and key management personnel. The RC should also review and recommend to the Board the specific remuneration packages for each director as well as the entire specific remuneration package and service contract terms for each member of key management. The RC's recommendations should be submitted for endorsement by the entire Board. The RC should cover all aspects of remuneration, (including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind retirement rights, severance packages and service contracts) having regard to the executive remuneration policy for each of the companies within our Group;
- reviewing the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance;
- reviewing and recommending to the Board the termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to each member of key management personnel;

Corporate Governance REPORT

- seeking expert advice inside the Company and/or outside professional advice on remuneration of all Directors and to ensure that existing relationships, if any, between the company and its appointed consultants will not affect the independence and objectivity of the consultants. The Company should also disclose the names and firms of the remuneration consultants in the annual remuneration report, and include a statement on whether the remuneration consultants have any such relationships with the Company;
- determining, reviewing and recommending the design of all option plans, stock plans and/or other equity based plans that the Group proposes to implement, to determine each year whether awards will be made under such plans, to review each award as well as the total proposed awards under each plan in accordance with the rules governing each plan and to review and keep under review performance hurdles and/or fulfillment of performance hurdles under such plans;
- reviewing the remuneration framework (including directors' fees) for the Independent Directors of the Company; and
- reviewing the remuneration of employees who are related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guideline and commensurate with their respective job scopes and level of responsibilities.

Where necessary, the RC will seek both internal and external expert advice on the remuneration of Directors and key management personnel. The remuneration policy recommended by the RC is submitted for approval by the Board.

The RC will hold at least one (1) meeting a year. During FY 2018, the RC has held three (3) meetings. In determining remuneration packages of Executive Directors and key management personnel, the RC will ensure that Directors and key management personnel are adequately but not excessively rewarded. The RC will also consider amongst other things, the performance of the Group, as well as their performance, responsibilities, skills, expertise and contribution to the Group's performance in order to align their interests with those of the shareholders and to promote the long-term success of the Group, linking their remuneration to corporate and individual performance. The RC will also consider whether the remuneration packages are competitive against the industry practice and norms and sufficient to ensure that the Group is able to attract and retain the best available executive talent.

In reviewing and recommending the Directors' fees of Independent Directors, the RC will consider, in consultation with the Board, the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Independent Directors. The RC will ensure that the Independent Directors are not over compensated to the extent that their independence may be compromised.

Each member of the RC abstains from voting on any resolutions in respect of his own Directors' fees.

During FY 2018, the Company engaged Carrot Consulting Pte Ltd to review its remuneration framework of the key management personnel, specialist medical practitioners and employees. The remuneration consultant does not have any relationships with the Company that may affect its independence and objectivity.

Level and Mix of Remuneration

Principle 8

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Company has adopted the objectives as recommended by the Code to determine the framework and levels of remuneration for Directors and key management personnel so as to ensure that the Company sets an appropriate level of remuneration to attract, retain and motivate the Directors and key management personnel needed to run the Group successfully, without being excessive.

Corporate Governance REPORT

Remuneration paid/payable to Executive Directors are determined by the Board after considering the performance of the individual and the Group against comparable organisations. The total remuneration package of Executive Directors and key management personnel comprises a fixed cash component, annual performance incentive and long-term incentive. The annual fixed cash component comprises the annual basic salary, statutory employer's contributions to the Central Provident Fund and other fixed allowances. The annual performance incentive is tied to the performance of the Group, business unit and individual employee. To align the interests of the Directors and key management personnel of the Group with the interests of shareholders, the Group also has adopted the SOG Employee Share Option Scheme and SOG Performance Share Plan.

Service Agreements

The Company has entered into a service agreement with each of the Executive Directors, Dr. Heng Tung Lan, Dr. Lee Keen Whye and Dr. Beh Suan Tiong on 1 July 2013, in regard to their employment as the Group's specialist medical practitioners. Subsequently, a supplemental agreement was entered into on 1 January 2015. Under the service agreement, each of the Executive Directors' employment which is deemed to have commenced on 1 July 2013 and will continue for a term of five (5) years from the effective date of 1 January 2015 ("**Term**"), unless otherwise terminated by not less than six (6) months' notice in writing by either party. The service agreements do not provide benefits upon termination of employment. Upon the expiry of the Term, the employment may be renewed on such terms and conditions as may be agreed between the Company and each Executive Director.

As disclosed in the Company's Offer Documents dated 26 May 2015, the service agreements entered into between the Company and each of the Executive Directors, Dr. Heng Tung Lan, Dr. Lee Keen Whye and Dr. Beh Suan Tiong, provides for non-competition clause and non-disclosure or publication of, and information concerning the business, accounts or finances of any Group Company or any of its clients' or customers' transactions or affairs, which may, or may have, come to each of the Executive Director's knowledge, during his employment and upon termination of his employment under the service agreement. The Board had received and noted the confirmation of adherence to the terms and conditions of the above provisions and conditions from the Executive Directors.

The Company has also entered into service agreements with respective medical practitioners with employment terms ranging from two (2) to eight (8) years with renewable options.

Independent Directors' Fees

The Independent Directors' fees were derived using the fee structure as follows:

	Board (per annum)	Audit Committee (per annum)	Nominating Committee (per annum)	Remuneration Committee (per annum)
Chairman	–	S\$12,000	S\$6,000	S\$6,000
Member	S\$30,000	S\$6,000	S\$3,000	S\$3,000

The Independent Directors do not have any service agreements with the Company and receive Directors' fees in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent serving on the Board and Board Committees. They do not receive any other form of remuneration from the Company. The directors' fees are recommended by the Board for approval by shareholders at the AGM.

During FY 2018, no share option and share award were awarded pursuant to the SOG Share Option Scheme and SOG Performance Share Plan.

For FY 2018, the RC has reviewed the level and mix of remuneration for the Executive Directors as well as that of the key management personnel (other than the Directors) of the Group to ensure that the levels and mix are appropriate to attract, retain and motivate the required talents for the Group and are sufficiently linked to performance. During the financial year, the performance conditions and criteria used to determine the Executive Directors and key management personnel entitlement under the short-term and long-term incentive scheme have been met.

Corporate Governance REPORT

Disclosure on Remuneration

Principle 9

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Level and Mix of Remuneration

The following information relates to the level and mix of remuneration of the Directors and key management personnel (or the CEO) of the Group during FY 2018:

Name of Directors	Fee S\$	Salaries S\$	Variable/ Performance bonus for FY 2018 S\$	Employer CPF Contribution S\$	Benefits in kind S\$	Long-term incentives S\$	Total S\$
Executive Directors:							
Dr. Beh Suan Tiong	–	444,000	64,562	13,260	–	–	521,822
Dr. Heng Tung Lan	–	1,000,000	196,700	9,180	–	–	1,205,880
Dr. Lee Keen Whye	–	384,000	14,468	7,782	–	–	406,250
Independent Directors:							
Mr. Ng Boon Yew*	48,000	–	–	–	–	–	48,000
Mr. Chan Heng Toong	45,000	–	–	–	–	–	45,000
Mr. Chooi Yee-Choong	45,000	–	–	–	–	–	45,000

* Appointed with effect from 1 February 2018. Director's fees were pro-rated based on number of meetings attended.

Chief Executive Officer

Name of key management personnel:	Salaries %	Variable / Performance bonus for FY 2018 %	Employer CPF Contribution %	Benefits in kind %	Long-term incentives ¹ %	Total %
Dr. Lau Eng Kien*	75.6	18.9	5.5	–	–	100.0
Dr. Ng Koon Keng [^]	98.5	–	1.5	–	–	100.0

Note:

¹ Long-term incentives relate to awards granted pursuant to the SOG Share Option Scheme and SOG Performance Share Plan. There were no options and awards granted to the employees by the Company during FY 2018.

* Appointed on 2 May 2018.

[^] Resigned on 31 January 2018.

The Board, taking into consideration the competitive business environment, decided not to disclose the remuneration details of the CEO.

Corporate Governance REPORT

Dr. Lau's remuneration package was tied to several key performance indicators ("KPIs") set by the Board which include the following KPIs and these KPIs are reviewed by the Board on an annual basis:

- Recruitment of specialist medical practitioners
- Assisting the Group's specialist medical practitioners to achieve their profit targets
- Keeping the Group's overheads at or below the Group's annual budget
- Scoring well in the Board's annual survey of management

Top five (5) key management personnel

For FY 2018, besides the three (3) Executive Directors and CEO, there are only three (3) key management personnel in the Company.

The following shows the annual remuneration of three (3) key management personnel i.e. Chief Financial Officer and Chief Administrative Officer of the Company (who are not Directors and CEO) for the financial year under review:

Name of key management personnel:	Salaries %	Variable / Performance bonus for FY 2018 %	Employer CPF Contribution %	Benefits in kind %	Long-term incentives ¹ %	Total %
<u>Below S\$250,000 per annum</u>						
Mr. Eric Choo*	85.0	7.8	7.2	–	–	100.0
Ms. Heng Tong Bwee^	71.9	21.0	7.1	–	–	100.0
Ms. Doreen Chew Wai Yin [∞]	93.0	–	7.0	–	–	100.0

Note:

¹ Long-term incentives relate to awards granted pursuant to the SOG Share Option Scheme and SOG Performance Share Plan. There were no awards granted to the employees by the Company during FY 2018.

* Resigned on 19 November 2018.

^ Retired on 31 March 2019.

[∞] Appointed on 1 December 2018.

In aggregate, the total remuneration (including CPF contribution thereon and bonus) paid to the top three (3) key management personnel for FY 2018 is S\$331,339.

For both Chief Financial Officer and Chief Administrative Officer, their respective remuneration is reviewed based on their performance and deliverables in connection with the functions and scope of duties and responsibilities assigned under the position/role that each of them holds. Their performance is reviewed by the Board on an annual basis.

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Remuneration of employees who are immediate family members of a Director or the CEO

For FY 2018, saved as disclosed in the following table which shows the breakdown of the remuneration (in percentage terms), there is no other employee who is an immediate family member of a Director or the CEO and whose remuneration exceeds S\$50,000. "Immediate family members" means the spouse, child, adopted child, step-child, brother, sister and parent.

Name of Employee & Position	Relationship with the Director, CEO and/or Substantial Shareholders	Salary¹ %	Bonus %	Total %
<u>Between S\$100,000 to S\$150,000 per annum</u>				
Ms. Heng Siok Hong Veronica (Clinic Manager)	Wife of Dr. Beh Suan Tiong, an Executive Chairman and Substantial Shareholder	100.0	–	100.0
Ms. Heng Tong Bwee (Chief Administrative Officer)	Sister of Dr. Heng Tung Lan, Executive Director and Substantial Shareholder	79.0	21.0	100.0
<u>Between S\$50,000 to S\$100,000 per annum</u>				
Mr. Lai Kangwei (Operations Executive)	Nephew of Dr. Heng Tung Lan, Executive Director and Substantial Shareholder Son of Ms. Heng Tong Bwee	87.8	12.2	100.0

¹ Inclusive of Employer's Central Provident Fund Contributions.

Share Option Scheme and Performance Share Plan

The Company has share option scheme (the "Scheme") and performance share plan (the "Plan") in place. The Scheme and the Plan are currently administered by the RC in accordance with the rules of the Scheme and the Plan respectively.

The information on the Scheme and the Plan are disclosed in the Directors' Statement on Page 86 to 87.

C. ACCOUNTABILITY AND AUDIT

Accountability

Principle 10

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible to provide a balanced, clear and understandable assessment of the Group's financial performance, position and prospects to the shareholders.

In line with continuous disclosure obligations of the Company and in accordance to Catalist Rules and the Companies Act, the Board adopts a policy whereby shareholders shall be informed of all major developments of the Group. Financial information and other price sensitive information are circulated in a timely manner to the shareholders through announcements via SGXNET, press releases, the Company's website, media and analysts' briefings. The Company's corporate information as well as annual reports is also available on the Company's website.

All the financial information presented in the results announcement or Annual Report have been prepared in accordance with the Singapore Financial Reporting Standards (International) and approved by the Board before being released to the SGX-ST and the public through SGXNET.

Corporate Governance REPORT

In line with the Catalyst Rules, negative assurance statements were issued by the Board to accompany its quarterly financial results announcement, confirming to the best of its knowledge that, nothing had come to their attention which would render the Company's and the Group's quarterly results to be false or misleading. The CEO and CFO have provided their assurance and confirmation to the Board that to the best of their knowledge, the Group's financial records have been properly maintained and that the financial statements give a true and fair view of the Group's operations and finances.

Management provides the Board with information on the Group's performance, position and prospects on quarterly basis to ensure that they effectively discharge their duties. This is supplemented by updates on matters affecting the financial performance and business of the Group, if such event occurs.

Risk Management and Internal Controls

Principle 11

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognises the importance of sound system of risk management and internal controls to good corporate governance. The Board affirms its overall responsibility for the Group's system of risk management and internal controls, including financial, operational and compliance controls and risk management policies and systems to safeguard shareholders' interest and maintain accountability of its assets, and for reviewing the adequacy and integrity of those systems on an annual basis.

The Company has implemented an Enterprise Risk Management ("ERM") system and performed a Risk Refresher exercise in FY 2018 which was reviewed by the Audit Committee. The Audit Committee has tasked the CFO to assume the responsibility of the risk management function and to take charge and monitor the key risks of the Group. The CFO also oversees and ensures that risks are being managed appropriately by its respective business units across the Group. The senior management has assessed and reviewed the Group's business and operational environment in order to identify areas of significant business and financial risks, such as operational health & safety, compliance, procedural, information technology and data security, credit risks, foreign exchange risks, liquidity risks and interest rate risks, as well as appropriate measures to control and mitigate these risks.

Risk Identification and Management

The identification of risks around our businesses and how they should be managed are one of the Company's most important strategic objectives.

The purpose of risk identification and management is to ensure that events that may adversely affect the Company's achievement of its goals are identified promptly and to take adequate actions and measures by distributing the responsibilities among decision-makers.

The ERM system is set up to identify and manage inter-dependencies between key risks, and how these are translated into management actions related to strategic and capital planning matters.

The following outlines the key processes in the Company's ERM system:

- Identifying events or circumstances relevant to the Company's objectives (risks and opportunities),
- Assessing these risks and opportunities in terms of likelihood and magnitude of impact,
- Determining a response strategy, and
- Monitoring progress.

In addition, the external auditors will highlight and report to the AC at the AC meetings, of any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations made by the external auditors are reported to the AC. The senior management will follow up on these recommendations to ensure that Management has implemented them on a timely and appropriate manner and reports to the AC every quarter.

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Financial, operational, compliance and information technology checklists will also be prepared by the senior management, in order to assist the AC and Board to review the adequacy of the risk management and internal control systems, which include all the operational matters, regulatory compliances and guidance and financial risk. The checklists will be reviewed and confirmed by the Board.

With the presence of the senior management who meets regularly, the Board is able to receive the feedback and response on the risk and legal issues which will affect the Group in terms of operational risk, on timely basis. The CEO and CFO have provided their assurance and confirmation to the Board that to the best of their knowledge, the Group's risk management and internal controls systems are adequate and that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

Based on the internal controls established and maintained by the Company, and the reviews performed by the AC, Management, internal and external auditors as well as confirmation from CEO and CFO, the Board, and with the concurrence from the AC, is of the opinion that the Group's risk management system and internal controls addressing financial, operational, compliance and information technology controls, and risk management systems are adequate and effective as at 31 December 2018 to meet the needs of the Group in its current business environment.

Moreover, the Company is consistently improving the Group's internal controls, and adopts recommendations which are highlighted by the internal and external auditors and Sponsor to safeguard the shareholders' investments and the Group's assets and to comply with the requirements under the Catalist Rules.

The Group has appointed BDO LLP as internal auditors and their role includes the following:

1. Assess and evaluate the adequacy of applicable operational internal controls;
2. Assess and evaluate the efficiency of business process;
3. Evaluate compliance with applicable policies and procedures, as well as regulatory requirements;
4. Identify possible opportunities for process and internal control improvement; and
5. Compile a report on findings and recommendations to highlight controls deficiencies and compliance gaps.

With the assistance of internal auditors, the Group believes that its internal control system will be consistently improving and will adopt recommendations which are highlighted by the internal and external auditors and Sponsor to safeguard the shareholders' investments and the Group's assets and to comply with the requirements under the Catalist Rules.

The Board, together with the AC and Management, will continue to enhance and improve the existing risk management and internal control frameworks to identify and mitigate these risks.

Audit Committee

Principle 12

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Board recognises the importance of providing accurate and relevant information on a timely basis. To ensure that the corporate governance is effectively practised, the Board has established self-regulatory and monitoring mechanisms, including the establishment of the AC to ensure that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks.

Corporate Governance REPORT

The AC, regulated by a set of written terms of reference, comprises the following three (3) members, all of whom, including the Chairman, are Independent Directors:

- Mr. Ng Boon Yew (Chairman)
- Mr. Chan Heng Toong (Member)
- Ms. See Tho Soat Ching (Member)*

** Appointed on 11 February 2019. Mr Chooi Yee-Chong was a member of AC from 14 May 2015 to 10 February 2019 prior to Ms. See Tho Soat Ching's appointment.*

The AC will meet at least four (4) times annually, and as and when deemed appropriate to carry out its function.

During FY 2018, the AC has held four (4) meetings. The matrix on the frequency of the meetings and the attendance of Directors at these meetings is disclosed on Page 60. The Executive Directors and senior management, as well as the internal and external auditors, are invited to attend the AC meetings.

The AC is responsible for the following under its terms of reference:

- reviewing with the external auditors their audit plan, their evaluation of the systems of internal controls, their audit report, their letter to Management and Management's responses;
- reviewing with the internal auditors their internal audit plans and their evaluation of the adequacy of our internal control and accounting system before submission of the results of such review to the Board for approval prior to the incorporation of such results in the Company's Annual Report, where necessary;
- reviewing the internal control procedures to ensure co-ordination between the external auditors and the Management, and review the co-operation from Management and assistance given to facilitate their respective audits and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss (in the absence of Management, where necessary);
- reviewing the quarterly and full year financial statements and results announcements of the Group before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards and compliance with the Catalist Rules and other relevant statutory or regulatory requirements;
- reviewing and discussing with the external and internal auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations which has or is likely to have material impact on the Group's operating results or financial position, and Management's response;
- consider the appointment or re-appointment of the external and internal auditors and matters relating to resignation or dismissal of the external and internal auditors;
- reviewing transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- reviewing potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- reviewing the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
- reviewing the Group's key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

Corporate Governance REPORT

- reviewing annually the cost effectiveness of the audit, independence, objectivity and performance of the internal and external auditors;
- reviewing arrangements by which employees of the Group may in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the investigations of such matter and for appropriate follow-up; and
- reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes of the Catalist Rules, including such amendments made thereto from time to time.

The AC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group. It has unrestricted access to any information pertaining to the Group, both the internal and external auditors, and all employees of the Group and has full discretion to invite any Director or senior management to attend its meetings. The AC has adequate resource to enable it to discharge its responsibilities properly and is also authorised by the Board to obtain external legal or other independent professional advice when necessary and at the expense of the Group.

The AC meets with the Group's internal and external auditors and senior management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group.

During FY 2018, the AC carried out its functions which include the following:

- reviewed the internal and external audit plans, including the nature and scope of work before commencement of these audits;
- met up with the Group's internal and external auditors during the year under review without the presence of Management to discuss their findings set out in their respective reports to the AC. Both the internal and external auditors had confirmed that they had access to and received full cooperation and assistance from Management and no restrictions were placed on the scope of auditors;
- reviewed and approved the consolidated statement of comprehensive income, statements of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and auditors' reports;
- reviewed the Interested Person Transactions to ensure the transactions are not prejudicial on the interest of the Group;
- reviewed the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- reviewed the non-audit services provided by the external auditors and was satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors as well as the cost effectiveness of the audit before confirming their re-nomination; and
- reviewed the whistle-blowing policy of the Company.

The following fees amounting to S\$166,000 were approved by the Board for payment to the external auditors:

Audit fees	S\$166,000
Non-audit fees	Nil

The external auditors had confirmed their independence.

The AC is kept abreast by the Management and the external auditor of changes to accounting standards, Catalist Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

No former partner or director of the Company's existing auditing firm is a member of the AC.

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External Auditors

The Company has appointed Foo Kon Tan LLP as its external auditor, to audit the financial statements of the Company and all its subsidiaries. The report of the external auditor is set out in the Independent Auditor's Report section of this Annual Report.

There are no non-audit services provided to the Company by the external auditors for the financial year ended 31 December 2018, as such in the AC's opinion, the external auditors remain independent.

After considering the adequacy of the resources and experience of the current auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group and the number and experience of supervisory and professional staff assigned to the particular audit, the AC has recommended to the Board the re-appointment of Foo Kon Tan LLP as the external auditor for the Company's audit obligations for the financial year ending 31 December 2019.

In relation to its auditing firm, the Company has complied with Rules 712 and 715 of the SGX-ST Catalyst Rules.

Whistle-blowing Policy

The Group has adopted a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees and any other stakeholders concerned such as patients and their families, suppliers, competitors and contractors may raise concern about fraudulent activities, malpractices or improper conduct within the Group.

The procedures for whistle-blowing is disclosed on Page 38 to 39. There were no whistle-blowing reports received for the FY 2018.

Internal Audit

Principle 13

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Group has outsourced its internal audit function to BDO LLP, a suitably appointed qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal audit function is independent and reports directly to the AC on audit matters. The internal auditor assists the AC in ensuring that the Company maintains a sound system of internal controls through regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular audits of high-risk areas.

The AC also reviewed and approved the internal auditor's plan during the AC meeting of each financial year to ensure that the scope of the internal auditor's plan is adequate and covers the reviewing of the significant internal controls of the Group, including financial, operational, compliance and information technology controls, and risk management systems. Audits were carried out on all significant business functions of the Group and all internal audit findings and reports are submitted to the AC for deliberation with copies of these reports extended to the Chairman of the Board, Executive Directors and CEO and the relevant key management executives. The internal auditor's summary of findings and recommendations are discussed at the AC meetings.

The AC has reviewed the adequacy and effectiveness of BDO LLP, as outsourced internal auditors and is satisfied that it is independent, effective and adequately resourced in delivering the internal audit services and has appropriate standing within the Group to discharge its duties effectively.

The AC approves the hiring, removal, evaluation and compensation of the internal auditors.

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(D) SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company is committed to handling all its shareholders fairly and equitably. All shareholders enjoy the equal rights stated in the Constitution of the Company and the relevant laws and regulations, including but not limited to the right to participate in profit distributions, attend and vote at general meetings.

The Constitution of the Company allows all shareholders to appoint up to two (2) proxies to attend the general meetings and to vote on their behalf through proxy forms sent in advance, at least 72 hours prior to the meeting. The legislation has since been amended, among other things, pursuant to Section 181 of the Companies Act, certain members, define as "relevant intermediary" are allowed to attend and participate in general meeting without being constrained by the two-proxy requirement. Relevant intermediary include corporation holding licenses in providing nominees and custodial services and CPF Board which purchase shares on behalf of the CPF investors.

Communication with Shareholder

Principle 15

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Group value dialogue with investors and believe in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' view and addressing their concerns where possible. The Group adopts the practice of regularly communicating major developments in its business and operations through SGXNET and press releases, and where appropriate also directly to shareholders, other investors, analysts, the media, the public and its employees.

The Company has engaged an external investor relations firm, August Consulting Pte Ltd to assist the Group in its investor relations initiatives including managing the dissemination of corporate information to the media, institutional investors and public shareholders and facilitating effective and regular communication with such parties.

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and no-selective basis, quarterly and full year results as well as the annual reports are announced or issued within the mandatory period. However, any information that may be regarded as undisclosed material information about the Group will not be given, the Group issues announcements and press releases on an immediate basis where required under the SGX-ST Catalyst Rules. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that the stakeholders and the public have fair access to the information.

Briefings and meetings for analysts and the media are held, generally coinciding with the release of the Group's financial results. Presentations are made, as appropriate, to explain the Group's strategies, performance and major developments.

Corporate Governance REPORT

Conduct of Shareholder Meetings

Principle 16

Companies should encourage greater shareholders participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Group believes in encouraging shareholder participation at general meetings to ensure a high level of accountability. All shareholders of the Group receive the annual report, circulars and notices of all shareholders' meetings. The notices are advertised in the newspapers and made available on both SGXNET and our website.

Shareholders at such meetings are given a presentation by Management and then are invited to put forth any questions they may have on the motions to be debated and decided upon or on any other reasonable subject related to the business of the Group.

As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided not to implement voting in absentia by mail, email or fax until issues on security and integrity are satisfactorily resolved.

At the shareholders' meeting, separate resolutions are set for each distinct issue. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. The Board also encourages shareholders to participate during the question and answer session.

It is the policy of the Board that the Chairman of the Board, the Chairmen of AC, NC and RC be present at each AGM, and other general meetings held by the Company, if any, to address shareholders' queries. Only in exceptional circumstances may members of the respective Board Committees standing in for them. The external auditors are also present at each AGM to address shareholders' queries on the conduct of the audit and the preparation and content of the independent auditors' report. Appropriate key management executives are also present at general meetings to respond, if necessary, to operational questions from shareholders.

Shareholders also have the opportunity to communicate their views with the Board on the Group matters after the general meetings.

The Company will prepare the minutes of the AGM and general meetings that include substantial and pertinent comments or queries raised by shareholders relating to the agenda of the meetings and responses from the Board and the Management. The minutes of the AGM is published to the public shareholders via SGXNET on the day of the AGM together with the Corporate Presentation slides that were presented to the shareholders at the AGM.

The Company will conduct poll voting for all resolutions to be passed at any meeting of shareholders including AGMs and EGMs.

Dividend Policy

The Company currently does not have a dividend policy. However, the Company has declared and paid dividends each year since IPO. The Board, as announced in the Company's full year results announcement released via SGXNET on 15 February 2019, has recommended a final one-tier tax exempt dividend of 0.90 Singapore cents per share for shareholders' approval at the forthcoming AGM. Together with the interim dividend of 0.80 Singapore cents per share paid on 3 September 2018, the total dividend for FY 2018 (of 1.70 Singapore cents per share) represents 88.6% of the Group's net profit after tax for the year to the shareholders.

In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board takes into account various factors including but not limited to the financial performance, cash flow requirements, availability of distributable reserves and tax credits, future operating conditions as well as expansion, capital expenditure and investment plans of the Group.

Ongoing Information for Shareholders

The Group maintains a website at:

www.sog.com.sg

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The website includes a section labelled “Investor Relations” which provides investors with all the information they may require in one easy to access location. The section also has an email alert function so investors can be alerted to any important announcements and developments without having to check the website regularly. The Company’s Whistleblowing Policy Statement and Code of Ethics are available to the public on the Company’s website. These policies and other relevant information in the website are updated frequently.

We note that most of our senior shareholders rely on the media and many shareholders rely on analysts for information and analysis of the Group. Thus, it is the Group’s policy to hold results briefing following the release of our results where the media and analysts are cordially invited.

Stakeholders are welcome to contact the Company, the CEO and the CFO on the email addresses provided on our website.

Responsiveness to Communications from Shareholders

Shareholders are welcome to contact the Company, the CEO and the CFO for clarifications on matters of the Group. The Group has a guideline that there should be a response to all such communications within two weeks, however communication which is abusive or has been sent to us in error will not be entertained.

Notice Period of Meetings to Shareholders

The Group understands that certain shareholders, notably corporate, overseas and busy shareholders require more notice to be given so that they can attend shareholders’ meetings of the Company. In accordance with the provisions in the Company’s Constitution, the Board will ensure that at least fourteen (14) days’ notice is given to the shareholders. However, from time to time, where possible, the Board will endeavour to provide shareholders with more than fourteen (14) days’ notice of shareholders’ meeting to enable and encourage shareholders to attend the Company’s meetings.

(E) OTHER CORPORATE GOVERNANCE MATTERS

Dealings in Securities

In compliance with Rule 1204(19) of the Catalist Rules of the SGX-ST on best practices in respect of dealing in securities, the Group has in place an internal code of conduct which prohibits the Directors, key management personnel of the Group and their connected persons from dealing in the Company’s share during the “black-out” period i.e. being two weeks and one month immediately preceding the announcement of the Group’s quarterly and full year financial results respectively, or if they are in possession of unpublished price-sensitive information of the Group such on a potential acquisition or transaction. In addition, Directors, key management personnel and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Company discourages the Directors and employees from dealing in the Company’s securities on short-term considerations and has set up a policy which prevents Independent Directors from selling/disposing their shares prior to leaving the Group.

Material Contracts

There was no material contract involving the interests of any Director or controlling shareholders of the Company which has been entered into by the Group, which are either still subsisting at the end of FY 2018 or if not then subsisting, entered into since the end of the previous financial year.

Interested Person Transactions

The Group has adopted an internal policy governing procedures for identification, approval and monitoring of interested person transactions (“**IPTs**”) and to ensure that all transactions with interested persons are reported on a timely manner to the AC at its quarterly meetings. The transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company did not enter into any IPTs which require shareholders’ approval under Catalist Rules of SGX-ST regulating IPTs in FY 2018.

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The AC with the concurrence of the Board confirmed that there were no other IPTs as at 31 December 2018 pursuant to the disclosure under Rule 920 of the SGX-ST Catalist Rules as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$
<u>Nature of transaction</u>		
Leasing of Gleneagles Clinic from Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd.	226,560	–

Use of Proceeds from the Initial Public Offering ("IPO")

Pursuant to the IPO on 4 June 2015, the Company received net proceeds of S\$9.2 million (after deducting listing and processing fees, professional fees and placement commission and other expenses) from the placement of new shares.

As at the date of this Annual Report, the use of IPO proceeds is as follows:

Use of IPO proceeds	Amount allocated S\$'000	Amount utilised S\$'000	Amount unutilised S\$'000
Expansion of business operations*	3,000	(582)	2,418
Investments in healthcare professionals and synergistic businesses [^]	6,000	(6,000)	–
Working capital purposes	200	–	200
	9,200	(6,582)	2,618

Note:

* The amount of S\$0.6 million for the expansion of business operations category has been utilised for the set-up cost of the following new clinics:

- S\$0.2 million for SOG-SK Lim Breast & General Surgicare Clinic, located at Mount Elizabeth Novena Specialist Centre #06-53 in May 2016;
- S\$0.2 million for SOG-SC Hong Clinic for Women, located at Mount Alvernia Medical Centre #07-62 in July 2016;
- S\$0.1 million for SOG-Clinic for Children (Central), located at 11A Boon Tiong Road #01-11 in November 2017; and
- S\$0.1 million for SOG-Clinic for Children (Gastroenterology Liver), located at Mount Elizabeth Novena Specialist Centre #07-53 in November 2018.

[^] The amount of S\$6.0 million for the investments in healthcare professionals and synergistic businesses category has been utilised to pay the first tranche cash consideration of S\$6.0 million for the acquisition of the JL Companies.

The Company will continue to provide periodic updates on the use of the balance of the proceeds through SGXNET as and when such funds are materially disbursed.

The above utilisations are in accordance with the intended use of the IPO proceeds, as stated in the offer document of the Company dated 26 May 2015.

Corporate Governance REPORT

Non-Sponsorship Fees

On the expiration of the continuing sponsorship agreement with Hong Leong Finance Limited (“**HLF**”), the Company has appointed PrimePartners Corporate Finance Pte. Ltd. (“**PPCF**”) as its new continuing sponsor in place of HLF with effect from 4 June 2018.

There were no non-sponsorship fees paid to the Company’s Sponsor, HLF and PPCF during FY 2018.

Code of Conduct & Practices

The Group recognises the importance of integrity, professionalism on the conduct of its business activities. The Group has developed a code of ethics that is expected to continue to refine with various stakeholders (the “**Code of Ethics**”). Employees are expected to embrace, practise and adopt these values and principles as outlined in the Code of Ethics while performing their duties and always to act in the best interest of the Group and avoid situations that may create conflicts of interest.

Code of Ethics

The Group has adopted an ethics policy that clearly states the ethics upon which the Group, its senior management and employees shall operate on. The policy describes in detail how we are to do business and provides protection for all our stakeholders as well as procedures for reporting and dealing with breaches in our policy. There were no reported breaches of the Code of Ethics in FY 2018.

Personal Data Privacy Policy

The Group has adopted a privacy policy to better manage the sensitivities around patient records and other data. The policy states that all patient data is sensitive and lists the type of data we can collect only, unless a specific circumstance requires other additional data. For instance we are not to collect data on the patient’s partner or their sexual history unless there is clear and immediate requirement. The policy provides guidelines on who can access the data, how it should be kept and under what circumstances it can be shared. There were no reported breaches of the Personal Data Privacy Policy in FY 2018.

Corporate Responsibility Statement

The statement makes clear that the Group seeks to be a good corporate citizen. The Group views being a good corporate citizen as being law abiding, meeting all reasonable expectations of stakeholders (and in the event an expectation cannot be met, why it could not be met and what we are doing about it), paying our fair share towards society and volunteering time and resources to improve the society we operate in. In FY 2018, we have complied with all Singapore laws and regulations that apply to us:

- We believe we have met all reasonable expectations set out under the Code of Corporate Governance.
- We have paid dividends and made provision of approximately S\$1.8 million for income taxes.
- We have organised a free public forum and our specialist medical practitioners have given various educational talks to corporates, schools and other organisations to promote health and wellness for women and children.
- We have supported and made donations to charities.

Sustainability Report

The Company has set out a Sustainability Report section in this Annual Report which can be found on Page 32 to 51.

Directors' STATEMENT

For the financial year ended 31 December 2018

We are pleased to submit this statement to the members of the Company together with the audited financial statements for the financial year ended 31 December 2018.

In our opinion:

- (a) the accompanying financial statements of the Group and the Company are drawn up so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors in office at the date of this statement are as follows:

Dr. Beh Suan Tiong (Executive Chairman)
 Dr. Heng Tung Lan (Executive Director)
 Dr. Lee Keen Whye (Executive Director)
 Ng Boon Yew (Lead Independent Director) (Appointed on 1 February 2018)
 Chan Heng Toong (Independent Director)
 Chooi Yee-Choong (Independent Director)
 See Tho Soat Ching (Independent Director) (Appointed on 11 February 2019)

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, the Directors, comprising the Board of Directors, held the following shares:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2018	As at 31.12.2018 and 21.1.2019	As at 1.1.2018	As at 31.12.2018 and 21.1.2019
	Number of ordinary shares			
The Company – Singapore O&G Ltd.				
Dr. Beh Suan Tiong ⁽¹⁾	48,008,452	48,008,452	472,000	472,000
Dr. Heng Tung Lan	140,453,614	140,453,614	–	–
Dr. Lee Keen Whye ⁽²⁾	75,406,856	75,600,356	6,104,524	6,104,524
Chan Heng Toong	200,000	200,000	–	–
Chooi Yee-Choong	600,000	600,000	–	–

Notes:

- ⁽¹⁾ Dr. Beh Suan Tiong is deemed to have an interest in the shareholding of Veronica Heng Siok Hong and vice versa by virtue of their relationship as husband and wife.
- ⁽²⁾ Dr. Lee Keen Whye is deemed to have an interest in the shareholding of Dr. Wong Chui Fong and vice versa by virtue of their relationship as husband and wife.

Directors' STATEMENT

For the financial year ended 31 December 2018

Directors' interest in shares or debentures (Cont'd)

Dr. Heng Tung Lan and Dr. Lee Keen Whye, by virtue of the provisions of Section 7 of the Act, are deemed to have an interest in the whole of the issued share capital of all subsidiaries of the Company.

There are no changes to the above shareholdings as at 21 January 2019.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or its related corporations, either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

Share options scheme and performance share plan

On 6 May 2015, the shareholders approved the SOG Employee Share Option Scheme (the "**SOG ESOS**" or "**Scheme**") and SOG Performance Share Plan (the "**SOG PSP**" or "**Plan**") by shareholders' written resolutions.

SOG Employee Share Option Scheme

Under the Scheme, the Company may grant options to Executive Directors and employees of the Group and associated companies ("**Group Employees**") and Non-Executive Directors (including Independent Directors of the Group), who are also controlling shareholders or associates of such controlling shareholders, to subscribe for ordinary shares in the Company. For this purpose, a company is an "associated company" if the Company and/or the subsidiaries hold at least 20% but not more than 50% of the issued shares in that company and provided the Company has control (as defined in the Listing Manual) over the associated company. The number of shares in respect of which options may be granted to:

- (i) Each participant who is a controlling shareholder or his associate shall not exceed 10% of the shares available under the Scheme;
- (ii) The aggregate number of shares over which the Remuneration Committee may grant options on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all options granted under the SOG ESOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the day immediately preceding the date on which an offer to grant an option is made; and
- (iii) The aggregate number of shares which may be issued or transferred pursuant to options under the Scheme to participants who are controlling shareholders and their associates shall not exceed 25% of the shares available under the Scheme.

The SOG ESOS shall continue in operation for a maximum duration of ten years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Scheme is administered by the Company's Remuneration Committee, comprising Chooi Yee-Choong (Chairman), Chan Heng Toong and See Tho Soat Ching, all Independent Directors of the Company.

Directors' STATEMENT

For the financial year ended 31 December 2018

Share options scheme and performance share plan (Cont'd)

SOG Performance Share Plan

Under the Plan, the Company may award fully paid shares to Group Employees who have attained the age of twenty-one years and hold such rank as may be designated by the Remuneration Committee from time to time, and Non-Executive Directors (including Independent Directors). This is provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Controlling shareholders of the Company or associates of such controlling shareholders are also eligible to participate in the Plan, subject to independent approval for each grant to such a person.

The Plan allows the Company to target specific performance objectives and to provide an incentive for participants to achieve these targets. The Directors believe that the plan will provide the Company with a flexible approach to provide performance incentives to the employees and Non-Executive Directors and, consequently, to improve performance and achieve sustainable growth for the Company in the changing business environment, and to foster a greater ownership culture amongst senior management and Non-Executive Directors.

The total number of shares which may be issued or transferred pursuant to awards granted under the Plan, when aggregated with the aggregate number of shares over which options are granted under any other share option schemes of the Company, shall not exceed 15% of the total number issued shares (excluding shares held by the Company as treasury shares) from time to time.

The Plan shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten years commencing on the date on which the Plan is adopted by the Company in general meeting, provided always that the Plan may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Plan, any awards made to participants prior to such expiry or termination will continue to remain valid.

Share options granted

There were no options and awards granted under the SOG ESOS and the Plan during the current financial year.

There have been no options and awards granted to the controlling shareholders of the Company or their associates or to Group Employees as required to be disclosed under Rule 851(1)(b) of the Catalist Rules.

No Group Employees and Non-Executive Directors have received 5% or more of the total number of options available under the Scheme or the Plan.

There were no unissued shares of the Company and of the subsidiaries under option at the end of the financial year.

No options to take up unissued shares of the Company and the subsidiaries have been granted during the financial year.

Directors' STATEMENT

For the financial year ended 31 December 2018

Audit Committee

The Audit Committee during the year and at the date of this statement are:

Ng Boon Yew (Chairman) (Appointed on 1 February 2018)
Chan Heng Toong
See Tho Soat Ching (Appointed on 11 February 2019)

The Audit Committee performs the functions specified in Section 201B (5) of the Act, the Catalist Rules and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

- (i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;
- (ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2018 as well as the auditor's report thereon;
- (iv) effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditor;
- (v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;
- (vi) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- (vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- (viii) reviewed the nature and extent of non-audit services provided by the external auditor;
- (ix) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- (x) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and
- (xi) interested person transactions (as defined in Chapter 9 of the Catalist Rules).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Corporate Governance Report.

In appointing our auditor for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

Directors' **STATEMENT**

For the financial year ended 31 December 2018

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

.....
DR. BEH SUAN TIONG

.....
NG BOON YEW

Dated: 28 February 2019

Independent AUDITOR'S REPORT

To the Members of Singapore O&G Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore O&G Ltd. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the statements of financial position of the Group and the Company as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code (“**ACRA**”) of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Risk	Our responses and work performed
Impairment of goodwill	Under SFRS(I) 1-36, <i>Impairment of Assets</i> , the Group is required to annually test the amount of goodwill for impairment. This annual impairment test is important to our audit as the balance of S\$24.1 million (31 December and 1 January 2017: S\$26.9 million) as of 31 December 2018 is material to the consolidated financial statements. The recoverable amount is based on the higher of fair value less cost to sell (“ FVLCTS ”) and value-in-use (“ VIU ”). We focus on goodwill impairment testing of cash-generating units (“ CGUs ”) by estimating the recoverable amount of the relevant CGUs that are determined based on VIU calculations. VIU is determined based on future cash flows projection which involved significant management judgement, and is based on assumptions that are affected by expected future market and economic conditions.	<p>We assessed the Group’s processes for the determination of the scope of work of management’s expert, and the review and acceptance of the valuations reported by management’s expert. We performed the following:</p> <ul style="list-style-type: none"> a) Evaluated the competence, capabilities and objectivity of the expert; b) Obtained an understanding of the work of management’s expert; and c) Evaluated the appropriateness of that management expert’s work as audit evidence for the relevant assertions.

Independent AUDITOR'S REPORT

To the Members of Singapore O&G Ltd.

Key Audit Matters (Cont'd)

Key Audit Matter	Risk	Our responses and work performed
Impairment of goodwill (Cont'd)	<p>As defined in SFRS(I) 1-36 paragraph 6, an asset's cash-generating unit is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identification of an asset's cash-generating unit involves judgement.</p> <p>The key assumptions for the VIU calculations are the discount rate, growth rate and expected changes to the fee charged by the specialist medical practitioners for their medical services and their direct costs during the forecast periods. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in fee charges and direct costs are based on past trend and expectations of future market changes.</p> <p>An impairment loss in goodwill of S\$2.8 million (31 December and 1 January 2017: S\$Nil) was recognised for SOG Dermatology Pte. Ltd. ("DERM") CGU based on impairment assessment performed by management's expert as at 31 December 2018.</p>	<p>In addition, we also engaged an auditor's expert to assist us in evaluating the assumptions, methodologies and data used in the FVLCTS and VIU by comparing them against external data on developments in the market and assessing historical accuracy of management's estimates. We have evaluated whether the auditor's expert has the necessary competency, capabilities and objectivity for our purposes. The auditor's expert independently developed expectations of the key macroeconomic assumptions used in the impairment analysis, in particular, the discount rate and growth rate used in VIU, and compare the expectations to those used by management.</p> <p>We reviewed the budget prepared by management by comparing the actual results to previously forecasted results. We have also performed sensitivity test to determine the available headroom of the CGU, where a reasonably possible change in assumptions could cause the recoverable amount to be less than the carrying amount.</p> <p>Based on our procedures, we noted management's key assumptions to be within a reasonable range of our expectations.</p> <p>We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements. The Group's disclosures on goodwill and its impairment testings are included in Note 5 to the financial statements.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent AUDITOR'S REPORT

To the Members of Singapore O&G Ltd.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's or Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Independent **AUDITOR'S REPORT**

To the Members of Singapore O&G Ltd.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ang Soh Mui.

Foo Kon Tan LLP
*Public Accountants and
Chartered Accountants*

Singapore, 28 February 2019

Statements of FINANCIAL POSITION

As at 31 December 2018

	Note	The Group			The Company		
		31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
ASSETS							
Non-Current Assets							
Investment in subsidiaries	4	–	–	–	34,331,536	34,330,536	34,328,536
Goodwill	5	24,129,999	26,929,999	26,929,999	–	–	–
Plant and equipment	6	1,412,461	1,638,262	1,554,794	127,425	128,580	91,709
Available-for-sale financial assets	7	–	–	148,411	–	–	148,411
Financial assets, at FVOCI	8	–	–	–	–	–	–
Deferred tax assets	17	1,130	12,019	10,450	–	–	7,652
		25,543,590	28,580,280	28,643,654	34,458,961	34,459,116	34,576,308
Current Assets							
Inventories	9	1,656,595	1,601,717	2,152,469	–	–	–
Trade and other receivables	10	2,981,948	2,518,334	2,092,939	3,946,359	3,677,889	1,994,016
Cash and cash equivalents	11	21,546,078	16,426,295	21,376,324	8,783,142	7,065,907	10,548,940
		26,184,621	20,546,346	25,621,732	12,729,501	10,743,796	12,542,956
Total Assets		51,728,211	49,126,626	54,265,386	47,188,462	45,202,912	47,119,264
EQUITY AND LIABILITIES							
Capital and Reserves							
Share capital	12	29,645,500	29,645,500	29,645,500	29,645,500	29,645,500	29,645,500
Capital reserve	13	1,771,070	1,771,070	1,771,070	1,771,070	1,771,070	1,771,070
Merger reserve	14	(1,695,311)	(1,695,311)	(1,695,311)	–	–	–
Retained earnings		14,868,250	13,778,386	11,922,728	13,596,824	11,919,885	7,568,998
Total Equity		44,589,509	43,499,645	41,643,987	45,013,394	43,336,455	38,985,568
Non-Current Liabilities							
Trade and other payables	15	–	–	3,761,166	–	–	3,761,166
Deferred tax liabilities	17	139,705	109,825	66,601	10,374	1,561	–
		139,705	109,825	3,827,767	10,374	1,561	3,761,166
Current Liabilities							
Trade and other payables	15	4,738,616	3,811,730	7,052,275	2,094,358	1,864,896	4,372,530
Contract liabilities	16	437,570	445,279	380,343	–	–	–
Current tax liabilities		1,822,811	1,260,147	1,361,014	70,336	–	–
		6,998,997	5,517,156	8,793,632	2,164,694	1,864,896	4,372,530
Total Liabilities		7,138,702	5,626,981	12,621,399	2,175,068	1,866,457	8,133,696
Total Equity and Liabilities		51,728,211	49,126,626	54,265,386	47,188,462	45,202,912	47,119,264

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

Consolidated Statement of **COMPREHENSIVE INCOME**

For the financial year ended 31 December 2018

	Note	2018 S\$	2017 S\$
Revenue	3	34,681,080	29,901,563
Other operating income	18	1,424,617	215,007
Consumables and medical supplies used	19	(4,872,795)	(4,562,370)
Employee remuneration expense	20	(13,543,088)	(11,997,595)
Depreciation of plant and equipment	6	(554,089)	(524,148)
Other operating expenses	21	(3,482,424)	(3,162,978)
Profit from operations		13,653,301	9,869,479
Impairment of goodwill	5	(2,800,000)	-
Finance income	22	78,014	57,373
Finance expense	22	-	(238,834)
Net finance income/ (expense)		78,014	(181,461)
Profit before income tax		10,931,315	9,688,018
Income tax expense	23	(1,783,480)	(1,180,958)
Profit for the year		9,147,835	8,507,060
Other comprehensive income, at nil tax		-	-
Total comprehensive income for the year		9,147,835	8,507,060
Earnings per share attributable to equity holders of the Company:			
- Basic (Cents)	25	1.92	1.78
- Diluted (Cents)	25	1.92	1.78

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

Consolidated Statement of CHANGES IN EQUITY

For the financial year ended 31 December 2018

	Share capital S\$	Capital reserve S\$	Merger reserve S\$	Retained earnings S\$	Total S\$
At 1 January 2017	29,645,500	1,771,070	(1,695,311)	11,922,728	41,643,987
Total comprehensive income for the year					
Profit for the year	-	-	-	8,507,060	8,507,060
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	8,507,060	8,507,060
Transactions with owners of the Company recognised directly in equity					
Contributions by and distributions to owners of the Company					
Dividends paid to shareholders (Note 24)	-	-	-	(6,651,402)	(6,651,402)
Total contributions by and distribution to owners	-	-	-	(6,651,402)	(6,651,402)
At 31 December 2017	29,645,500	1,771,070	(1,695,311)	13,778,386	43,499,645
At 1 January 2018	29,645,500	1,771,070	(1,695,311)	13,778,386	43,499,645
Total comprehensive income for the year					
Profit for the year	-	-	-	9,147,835	9,147,835
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	9,147,835	9,147,835
Transactions with owners of the Company recognised directly in equity					
Contributions by and distributions to owners of the Company					
Dividends paid to shareholders (Note 24)	-	-	-	(8,057,971)	(8,057,971)
Total contributions by and distribution to owners	-	-	-	(8,057,971)	(8,057,971)
At 31 December 2018	29,645,500	1,771,070	(1,695,311)	14,868,250	44,589,509

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

Consolidated Statement of CASH FLOWS

For the financial year ended 31 December 2018

	Note	2018 S\$	2017 S\$
Cash Flows from Operating Activities			
Profit before taxation		10,931,315	9,688,018
Adjustments for:			
Depreciation of plant and equipment	6	554,089	524,148
Plant and equipment written-off	6	209	11,219
Impairment of goodwill	5	2,800,000	–
Impairment of investment in available-for-sale financial assets	7	–	148,411
Interest expense	22	–	238,834
Interest income	22	(78,014)	(57,373)
Operating profit before working capital changes		14,207,599	10,553,257
Changes in inventories		(54,878)	550,752
Changes in trade and other receivables		(455,925)	(488,585)
Changes in trade and other payables		884,598	(7,222,409)
Cash generated from operations		14,581,394	3,393,015
Income taxes paid		(1,180,047)	(1,240,170)
Net cash generated from operating activities		13,401,347	2,152,845
Cash Flows from Investing Activities			
Purchase of plant and equipment (Note A)	6	(293,918)	(572,035)
Interest received		70,325	120,563
Net cash used in investing activities		(223,593)	(451,472)
Cash Flows from Financing Activities			
Dividends paid to shareholders	24	(8,057,971)	(6,651,402)
Net cash used in financing activities		(8,057,971)	(6,651,402)
Net increase/ (decrease) in cash and cash equivalents		5,119,783	(4,950,029)
Cash and cash equivalents at beginning of year	11	16,426,295	21,376,324
Cash and cash equivalents at end of year	11	21,546,078	16,426,295

Notes:

- (A) During the financial year ended 31 December 2018, the Group acquired plant and equipment with an aggregate cost of S\$328,497 (2017: S\$618,835) of which S\$34,579 (2017: S\$46,800) was included in trade payables. Cash payment of S\$293,918 (2017: S\$572,035) was made to purchase plant and equipment.
- (B) With effect from 1 January 2017, the Amendments to SFRS(I) 1-7 Statements of Cash Flow comes with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. No reconciliation is required as the Group's cash flows from financing activities arise from dividends payment to its shareholders only.

The annexed notes form an integral part of and should be read in conjunction with the financial statements.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

1 The Company

The financial statements of the Group and of the Company for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

Singapore O&G Ltd. (the "**Company**") is a company incorporated in Singapore. The address of the Company's registered office is at 229 Mountbatten Road, #02-02 Mountbatten Square, Singapore 398007.

The Company and its subsidiaries are collectively known as the "**Group**" in the consolidated financial statements.

The principal activities of the Company are those of provision of specialised medical and management services, and investment holding. The principal activities of the subsidiaries are set out in Note 4.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). SFRS(I) 1, First-time Adoption of International Financial Reporting Standard, has been applied in preparing these financial statements promulgated by the Accounting Standards Council ("**ASC**"). These consolidated financial statements are the first set of financial statements prepared in accordance with SFRS(I).

The Group's consolidated financial statements until 31 December 2017 had been prepared in accordance with Singapore Financial Reporting Standards ("**FRS**"). FRS differs in certain respects from SFRS(I). The Group's financial statements for the financial year ended 31 December 2018 are prepared in accordance with SFRS(I) and IFRS issued by the International Accounting Standard Board. As a result, this is the first set of financial statements prepared under SFRS(I).

These consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

Common control business combination outside the scope of SFRS(I) 3

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Accordingly, the assets and liabilities of these entities have been accounted for at historical amounts in the consolidated financial statements.

In applying pooling-of-interests accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the consolidated financial statements of the combined entity as if the combination had taken place at the beginning of the earliest comparative period presented.

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognised the assets, liabilities and equity of the combining entities or businesses at the carrying amounts in the consolidated financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such consolidated financial statements had been prepared by the controlling party, including adjustments required for conforming the combined entity's accounting policies and applying those policies to all periods presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination.

The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements of the combined entity.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(a) Basis of preparation (Cont'd)

The preparation of financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2(c).

The consolidated financial statements are presented in Singapore dollars (“SGD”) which is the Company's functional currency. All financial information is presented in SGD, unless otherwise stated.

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective

In December 2017, the Accounting Standards Council (“ASC”) issued the Singapore Financial Reporting Standards (International) (“SFRS(I)”). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 December 2018), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 December 2018, an additional opening statement of financial position as at date of transition (1 January 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 January 2017) and as at end of last financial period under FRS (31 December 2017). Additional disclosures are made for specific transition adjustments if applicable.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of International Financial Reporting Standards. In addition to the adoption of the new framework, the following new SFRS(I)s, amendments to and interpretations of SFRS(I) are effective from the same date and relevant to the Group:

- SFRS(I) 15 Revenue from Contracts with Customers and Amendments to SFRS(I) 15;
- Clarifications to SFRS(I) 15;
- SFRS(I) 9 Financial Instruments;
- Classification and Measurement of Share-based Payment Transactions (Amendments to SFRS(I) 2); and
- Deletion of short-term exemptions for first-time adopters (Amendments to SFRS(I) 1).

The application of the above standards and interpretations do not have a material effect on the Group's and the Company's financial statements.

Management did not elect any of the optional exemptions available under SFRS(I) 1. Therefore, the adoption of SFRS(I) does not have a material effect on the financial statements.

The accounting policies set out in Note 2(d) have been applied in preparing the financial statements for the year ended 31 December 2018, the comparative information presented in these financial statements for the year ended 31 December 2017 and in the preparation of the opening SFRS(I) statement of financial position at 1 January 2017 (the Group's date of transition), subject to the mandatory exceptions under SFRS(I) 1.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

The effects of transition to SFRS(I) and initial application of SFRS(I) 15 are presented and explained below.

(I) Reconciliation of the Group's equity

Impact on the consolidated statements of financial position as at 1 January 2017 (date of transition to SFRS(I))

	Note	FRS Framework S\$	SFRS(I) 15 S\$	SFRS(I) 1 S\$	SFRS(I) 9 S\$	SFRS(I) Framework S\$
ASSETS						
Non-Current Assets						
Investment in subsidiaries	4	–	–	–	–	–
Goodwill	5	26,929,999	–	–	–	26,929,999
Plant and equipment	6	1,554,794	–	–	–	1,554,794
Available-for-sale financial assets	7	148,411	–	–	–	148,411
Financial assets, at FVOCI	8	–	–	–	–	–
Deferred tax assets	17	10,450	–	–	–	10,450
		<u>28,643,654</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>28,643,654</u>
Current Assets						
Inventories	9	2,152,469	–	–	–	2,152,469
Trade and other receivables	10	2,092,939	–	–	–	2,092,939
Cash and cash equivalents	11	21,376,324	–	–	–	21,376,324
		<u>25,621,732</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>25,621,732</u>
Total Assets		<u>54,265,386</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>54,265,386</u>
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital	12	29,645,500	–	–	–	29,645,500
Capital reserve	13	1,771,070	–	–	–	1,771,070
Merger reserve	14	(1,695,311)	–	–	–	(1,695,311)
Retained earnings		11,922,728	–	–	–	11,922,728
Total Equity		<u>41,643,987</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>41,643,987</u>
Non-Current Liabilities						
Trade and other payables	15	3,761,166	–	–	–	3,761,166
Deferred tax liabilities	17	66,601	–	–	–	66,601
		<u>3,827,767</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,827,767</u>
Current Liabilities						
Trade and other payables	15	7,052,275	–	–	–	7,052,275
Deferred revenue		380,343	(380,343)	–	–	–
Contract liabilities	16	–	380,343	–	–	380,343
Current tax liabilities		1,361,014	–	–	–	1,361,014
		<u>8,793,632</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>8,793,632</u>
Total Liabilities		<u>12,621,399</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>12,621,399</u>
Total Equity and Liabilities		<u>54,265,386</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>54,265,386</u>

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(I) Reconciliation of the Group's equity (Cont'd)

Impact on the consolidated statements of financial position as at 31 December 2017 (end of last period reported under FRS)

	Note	FRS Framework S\$	SFRS(I) 15 S\$	SFRS(I) 1 S\$	SFRS(I) 9 S\$	SFRS(I) Framework S\$
ASSETS						
Non-Current Assets						
Investment in subsidiaries	4	-	-	-	-	-
Goodwill	5	26,929,999	-	-	-	26,929,999
Plant and equipment	6	1,638,262	-	-	-	1,638,262
Available-for-sale financial assets	7	-	-	-	-	-
Financial assets, at FVOCI	8	-	-	-	-	-
Deferred tax assets	17	12,019	-	-	-	12,019
		<u>28,580,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,580,280</u>
Current Assets						
Inventories	9	1,601,717	-	-	-	1,601,717
Trade and other receivables	10	2,518,334	-	-	-	2,518,334
Cash and cash equivalents	11	16,426,295	-	-	-	16,426,295
		<u>20,546,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,546,346</u>
Total Assets		<u>49,126,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,126,626</u>
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital	12	29,645,500	-	-	-	29,645,500
Capital reserve	13	1,771,070	-	-	-	1,771,070
Merger reserve	14	(1,695,311)	-	-	-	(1,695,311)
Retained earnings		13,778,386	-	-	-	13,778,386
Total Equity		<u>43,499,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,499,645</u>
Non-Current Liabilities						
Trade and other payables	15	-	-	-	-	-
Deferred tax liabilities	17	109,825	-	-	-	109,825
		<u>109,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,825</u>
Current Liabilities						
Trade and other payables	15	3,811,730	-	-	-	3,811,730
Deferred revenue		445,279	(445,279)	-	-	-
Contract liabilities	16	-	445,279	-	-	445,279
Current tax liabilities		1,260,147	-	-	-	1,260,147
		<u>5,517,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,517,156</u>
Total Liabilities		<u>5,626,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,626,981</u>
Total Equity and Liabilities		<u>49,126,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,126,626</u>

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(a) SFRS(I) 1

The Group adopted SFRS(I) in 2018 and applied SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The application of the mandatory exceptions in SFRS(I) 1 does not have quantitative impact on the Group's and the Company's financial statements. The Group has not elected any optional exemptions upon transition to SFRS(I) 1.

(b) SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has adopted SFRS(I) 15 in its financial statements for the year ended 31 December 2018. There are no significant changes to the basis of revenue recognition for its revenue from the provision of specialised medical services (namely obstetrics and gynaecology, cancer-related, dermatology and paediatrics services) since these are recognised when the services are rendered in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services and no restatement is required for prior periods.

There is no significant financing component arising from the rendering of the specialised medical services to the patients since the Group is engaged in a cash service business. Credit terms are only extended to hospitals in Singapore and insurance companies and such credit terms are generally in line with the industry norm.

The Group has changed the presentation of certain amounts in the statements of financial position as at 1 January 2017 upon adopting SFRS(I) 15:

- Contract liabilities refers to upfront package fee which the Group recognises as the fee is collected under SFRS(I) 15.

(c) SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

The following assessments have been made on the basis of facts and circumstances that existed at 1 January 2018:

- The determination of the business model within which a financial asset is held.
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income ("FVOCI").

SFRS(I) 9 replaces the provision of FRS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition, of financial instruments, and impairment of financial assets. The adoption of SFRS(I) 9 Financial Instruments from 1 January 2018 resulted in changes of accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 2(d) below. In accordance with the transition in SFRS(I) 9, comparative figures have not been restated.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(c) SFRS(I) 9 (Cont'd)

The Group has assessed the impact to the consolidated financial statements. Loans and receivables accounted for at amortised cost under FRS 39 will continue to be accounted for using amortised cost model under SFRS(I) 9. For financial assets currently held at fair value, the Group continue to perform fair value measurement of these assets at the end of each reporting period under SFRS(I) 9.

There is no significant change to the measurement basis arising from adopting the new classification and measurement model or a significant increase in the impairment loss allowance.

The following table below explains the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for the Group's financial assets related to equity investment as at 1 January 2018.

	Original classification under FRS 39	New classification under SFRS(I) 9	31 December 2017		1 January 2017	
			Original carrying amount under FRS 39	New carrying amount under SFRS(I) 9	Original carrying amount under FRS 39	New carrying amount under SFRS(I) 9
			S\$	S\$	S\$	S\$
The Group and the Company						
Equity investment	Available-for-sale	FVOCI	–	–	148,411	148,411

The Group elected to present in OCI changes in the fair value of its equity investment previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium-term. As a result, assets with a fair value of S\$Nil were reclassified from available-for-sale to financial assets at FVOCI on 1 January 2018.

(II) Issued but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued in 2018 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on)
SFRS(I) 16	Leases	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019

SFRS(I) 16 Leases

SFRS(I) 16 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. SFRS(I) 16 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the Company has adopted SFRS(I) 15.

The Group plans to apply SFRS(I) 16 initially on 1 January 2019. The Group expects to measure lease liabilities by applying a single discount rate to their portfolio of clinic premises leases. The Group is likely to apply the practical expedient to recognise amounts of right-of-use ("ROU") assets equal to their lease liabilities at 1 January 2019.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(b) Full convergence with SFRS(I) and adoption of new standards effective and not yet effective (Cont'd)

(II) Issued but not yet effective (Cont'd)

SFRS(I) 16 Leases (Cont'd)

Upon the adoption of SFRS(I) 16, the Group expects an increase in ROU assets and lease liabilities of S\$3.8 million. The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in fact and circumstances. The Interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

2(c) Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

Significant judgements in applying accounting policies

(a) Income tax

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such a determination is made.

The carrying amounts of the Group's and the Company's deferred tax assets and liabilities are disclosed in Note 17 of the financial statements.

(b) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The carrying amounts of the Group's and the Company's trade and other receivables at the end of the reporting period are disclosed in Note 10 to the financial statements.

The Company held non-trade receivables from its subsidiaries of S\$3,816,377 (31 December 2017: S\$3,460,029; 1 January 2017: S\$1,732,832) as at the reporting date. These balances are amounts lent to subsidiaries to satisfy short term funding requirements. The impairment of the amounts due from subsidiaries is based on the expected loss model using general approach. The expected loss model used past, present and future information to estimate the expected credit loss. There is no allowance for impairment loss arising from these outstanding balances as the expected credit loss is not material.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(c) Significant accounting estimates and judgements (Cont'd)

Significant judgements in applying accounting policies (Cont'd)

(c) Determination of operating segments

Management will first identify the Chief Operating Decision Maker (“**CODM**”). Then it should identify their business activities (which may not necessarily earn revenue or incur expenses). Management will further determine whether discrete financial information is available for the business activities and whether that information is regularly reviewed by the CODM. Judgement is applied by management of the aggregation criteria to operating segments.

Critical accounting estimates and assumptions used in applying accounting policies

Impairment tests for cash-generating units containing goodwill (Note 5)

Goodwill is allocated to the Group’s cash-generating units (“**CGU**”) according to the individual subsidiary as follows:

	31 December 2018	31 December 2017	1 January 2017
	S\$	S\$	S\$
Beh’s Clinic for Women Pte. Ltd. (“ BEH ”)	446,094	446,094	446,094
Choo Wan Ling Women’s Clinic Pte. Ltd. (“ CWL ”)	396,201	396,201	396,201
SOG Dermatology Pte. Ltd. (“ DERM ”)	23,287,704	26,087,704	26,087,704
	24,129,999	26,929,999	26,929,999

The recoverable amount of a CGU is determined based on the higher of fair value less cost to sell (“**FVLCTS**”) and value-in-use (“**VIU**”) calculations. The VIU calculations use cash flow projections based on financial budgets prepared by management covering a four-year period for BEH and CWL and a seven-year period with terminal value for DERM. Cash flows beyond the budgeted periods are extrapolated using the estimated rates stated below:

	Beh’s Clinic for Women Pte. Ltd. %	Choo Wan Ling Women’s Clinic Pte. Ltd. %	SOG Dermatology Pte. Ltd. %
Gross profit margin	93.0	87.0	75.0
Growth rate	2.3	3.3	6.0
Terminal growth rate	–	–	1.8
Discount rate	11.0	11.0	11.5

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates, terminal growth rate and expected changes to fee charged by the specialist medical practitioners and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in rates, fee charges and direct costs are based on past practices and expectations of future market changes.

These assumptions have been used for the analysis of each CGU. Management determines the budgeted gross profit margin based on past performance and its expectation for market development. The average growth rates used are consistent with industry reports.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(c) Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Impairment tests for cash-generating units containing goodwill (Note 5) (Cont'd)

The above estimates are particularly sensitive in the following areas in relation to BEH and CWL CGUs:

- An increase of one percentage point in the discount rate used would decrease the value-in-use of BEH and CWL by S\$236,000 (31 December 2017: S\$326,000; 1 January 2017: S\$341,000) and accordingly, no impairment is required.
- A 1% decrease in future growth profit margin would decrease the value-in-use of BEH and CWL by S\$402,000 (31 December 2017: S\$567,000; 1 January 2017: S\$537,000) and accordingly, no impairment is required.

Based on the impairment assessment, an impairment loss of \$2.8 million was recognised on goodwill allocated to DERM CGU for the financial year ended 31 December 2018 ("FY 2018") (31 December and 1 January 2017: S\$Nil). Following the impairment loss recognised in the DERM CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

The carrying amount of goodwill as at 31 December 2018 amounted to S\$24,129,999 (31 December and 1 January 2017: S\$26,929,999).

Impairment tests for plant and equipment

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

A decrease of 5% (31 December and 1 January 2017: 5%) in the value-in-use of the Group's plant and equipment would have decreased the Group's profit by S\$70,623 (31 December 2017: S\$81,913; 1 January 2017: S\$77,740). The carrying amounts of the Group's and the Company's plant and equipment are disclosed in Note 6 to the financial statements.

Depreciation of plant and equipment

The costs of plant and equipment are depreciated on a straight-line basis over the estimated economic useful lives of the assets. The Group estimates the useful lives of the assets based on commercial factors which could change significantly as a result of technical innovations and competitor actions in response to severe market conditions. Changes to the expected level of usage, maintenance programmes and technical developments could impact the economic useful lives of the assets; therefore, future depreciation charges could be revised. The carrying amounts of the Group's and the Company's plant and equipment at the reporting date are disclosed in Note 6 to the financial statements. If depreciation on the Group's plant and equipment increases/decreases by 10% (2017: 10%) from management's estimate, the Group's profit for the year will decrease/increase by approximately S\$55,409 (2017: S\$52,415).

Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value-in-use of the investments. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

At the reporting date, the carrying amounts of investments in subsidiaries are S\$34,331,536 (31 December 2017: S\$34,330,536; 1 January 2017: S\$34,328,536). Management has evaluated the recoverability of the investment based on such estimates. If the present value of estimated future cash flows decreases by 10% (31 December and 1 January 2017: 10%) from management's estimates, the Company's allowance for impairment of investments in subsidiaries will increase by S\$3,433,154, (31 December 2017: S\$3,433,054; 1 January 2017: S\$3,432,854).

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(c) Significant accounting estimates and judgements (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Allowance for inventory obsolescence

The Group reviews the ageing analysis of inventories at each reporting date, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable values of the inventory decrease/ increase by 10% (31 December and 1 January 2017: 10%) from management's estimates, the Group's profit will decrease/ increase by S\$165,660 (31 December 2017: S\$160,172; 1 January 2017: S\$215,247). The carrying amounts of the Group's and the Company's inventory are disclosed in Note 9 to the financial statements.

Fair value of FVOCI financial assets

Unquoted FVOCI financial assets (31 December and 1 January 2017: available-for-sale financial assets) are stated at its fair value. If the market for a financial asset is not active or not available, the fair value is established by using valuation techniques such as the adjusted net assets method ("**ANA**") or the discounted cash flows analysis refined to reflect the issuer's specific circumstances. This valuation involves considerable subjective judgement in selecting among a range of different valuation methodologies, and making estimates about expected future cash flows and discount rates.

When valuing unquoted FVOCI financial assets, the cost or latest financing price of the investments will be taken into consideration, but that will not be the sole determinant of fair value. Cost or latest financing price may be a good indication of fair value upon purchase or the latest financing round. However, after some period of time, the cost or the latest financing price becomes less reliable as an approximation of fair value. Therefore, the management will assess whether the fair value has changed, taking into account changes in circumstances such as the current performance of the investee company, whether market, economic or company-specific conditions have significantly improved or deteriorated since the time of the original investment. These estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and the differences could be material to the financial statements. Fair value of the specific assets at the end of the reporting period affected by this assumption are S\$Nil (31 December 2017: S\$Nil; 1 January 2017: S\$148,411).

Sensitivity analysis was only applicable for fair valuation as at 1 January 2017 arising from the discounted cash flow analysis method. As at 1 January 2017, if the discount rate of the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's changes in fair value of available-for-sale financial assets will increase by S\$49,000.

Fair value measurement of contingent consideration on business combination

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the consideration transferred for business combination. Where the contingent consideration meets the definition of a derivation and thus financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. As part of the purchase price allocation for the JL Acquisition, the Group identified an element of contingent consideration. The carrying amount of the contingent consideration on business combination at the end of the reporting period is disclosed in Note 15 to the consolidated financial statements. The Group has fully paid the entire contingent consideration before 31 December 2017 (1 January 2017: Based on stated formula in the Sale and Purchase Agreement for JL Acquisition, if the net profit after tax target (S\$2.5 million with a tolerance threshold of S\$0.2 million for the financial year ended 31 December 2016 of the Target) ("**NPAT Target**") is not achieved by 5%, the Group's contingent consideration will decrease by S\$1.08 million).

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Consolidation (Cont'd)

Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group. The consideration for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration given, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Goodwill" for the accounting policy on goodwill.

Disposal

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Intangible assets

Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Intangible assets (Cont'd)

Goodwill

Goodwill on acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on items of plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Office equipment	5 years
Furniture and fittings	5 years
Medical equipment	5 years
Renovation	5 years
Computer and software	1 year

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policies in this section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest ("SPPI")" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding on the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's financial assets at amortised cost include trade and other receivables, excluding prepayments.

Fair value through other comprehensive income (debt instruments)

Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Financial assets designated at fair value through OCI (equity instruments)

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Financial assets at fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investment which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognised as other income in the statement of comprehensive income when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (“ECL”) associated with its debt instrument assets carried at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a “12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a “lifetime ECL”).

For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. The Group's financial liabilities comprise trade and other payables, excluding contract liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SFRS(I) 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(b) Financial liabilities (Cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes all costs of purchases and other costs incurred in bringing the inventories to their present location and condition.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Impairment of non-financial assets

The carrying amounts of the Group's and Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Group transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because of the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Leases

Where the Group is the lessee,

Operating leases

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

Where the Group is the lessor,

Operating leases

Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Revenue from contracts with customers

Revenue comprises the fair value of the consideration received or receivable for the rendering of services, net of goods and service tax, rebates and discounts. Revenue is recognised as follows:

Provision of specialised medical services

Revenue from the provision of specialised medical services (namely obstetrics and gynaecology, cancer-related, dermatology and paediatrics services) is recognised when the Group satisfies a performance obligation by transferring control of those services to the patients. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation. The transaction price is allocated to each performance obligation in the contract on the basis of the relative stand-alone selling prices of the specialised medical services.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the specialised medical services to patients. There is no significant financing component arising from the rendering of those services.

Revenue may be recognised at a point of time or over time following the timing of satisfaction of the performance obligation. If a performance obligation is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation.

Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Revenue from contracts with customers (Cont'd)

Finance income

Finance income relates to interest income from bank deposits that is recognised as it accrues, using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Pension obligations

The Group and the Company contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Employee Share Option Scheme and Performance Share Plan

The Company also has an employee share option plan for the granting of non-transferable options. The Group may issue equity-settled share-based payments to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in the profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At the end of each reporting period, the Group will revise its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the 'treasury shares' account, when treasury shares are re-issued to the employees.

In the Company's separate financial statements, the fair value of options granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investment in subsidiaries, with a corresponding increase in equity over the vesting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management executives are considered key management personnel.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or Company.

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the asset.

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The financial statements of the Group and the Company are presented in SGD, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2(d) Significant accounting policies (Cont'd)

Operating segments

For management purposes, operating segments are organised based on their services which are independently managed by the respective segment managers (i.e. specialist medical practitioners) responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the Chief Executive Officer (“CEO”) who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3 Principal activities and revenue

The principal activities of the Company are those of provision of specialised medical and management services, and investment holding. The principal activities of the subsidiaries are set out in Note 4.

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by geographical area of operations.

The Group	2018			2017		
	At a point in time S\$	Over time S\$	Total S\$	At a point in time S\$	Over time S\$	Total S\$
<u>Singapore</u>						
Obstetrics and Gynaecology revenue	19,223,942	1,472,446	20,696,388	16,557,731	1,469,569	18,027,300
Dermatology revenue	7,534,428	181,913	7,716,341	7,730,010	157,175	7,887,185
Cancer-related revenue	5,232,534	78,221	5,310,755	3,730,552	56,556	3,787,108
Paediatrics revenue	921,325	36,271	957,596	198,845	1,125	199,970
	32,912,229	1,768,851	34,681,080	28,217,138	1,684,425	29,901,563

4 Investment in subsidiaries

The Company	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Unquoted equity shares, at cost	34,331,536	34,330,536	34,328,536

Impairment tests for investment in SOG Dermatology Pte. Ltd. (“DERM”)

There were indications of impairment for investment in DERM as an impairment loss of S\$2.8 million (2017: S\$Nil) was recognised on goodwill allocated to DERM CGU for FY 2018. The recoverable amount of the subsidiary, as a cash-generating unit, was determined based on the higher of FVLCTS and VIU calculation. The VIU calculation is a discounted cash flow model using cash flow projections based on financial budget prepared by management covering a seven-year period with terminal value for DERM. Based on such assessment, the recoverable amount has been estimated to be higher than the carrying amount of the cost of investment in DERM and thus no impairment is required at 31 December 2018. Refer to Note 5 for details of impairment tests on goodwill for DERM.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

4 Investment in subsidiaries (Cont'd)

Group subsidiaries

Details of the Group's subsidiaries are set out below:

Entity	Principal activities	Country of incorporation	Percentage of interest held		
			31 December 2018	31 December 2017	1 January 2017
			%	%	%
Beh's Clinic for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100	100
Choo Wan Ling Women's Clinic Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100	100
Heng Clinic for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100	100
K W Lee Clinic & Surgery for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100	100
SOG-Natalie Chua Clinic for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100	100
SOG-SC Hong Clinic for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100	100
SOG Dermatology Pte. Ltd.	Provision of dermatological services	Singapore	100	100	100
SOG-Cindy Pang Clinic for Women Pte. Ltd.	Provision of cancer-related and general surgery services	Singapore	100	100	100
SOG-Radhika Breast and General Surgicare Pte. Ltd.	Provision of cancer-related and general surgery services	Singapore	100	100	100
SOG-SK Lim Breast & General Surgicare Pte. Ltd.	Provision of cancer-related and general surgery services	Singapore	100	100	100
SOG Children (Paediatrics - Central) Pte. Ltd.	Provision of paediatrics services	Singapore	100	100	-
SOG Children (Paediatrics - East) Pte. Ltd.	Provision of paediatrics services	Singapore	100	100	-
SOG Children (Paediatrics - Gastroenterology Liver) Pte. Ltd.	Provision of paediatrics services	Singapore	100	-	-

All entities are audited by Foo Kon Tan LLP.

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For the financial year ended 31 December 2018

5 Goodwill

The Group	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Cost	26,929,999	26,929,999	26,929,999
Allowance for impairment losses			
At beginning	-	-	-
Impairment loss	(2,800,000)	-	-
At end	(2,800,000)	-	-
Carrying amounts	24,129,999	26,929,999	26,929,999

Impairment tests for goodwill

As at 31 December 2018, the carrying amount of goodwill is attributable to the Group's cash-generating units ("CGU") comprising of Beh's Clinic for Women Pte. Ltd. ("BEH"), Choo Wan Ling Women's Clinic Pte. Ltd. ("CWL") and SOG Dermatology Pte. Ltd. ("DERM").

The Group	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Beh's Clinic for Women Pte. Ltd.	446,094	446,094	446,094
Choo Wan Ling Women's Clinic Pte. Ltd.	396,201	396,201	396,201
SOG Dermatology Pte. Ltd.	23,287,704	26,087,704	26,087,704
	24,129,999	26,929,999	26,929,999

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For the financial year ended 31 December 2018

5 Goodwill (Cont'd)

Impairment tests for goodwill (Cont'd)

The recoverable amount of the CGU was determined based on the higher of FVLCTS and VIU calculation. The VIU calculation is a discounted cash flow model using cash flow projections based on financial budget prepared by management covering a four-year period for BEH and CWL and a seven-year period with terminal value for DERM. Cash flows for the budgeted period were extrapolated using the estimated growth rates stated below. The growth rates do not exceed the long-term average growth rates in which the CGUs operate.

Key assumptions used for value-in-use calculations:

	Beh's Clinic for Women Pte. Ltd. %	Choo Wan Ling Women's Clinic Pte. Ltd. %	SOG Dermatology Pte. Ltd. %
31 December 2018			
Gross profit margin ⁽¹⁾	93.0	87.0	75.0
Growth rate ⁽²⁾	2.3	3.3	6.0
Terminal growth rate ⁽³⁾	–	–	1.8
Discount rate ⁽⁴⁾	11.0	11.0	11.5
31 December 2017			
Gross profit margin ⁽¹⁾	92.0	88.2	75.0
Growth rate ⁽²⁾	5.3	5.6	11.1
Terminal growth rate ⁽³⁾	–	–	1.6
Discount rate ⁽⁴⁾	10.5	10.5	10.5
1 January 2017			
Gross profit margin ⁽¹⁾	92.0	88.2	80.0
Growth rate ⁽²⁾	2.8	10.3	8.0
Terminal growth rate ⁽³⁾	–	–	1.8
Discount rate ⁽⁴⁾	11.9	11.9	11.9

⁽¹⁾ Budgeted gross profit margin

⁽²⁾ Average annual growth rate

⁽³⁾ Long term average growth rate of Singapore

⁽⁴⁾ Pre-tax discount rate applied to the pre-tax cash flow projections

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. A long-term growth rate into perpetuity has been determined based on the long-term average growth rate of Singapore's Gross Domestic Product.

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross profit margin and average annual growth rate based on expectation of future outcomes taking into account past experience. Revenue growth was projected taking into account the average growth level experienced over the past years. The annual growth rate and terminal growth rate used were consistent with the forecasts included in industry reports. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

5 Goodwill (Cont'd)

Impairment tests for goodwill (Cont'd)

BEH and CWL CGUs impairment testing

The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than their carrying amounts for BEH and CWL CGUs. The recoverable amounts of these two CGUs have been estimated to be higher than their carrying amounts, and thus no impairment is required at the reporting dates.

DERM CGU impairment testing

The carrying amount of DERM CGU was determined to be higher than its recoverable amount and an impairment loss of S\$2,800,000 (2017: S\$Nil) was recognised during the year ended 31 December 2018. The impairment loss was fully allocated to goodwill and disclosed separately in the consolidated statement of comprehensive income.

Management has identified that a reasonably possible change in two key assumptions including revenue growth rate and discount rate could cause the carrying amount to exceed the recoverable amount.

Following the impairment loss recognised in the DERM CGU, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

6 Plant and equipment

The Group	Office equipment S\$	Furniture and fittings S\$	Medical equipment S\$	Renovation S\$	Computer and software S\$	Total S\$
Cost						
At 1 January 2017	36,180	52,280	1,516,056	712,647	111,207	2,428,370
Additions	10,889	4,460	330,123	226,473	46,890	618,835
Write-off	(4,688)	(3,273)	(77,817)	(44,805)	(4,650)	(135,233)
At 31 December 2017	42,381	53,467	1,768,362	894,315	153,447	2,911,972
Additions	6,691	5,245	198,682	85,072	32,807	328,497
Write-off	–	(2,688)	–	–	(3,528)	(6,216)
At 31 December 2018	49,072	56,024	1,967,044	979,387	182,726	3,234,253
Accumulated depreciation						
At 1 January 2017	11,998	26,647	422,025	310,263	102,643	873,576
Depreciation for the year	7,527	11,054	336,486	131,427	37,654	524,148
Write-off	(4,568)	(3,009)	(77,736)	(34,051)	(4,650)	(124,014)
At 31 December 2017	14,957	34,692	680,775	407,639	135,647	1,273,710
Depreciation for the year	8,400	7,090	367,347	137,383	33,869	554,089
Write-off	–	(2,479)	–	–	(3,528)	(6,007)
At 31 December 2018	23,357	39,303	1,048,122	545,022	165,988	1,821,792
Net book value						
At 31 December 2018	25,715	16,721	918,922	434,365	16,738	1,412,461
At 31 December 2017	27,424	18,775	1,087,587	486,676	17,800	1,638,262
At 1 January 2017	24,182	25,633	1,094,031	402,384	8,564	1,554,794

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For the financial year ended 31 December 2018

6 Plant and equipment (Cont'd)

The Company	Office equipment S\$	Furniture and fittings S\$	Medical equipment S\$	Renovation S\$	Computer and software S\$	Total S\$
Cost						
At 1 January 2017	8,282	22,705	80,921	100,199	48,584	260,691
Additions	3,180	560	52,000	61,360	8,994	126,094
Write-off	-	-	-	(44,805)	(886)	(45,691)
At 31 December 2017	11,462	23,265	132,921	116,754	56,692	341,094
Additions	1,100	-	45,000	72	7,774	53,946
Write-off	-	(2,688)	-	-	(3,528)	(6,216)
At 31 December 2018	12,562	20,577	177,921	116,826	60,938	388,824
Accumulated depreciation						
At 1 January 2017	1,717	11,251	57,413	50,766	47,835	168,982
Depreciation for the year	2,321	5,883	27,065	38,258	4,942	78,469
Write-off	-	-	-	(34,051)	(886)	(34,937)
At 31 December 2017	4,038	17,134	84,478	54,973	51,891	212,514
Depreciation for the year	2,474	3,279	20,891	18,685	9,563	54,892
Write-off	-	(2,479)	-	-	(3,528)	(6,007)
At 31 December 2018	6,512	17,934	105,369	73,658	57,926	261,399
Net book value						
At 31 December 2018	6,050	2,643	72,552	43,168	3,012	127,425
At 31 December 2017	7,424	6,131	48,443	61,781	4,801	128,580
At 1 January 2017	6,565	11,454	23,508	49,433	749	91,709

7 Available-for-sale financial assets

The amounts recognised in the statement of financial positions comprise the following category of financial asset:

The Group and the Company	2018 S\$	2017 S\$
Available-for-sale financial assets		
At 1 January	-	148,411
Reclassification to fair value through OCI at 1 January 2018	-	-
Impairment loss	-	(148,411)
At 31 December	-	-
Available-for-sale financial assets	-	-

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

7 Available-for-sale financial assets (Cont'd)

Presented as:

	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Non-Current Assets			
Available-for-sale financial assets	-	-	148,411

Impairment testing as at 31 December 2017

As the unquoted equity shares are not publicly traded, the fair values presented are determined based on the adjusted net assets ("ANA") of the underlying investees included in a valuation report issued by an independent valuer. The ANA method was adopted by the independent valuer on the basis that SG Meditech has going concern issue after considering the following:

- (i) SG Meditech has been loss making for the last 3 years;
- (ii) SG Meditech does not have any signed customer contracts as at 31 December 2017;
- (iii) SG Meditech has been in a net liability position for the last 3 years;
- (iv) SG Meditech appears not to have sufficient cash to sustain its business operations for the next twelve months; and
- (v) SG Meditech's Independent Auditor, Tan Kia Yew & Co issued an emphasis of matter opinion on SG Meditech's ability to continue its operation as a going concern in its audited financial statements for the financial year ended 30 June 2017.

The ANA method estimates the equity value of SG Meditech by adjusting the book value of all assets and liabilities to reflect their current market values. Based on the assessment performed by the independent valuer and management, the adjusted net assets value of SG Meditech approximates its fair value as at 31 December 2017. As SG Meditech is in a net liability position as at 31 December 2017, the fair valuation of SG Meditech is determined to be S\$Nil by the independent valuer. Based on the impairment assessment, an impairment loss of S\$148,411 was recognised in the profit or loss for the financial year ended 31 December 2017 ("FY 2017").

8 Financial assets, at FVOCI

The Group and the Company	2018 S\$	2017 S\$
Equity instrument designated at fair value through OCI		
At 1 January	-	-
Reclassification from available-for-sale financial assets at 1 January 2018	-	-
At 31 December	-	-
Fair value of FVOCI	-	-

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For the financial year ended 31 December 2018

8 Financial assets, at FVOCI (Cont'd)

Presented as:

	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Non-Current Assets			
Financial assets, at FVOCI	-	-	-

Equity instrument designated at fair value through OCI

Equity instrument designated at fair value through OCI comprises investments in equity shares of SG Meditech Pte. Ltd. ("**SG Meditech**"), intended as a third party investment to the Singapore Government National Research Foundation Technology's Incubation Scheme ("**the Scheme**"). Under the Scheme, SG Meditech is developing a device aimed at providing a more sustainable solution to improve the cord blood collection process. The Company invested S\$250,000 (31 December and 1 January 2017: available-for-sale financial assets of S\$250,000) to acquire 5% of the ordinary shares of SG Meditech.

The ANA method was adopted by management to determine the fair value of the equity instrument as at 31 December 2018. There were no changes in the fair value of the equity instrument as at 31 December 2018 and no fair value gain or loss was recognised in other comprehensive income for FY 2018.

9 Inventories

	The Group			The Company		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Medical supplies, at cost	1,656,595	1,601,717	2,152,469	-	-	-

There was no write-down in value of inventories and no write-off of inventories during FY 2018 and FY 2017.

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10 Trade and other receivables

	The Group			The Company		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Trade receivables	1,911,177	1,490,445	1,361,429	16,856	4,651	16,586
Impairment losses:						
At beginning	(17,999)	(22,914)	–	(2,923)	(4,364)	–
Allowance for the year	(18,424)	(17,999)	(22,914)	–	(2,923)	(4,364)
Allowance reversed	8,781	22,914	–	1,496	4,364	–
At end	(27,642)	(17,999)	(22,914)	(1,427)	(2,923)	(4,364)
Net trade receivables	1,883,535	1,472,446	1,338,515	15,429	1,728	12,222
Amounts due from subsidiaries (non-trade)	–	–	–	3,816,377	3,460,029	1,732,832
Deposits	407,762	417,393	344,285	56,666	142,410	98,582
Other receivables	31,205	23,517	86,707	23,381	21,205	86,707
	2,322,502	1,913,356	1,769,507	3,911,853	3,625,372	1,930,343
Prepayments	659,446	604,978	323,432	34,506	52,517	63,673
	2,981,948	2,518,334	2,092,939	3,946,359	3,677,889	1,994,016

Bad debts written off directly in the profit or loss during FY 2018 amounted to S\$9,767 (2017: S\$13,604) for the Group.

Refer to Note 29 for details of credit risk exposures.

Non-trade amounts due from subsidiaries

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for impairment losses arising from these outstanding balances as the expected credit loss is not material.

11 Cash and cash equivalents

	The Group			The Company		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Cash on hand	9,000	7,500	6,700	600	600	600
Cash at bank	14,537,078	10,418,795	11,369,624	3,282,542	2,065,307	548,340
Fixed deposits	7,000,000	6,000,000	10,000,000	5,500,000	5,000,000	10,000,000
	21,546,078	16,426,295	21,376,324	8,783,142	7,065,907	10,548,940

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For the financial year ended 31 December 2018

11 Cash and cash equivalents (Cont'd)

The fixed deposits mature within 4 months (31 December 2017: 2 months; 1 January 2017: 1 month) after the end of the reporting date with a weighted average interest rate of 1.76% (31 December 2017: 1.19%; 1 January 2017: 1.72%) per annum.

In January 2017 and December 2017, the Company paid the second and third tranche purchase consideration, S\$3.8 million (S\$4.0 million less final dividend for the financial year ended 31 December 2016 received by Dr. Joyce Lim of S\$0.2 million) and S\$4.0 million respectively in cash, for the acquisition of the entire rights, title and interest of Dr. Joyce Lim Teng Ee (“**Dr. Joyce Lim**”) and in the business and medical practices of JL Laser & Surgery Centre Pte. Ltd. (“**JLLSC**”), JL Esthetic Research Centre Pte. Ltd. (“**JLERC**”) and JL Dermatology Pte. Ltd. (“**JLD**”), and together with JLLSC and JLERC, (collectively known as the “**Targets**”), in the Target’s business and medical practices (the “**JL Acquisition**”).

Subject to the shareholders’ approval at the Annual General Meeting on 26 April 2019, the Company will pay a final one-tier tax exempt dividend of 0.90 Singapore cents per share in respect of FY 2018 (Note 33). The final dividend amounting to S\$4.29 million will be paid subsequent to the end of the reporting period.

12 Share capital

	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
The Group and the Company	No. of shares			S\$		
Issued and fully paid, with no par value	476,803,002	238,401,501	238,401,501	29,645,500	29,645,500	29,645,500
No. of shares after Share Split [#]	<u>476,803,002</u>					

[#] On 15 May 2017, the Company has completed and effected the share split of every one (1) existing ordinary share in the capital of the Company held by shareholders of the Company into two (2) ordinary shares (“**Share Split**”). Following the completion of the Share Split, the total number of issued shares in the Company increased from 238,401,501 shares to 476,803,002 shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company’s residual assets.

13 Capital reserve

The Group and the Company

Capital reserve represents the difference between the fair value of the purchase consideration paid by the Company and the net assets of Choo Wan Ling Women’s Clinic Pte. Ltd. and Beh’s Clinic for Women Pte. Ltd. acquired by the Company during the financial year ended 31 December 2014.

14 Merger reserve

The Group

Merger reserve represents the difference between the consideration paid by the Company and the net assets of K W Lee Clinic & Surgery for Women Pte. Ltd. and Heng Clinic for Women Pte. Ltd. acquired by the Company.

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15 Trade and other payables

	The Group			The Company		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Non-current						
Contingent consideration	-	-	3,761,166	-	-	3,761,166
Current						
Trade payables	850,146	644,158	839,749	488,573	270,640	282,273
Accrued operating expense	3,155,379	2,489,857	1,813,596	226,956	504,212	189,162
Amounts due to subsidiaries (non-trade)	-	-	-	1,361,359	1,077,020	119,021
Amounts due to a director (non-trade)	244,000	244,000	244,000	-	-	-
Other payables	489,091	433,715	389,547	17,470	13,024	16,691
Contingent consideration	-	-	3,765,383	-	-	3,765,383
	4,738,616	3,811,730	7,052,275	2,094,358	1,864,896	4,372,530

The contingent consideration relates to the present value of second and third tranche cash consideration of S\$4.0 million as at 31 December 2016 for the JL Acquisition due on 1 January 2017 and 1 January 2018 respectively. The Company has paid both tranches of purchase consideration in cash in January 2017 and December 2017 respectively (Note 11).

Non-trade amounts due to a director, comprising advances and payable for the lease of a subsidiary's clinic premise, are unsecured, interest-free and repayable on demand.

Trade payables have credit terms of 30 days (31 December and 1 January 2017: 30 days).

Non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Please refer to Note 29 for details of liquidity risk exposure.

16 Contract liabilities

	The Group			The Company		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Fees received, represented as:						
Current liabilities	437,570	445,279	380,343	-	-	-

The Group offers 'Antenatal' maternity, dermatology and vaccination packages to patients. Under these packages, the patients pay an upfront package fee which the Group recognises the fee collected as contract liabilities. For 'Antenatal' maternity package, the contract liabilities is amortised over the remaining pregnancy period till the birth of the baby. For dermatology and vaccination packages, the contract liabilities is recognised as revenue when the medical services are rendered to patients.

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For the financial year ended 31 December 2018

17 Deferred taxation

	The Group			The Company		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Deferred tax assets	1,130	12,019	10,450	–	2,043	7,652
Deferred tax liabilities	(139,705)	(109,825)	(66,601)	(10,374)	(3,604)	–
	(138,575)	(97,806)	(56,151)	(10,374)	(1,561)	7,652

The movement in the net deferred income tax account is as follows:

	The Group		The Company	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
At 1 January	97,806	56,151	1,561	(7,652)
Recognised in profit or loss (Note 23)	40,769	41,655	8,813	9,213
At 31 December	138,575	97,806	10,374	1,561

Deferred tax (assets) and liabilities comprised the following:

The Group	Assets			Liabilities		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Plant and equipment	(1,130)	(12,019)	(10,450)	134,793	105,827	66,601
Interest receivables	–	–	–	4,912	3,998	–
Deferred tax (assets)/ liabilities	(1,130)	(12,019)	(10,450)	139,705	109,825	66,601

The Company	Assets			Liabilities		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Plant and equipment	–	(2,043)	(7,652)	6,400	–	–
Interest receivables	–	–	–	3,974	3,604	–
Deferred tax (assets)/ liabilities	–	(2,043)	(7,652)	10,374	3,604	–

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For the financial year ended 31 December 2018

17 Deferred taxation (Cont'd)

The balance comprises tax on the following temporary differences:

Deferred tax assets

The Group	Plant and equipment S\$	Total S\$
At 1 January 2017	(10,450)	(10,450)
Recognised in profit or loss	(1,569)	(1,569)
At 31 December 2017	(12,019)	(12,019)
Recognised in profit or loss	10,889	10,889
At 31 December 2018	(1,130)	(1,130)

Deferred tax liabilities

The Group	Plant and equipment S\$	Interest receivable S\$	Total S\$
At 1 January 2017	66,601	–	66,601
Recognised in profit or loss	39,226	3,998	43,224
At 31 December 2017	105,827	3,998	109,825
Recognised in profit or loss	28,966	914	29,880
At 31 December 2018	134,793	4,912	139,705

Deferred tax liabilities

The Company	Plant and equipment S\$	Interest receivable S\$	Total S\$
At 1 January 2017	(7,652)	–	(7,652)
Recognised in profit or loss	5,609	3,604	9,213
At 31 December 2017	(2,043)	3,604	1,561
Recognised in profit or loss	8,443	370	8,813
At 31 December 2018	6,400	3,974	10,374

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18 Other operating income

The Group	2018 S\$	2017 S\$
Government grant	57,245	74,168
Rental rebate	43,990	87,980
Sponsorship income	67,982	22,060
Sundry income	5,400	30,799
Legal consideration [#]	1,250,000	–
	1,424,617	215,007

[#] The Company and its former Lead Independent Director, Mr. Christopher Chong Meng Tak (“**Mr. Chong**”), had a dispute concerning the Company’s claim for S\$1.5 million from Mr. Chong in relation to a transaction of the Company in which Mr. Chong was involved (“**Dispute**”). The Company and Mr. Chong have, without any admission as to liability, agreed to a full and final settlement on the Dispute on 1 March 2018. The Company has received the settlement amount of S\$1.25 million in FY 2018 which was recognised in profit or loss.

19 Consumables and medical supplies used

The Group	2018 S\$	2017 S\$
Changes in inventories	(54,878)	550,752
Inventories purchased	3,160,716	2,528,620
Laboratory test and charges	1,464,346	1,249,363
Hospital facility charges	290,663	223,658
Others	11,948	9,977
	4,872,795	4,562,370

20 Employee remuneration expense

The Group	2018 S\$	2017 S\$
Directors’ remuneration		
- Directors of the Company	2,241,045	2,099,531
- Directors of subsidiaries	7,387,332	6,447,789
- Central Provident Fund contributions	162,262	135,167
Key management personnel (Other than directors)		
- Salaries and other related costs	551,465	816,903
- Central Provident Fund contributions	36,764	39,780
Other than directors and key management personnel		
- Salaries and other related costs	2,824,642	2,148,579
- Central Provident Fund contributions	339,578	309,846
	13,543,088	11,997,595

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For the financial year ended 31 December 2018

21 Other operating expenses

The Group	2018 S\$	2017 S\$
Advertisement	149,233	57,326
Audit fees paid/payable to auditor of the Company	166,000	163,500
Bad debts written off (trade)	9,767	13,604
Credit card charges	324,559	293,569
Entertainment expenses	39,817	38,141
Impairment of investment in available-for-sale financial assets	–	148,411
Insurance	346,511	283,178
Operating lease expenses	1,504,077	1,386,653
Office supplies	46,413	33,391
Plant and equipment written off	209	11,219
Professional and legal fees	356,890	286,038
Impairment loss/ (reversal of impairment) on trade receivables, net	9,643	(4,915)
Transportation	65,452	59,834
Telecommunication charges	48,744	47,382
Administrative charges	44,272	36,084
Upkeep of clinics	45,492	40,081
Other expenses	325,345	269,482
	3,482,424	3,162,978

22 Finance income/ expense

The Group	2018 S\$	2017 S\$
Finance income		
Interest income	78,014	57,373
Finance expense		
Unwinding of the discount implicit in the third tranche cash consideration for JL Acquisition	–	238,834
	–	238,834

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For the financial year ended 31 December 2018

23 Income tax expense

The Group	2018 S\$	2017 S\$
Current tax expense		
Current year	1,819,890	1,259,787
Overprovision of current taxation in respect of prior years	(77,179)	(120,484)
	<u>1,742,711</u>	<u>1,139,303</u>
Deferred tax expense		
Origination and reversal of temporary differences (Note 17)	40,769	41,655
	<u>1,783,480</u>	<u>1,180,958</u>

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on profits as a result of the following:

The Group	2018 S\$	2017 S\$
Profit before taxation	<u>10,931,315</u>	9,688,018
Tax at statutory rate of 17% (2017: 17%)	1,858,323	1,646,963
Tax effect on non-deductible expenses [#]	520,060	121,410
Effect of partial tax exemption and tax relief	(517,724)	(466,931)
Overprovision of current taxation in respect of prior years	(77,179)	(120,484)
	<u>1,783,480</u>	<u>1,180,958</u>

[#] Includes S\$476,000 (2017: S\$Nil) of tax effect on non-deductible expenses which arose from impairment of goodwill attributable to DERM CGU, amounting to S\$2.8 million.

24 Dividends

The Company	2018 S\$	2017 S\$
Ordinary dividends paid		
- Final tax-exempt (one-tier) dividend paid in respect of the previous financial year of 0.89 cents (2017: 1.57 cents) per share	4,243,547	3,742,904
- Interim tax-exempt (one-tier) dividend paid in respect of the current financial year of 0.80 cents (2017: 0.61 cents) per share	3,814,424	2,908,498
	<u>8,057,971</u>	<u>6,651,402</u>

A final dividend in respect of the current financial year of 0.90 cents per share amounting to S\$4,291,227 will be recommended at the Annual General Meeting to be held on 26 April 2019. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2019. The payment of this dividend will not have any tax consequences for the Group.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

25 Earnings per share

The earnings per share is calculated based on the consolidated profits attributable to owners of the parent divided by the weighted average number of shares in issue of 476,803,002 (2017: 476,803,002) shares during the financial year. The weighted average number of ordinary shares for the prior financial year have been adjusted for the increase in the number of ordinary shares resulting from the Share Split on 15 May 2017.

Fully diluted earnings per share were calculated on the consolidated profits attributable to owners of the parent company divided by 476,803,002 (2017: 476,803,002) ordinary shares. The number of ordinary shares is calculated based on the weighted average number of shares in issue during the financial year adjusted for the effects of all dilutive share options and contingently issuable shares. The Company does not have potentially dilutive shares during FY 2018 and FY 2017.

The Group	2018	2017
Profit attributable to equity holders of the Company (S\$)	9,147,835	8,507,060
Weighted average number of ordinary shares	476,803,002	476,803,002
Basic and diluted earnings per share based on the weighted average number of ordinary shares (Cents)	1.92	1.78

26 Significant related party transactions

- (a) Other than as disclosed elsewhere in the financial information, significant transactions with related parties are as follows:

The Group	2018	2017
	S\$	S\$
Transactions with shareholders cum director		
Rental expenses paid/payable to Lee and Lee Clinic Pte. Ltd. and Avesa Pte. Ltd.#	226,560	226,560
Rental expense paid/payable to a director	55,200	73,500

This relates to entities in which a director cum shareholder has financial interest.

- (b) Key management personnel (including Directors) compensation

The Group	2018	2017
	S\$	S\$
Salary costs	10,179,842	9,364,223
Central Provident Fund Contributions	199,026	174,947
	10,378,868	9,539,170

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For the financial year ended 31 December 2018

27 Operating lease commitments

The Group and the Company as lessee

At the end of the reporting period, the Group and the Company were committed to making the following rental payments in respect of non-cancellable operating leases of office and clinic premises with an original term of more than one year:

	The Group		The Company	
	2018	2017	2018	2017
	S\$	S\$	S\$	S\$
Within one year or less	1,324,747	1,383,565	95,216	141,216
Within two to five years	1,056,472	1,354,305	18,267	113,136
	2,381,219	2,737,870	113,483	254,352

Operating leases expire between 15 February 2019 and 30 November 2021 at fixed rental.

28 Operating segments

For management purposes, the Group is organised into the following reportable operating segments as follows:

- (1) Obstetrics and Gynaecology segment relates to general obstetrics, labour and delivery, general gynaecology and surgery, female pelvic medicine, urogynaecology and reconstructive surgery.
- (2) Cancer-related segment relates to medical services for gynae-oncology, breast and general surgery.
- (3) Dermatology segment relates to the provision of aesthetic dermatological procedures, dermatologic and laser surgery and general skin care.
- (4) Paediatrics segment relates to the provision of general paediatrics and adolescent medical services.
- (5) Corporate segment relates to the provision of group-level corporate services and strategic management function.

There are no operating segments that have been aggregated to form the above reportable operating segments.

No presentation of geographical information has been presented as the Group's operations are only in Singapore.

The CEO monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Group financing and income taxes are managed on a group basis and are not allocated to operating segments. Sales between operating segments are carried out at arm's length.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

28 Operating segments (Cont'd)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities:

	2018 S\$	2017 S\$
<u>Revenue</u>		
Total revenue for reportable segments	34,681,080	29,901,563
Consolidated revenue	34,681,080	29,901,563
<u>Profit or loss</u>		
Total profit or loss for reportable segments from operations	13,653,301	9,869,479
Impairment of goodwill	(2,800,000)	–
Finance income	78,014	57,373
Finance expense	–	(238,834)
Consolidated profit before tax	10,931,315	9,688,018
<u>Segment assets</u>		
Total assets for reportable segments	90,689,493	87,258,294
Deferred tax assets	1,130	12,019
Elimination	(38,962,412)	(38,143,687)
Consolidated total assets	51,728,211	49,126,626
<u>Segment liabilities</u>		
Total liabilities for reportable segments	10,649,358	8,912,455
Deferred tax liabilities	139,705	109,825
Current tax liabilities	1,822,811	1,260,147
Elimination	(5,473,172)	(4,655,446)
Consolidated total liabilities	7,138,702	5,626,981

29 Financial risk management

The Group and the Company have documented financial risk management policies. These policies set out the Group's and the Company's overall business strategies and its risk management philosophy. The Group and the Company are exposed to financial risks arising from their operations. The key financial risks included credit risk and liquidity risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

Risk management is carried out by the corporate office - Finance under policies approved by the Board of Directors. The corporate office - Finance identifies and evaluates financial risks in close co-operation with the Group's and the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk and liquidity risk.

There has been no change to the Group's and Company's exposure to these financial risks or the manner in which they manage and measure the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

29 Financial risk management (Cont'd)

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	The Group			The Company		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Financial assets designated at fair value through OCI/ available-for-sale financial assets at fair value	-	-	148,411	-	-	148,411
Financial assets at amortised cost						
Trade and other receivables, excluding prepayments	2,322,502	1,913,356	1,769,507	3,911,853	3,625,372	1,930,343
Cash and bank balances	21,546,078	16,426,295	21,376,324	8,783,142	7,065,907	10,548,940
	23,868,580	18,339,651	23,145,831	12,694,995	10,691,279	12,479,283
	23,868,580	18,339,651	23,294,242	12,694,995	10,691,279	12,627,694
Financial liabilities at amortised cost						
Trade and other payables, excluding contract liabilities	4,738,616	3,811,730	3,286,892	2,094,358	1,864,896	607,147
Financial liabilities at fair value						
Contingent consideration	-	-	7,526,549	-	-	7,526,549
	4,738,616	3,811,730	10,813,441	2,094,358	1,864,896	8,133,696

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group and the Company adopt the policy of dealing only with hospitals and insurance companies of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's and the Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

29 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as follows:

	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
The Group			
Financial assets			
Trade and other receivables, excluding prepayments	2,322,502	1,913,356	1,769,507
Cash and bank balances	21,546,078	16,426,295	21,376,324
	23,868,580	18,339,651	23,145,831
The Company			
Financial assets			
Trade and other receivables, excluding prepayments	3,911,853	3,625,372	1,930,343
Cash and bank balances	8,783,142	7,065,907	10,548,940
	12,694,995	10,691,279	12,479,283

The Group's and the Company's major classes of financial assets are trade and other receivables (excluding prepayments), and cash and bank balances.

The tables below detail the credit quality of the Group's and the Company's financial statements and other items, as well as maximum exposure to credit risk by credit risk rating grades:

The Group	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
At 31 December 2018					
Trade and other receivables	(1)	Lifetime ECL	2,350,144	(27,642)	2,322,502
At 31 December 2017					
Trade and other receivables	(1)	Lifetime ECL	1,931,355	(17,999)	1,913,356
At 1 January 2017					
Trade and other receivables	(1)	Lifetime ECL	1,792,421	(22,914)	1,769,507

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

29 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The Company	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
At 31 December 2018					
Trade and other receivables	(1)	Lifetime ECL	96,903	(1,427)	95,476
Amounts due from subsidiaries (non-trade)	(2)	12-month ECL	3,816,377	-	3,816,377
			3,913,280	(1,427)	3,911,853
At 31 December 2017					
Trade and other receivables	(1)	Lifetime ECL	168,266	(2,923)	165,343
Amounts due from subsidiaries (non-trade)	(2)	12-month ECL	3,460,029	-	3,460,029
			3,628,295	(2,923)	3,625,372
At 1 January 2017					
Trade and other receivables	(1)	Lifetime ECL	201,875	(4,364)	197,511
Amounts due from subsidiaries (non-trade)	(2)	12-month ECL	1,732,832	-	1,732,832
			1,934,707	(4,364)	1,930,343

(1) Trade and other receivables

The Company and the Group applies the SFRS(I) 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade and other receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit loss experiences. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company and the Group have identified the Gross Domestic Product of Singapore, the country in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables relate to the collection of doctor's professional fees to be paid by the respective hospitals in Singapore and insurance companies. The credit risks relating to balances pending receipt of payment from hospitals and insurance companies are not deemed to be significant based on the external credit ratings of the counterparties.

Trade receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within other operating expenses. Subsequent recoveries of amounts previously written off are credited against the same line item. The closing loss allowances for trade receivables as at the reporting date reconcile to the opening loss allowances are disclosed in Note 10.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

29 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

(2) Amounts due from related parties

Amounts due from subsidiaries are considered to have low credit risk as the Company has control or significant influence over the operating, investing and financing activities of these entities. The use of loans and advances to assist with the related parties' cash flow management is in line with the Group's capital management. There has been no significant increase in the credit risk of the amounts due from related parties since initial recognition. In determining the ECL, management has taken into account the finances and business performance of the related parties, and a forward-looking analysis of the financial performance of the related parties.

Other than as disclosed, management has assessed that, the Group and the Company are not exposed to significant credit loss in respect of the amounts due from the related parties.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy companies or individuals with a good payment record with the Group and the Company. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for trade and other receivables.

Cash and cash equivalents

Cash is placed with financial institutions which are regulated and have good credit ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Impairment of trade and other receivables as at 31 December and 1 January 2017

In the prior years, the impairment of trade and other receivables were assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The Company and the Group considered that there was evidence of impairment if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or late payments.

Receivables for which an impairment provision was recognised were written off against the provision when there was not expectation of recovering additional cash.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

29 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

An ageing analysis of trade receivables at the reporting date is as follows:

Trade receivables relate to the collection of doctor's professional fees to be paid by the respective hospitals in Singapore and insurance companies. The Group generally extends between 30-day and 90-day credit terms. No interest is charged on outstanding balances. The Group actively reviews the trade receivable balances and follows up on outstanding debts with the hospitals and insurance companies.

	The Group			The Company		
	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Not past due	1,457,411	1,225,598	1,144,958	1,359	1,284	2,323
Past due less than 1 month	98,629	43,654	103,652	-	-	4,535
Past due more than 1 month but less than 2 months	138,153	68,477	17,166	-	-	535
Past due more than 2 months	216,984	152,716	95,653	15,497	3,367	9,193
	1,911,177	1,490,445	1,361,429	16,856	4,651	16,586

An ageing analysis of amounts due from subsidiaries at the reporting date is as follows:

The Company	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Not past due	1,493,401	1,268,736	379,183
Past due less than 1 month	191,544	120,873	69,070
Past due more than 1 month but less than 2 months	116,195	324,827	59,583
Past due more than 2 months	2,015,237	1,745,593	1,224,996
	3,816,377	3,460,029	1,732,832

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirement.

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For the financial year ended 31 December 2018

29 Financial risk management (Cont'd)

Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

The Group	Carrying amount S\$	Total S\$	Less than 1 year S\$	Between 2 and 5 years S\$
At 31 December 2018				
Trade and other payables	4,738,616	4,738,616	4,738,616	–
At 31 December 2017				
Trade and other payables	3,811,730	3,811,730	3,811,730	–
At 1 January 2017				
Trade and other payables	3,286,892	3,286,892	3,286,892	–
Contingent consideration	7,526,549	7,765,383	3,765,383	4,000,000
	10,813,441	11,052,275	7,052,275	4,000,000
The Company				
At 31 December 2018				
Trade and other payables	2,094,358	2,094,358	2,094,358	–
At 31 December 2017				
Trade and other payables	1,864,896	1,864,896	1,864,896	–
At 1 January 2017				
Trade and other payables	607,147	607,147	607,147	–
Contingent consideration	7,526,549	7,765,383	3,765,383	4,000,000
	8,133,696	8,372,530	4,372,530	4,000,000

The Group and the Company ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company are not exposed to any cash flow risk as they do not have any monetary financial instruments with variable interest rates.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group and the Company are not exposed to foreign currency risks because their transactions and related financial assets and financial liabilities are mainly transacted in the respective functional currencies of the Group entities which is SGD.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

29 Financial risk management (Cont'd)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to changes in market prices.

The Group and the Company are not exposed to any movement in market price risk as they do not hold any quoted or marketable financial instruments.

30 Capital management

The Group's objectives when managing capital are:

- (a) To safeguard the Group's ability to continue as a going concern;
- (b) To support the Group's stability and growth;
- (c) To provide capital for the purpose of strengthening the Group's risk management capability; and
- (d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital management and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group currently has not adopted any formal dividend policy.

The Group is not subjected to externally imposed capital requirements.

The Group monitors capital using Gearing Ratio, which is calculated using total liabilities divided by total equity.

The Group	31 December 2018 S\$	31 December 2017 S\$	1 January 2017 S\$
Total liabilities	7,138,702	5,626,981	12,621,399
Total equity	44,589,509	43,499,645	41,643,987
Gearing ratio	16.0%	12.9%	30.3%

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For the financial year ended 31 December 2018

31 Fair value measurement

Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 : unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2018, 31 December 2017 and 1 January 2017:

The Group and the Company	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
At 31 December 2018				
<u>Financial assets</u>				
FVOCI financial assets - Unquoted equity investment	-	-	-	-
Net fair value	-	-	-	-
At 31 December 2017				
<u>Financial assets</u>				
Available-for-sale financial assets - Unquoted equity investment	-	-	-	-
Net fair value	-	-	-	-
At 1 January 2017				
<u>Financial assets</u>				
Available-for-sale financial assets - Unquoted equity investment	-	-	148,411	148,411
<u>Financial liabilities</u>				
Contingent consideration	-	-	(7,526,549)	(7,526,549)
Net fair value	-	-	(7,378,138)	(7,378,138)

The table does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

31 Fair value measurement (Cont'd)

Measurement of fair value of financial instruments

Management performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialist for complex valuations. Valuation techniques were selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. Management reports directly to Audit Committee. Valuation processes and fair value changes are discussed among the Audit Committee and the valuation team at least every year, in line with the Group's reporting dates.

The valuation techniques used for instruments categorised in Level 3 are described below:

Equity investment - FVOCI financial assets (Level 3)

The fair values of the equity investment classified as FVOCI financial assets (31 December 2017 and 1 January 2017: available-for-sale financial assets) are estimated using the ANA method, which estimates the equity value by adjusting the book values of assets and liabilities to reflect their current market values. Refer to Note 7 and Note 8 for the basis of using ANA method to estimate the fair values as at 31 December 2017 and 2018.

Discounted cash flow approach was adopted as at 1 January 2017, which discounts the contractual cash flows using discount rates derived from observable market interest rates of similar investments with similar risk. The weighted average cost of capital ("WACC") rates of 40%, 35% and 25% were applied to the cash flow projections for the first year, the second and third year, and the fourth year and terminal value respectively.

There are no transfers between Level 1, 2 and 3 during the reporting periods.

The following table provides information about the sensitivity of the fair value measurement to changes in the most significant inputs as at 1 January 2017:

Significant unobservable input	Estimate of the input	Sensitivity of the fair value measurement to input
<u>Available-for-sale financial assets</u>		
WACC	40%, 35% and 25% was applied to the cash flow projections for the first year, the second and third year, and the fourth year and terminal value respectively	An increase by 10%/ (decrease by 10%) of the WACC would (decrease)/ increase fair value by S\$49,000
<u>Contingent consideration</u>		
NPAT Target	S\$2.5 million with a tolerance threshold of S\$0.2 million for the financial year ended 31 December 2016	If the NPAT Target is not achieved by 5%, the contingent consideration will decreased by S\$1.08 million

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

31 Fair value measurement (Cont'd)

The reconciliation of the carrying amounts of financial instruments classified within Level 3 as at 31 December and 1 January 2017 is as follows:

The Group and the Company	Available-for-sale financial assets
	2017 S\$
At 1 January	148,411
Allowance for impairment of available-for-sale financial assets	(148,411)
At 31 December	<u>-</u>
	Contingent consideration
	2017 S\$
At 1 January	(7,526,549)
Acquisition through business combination	-
Finance expense	(238,834)
Payment	7,765,383
At 31 December	<u>-</u>

Fair value of financial instruments

The carrying amounts of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and bank balances, and trade and other payables) approximate their fair values because of the short period to maturity.

32 Share based payment

On 6 May 2015, the shareholders approved the SOG Employee Share Option Scheme (the “**SOG ESOS**” or “**Scheme**”) and SOG Performance Share Plan (the “**SOG PSP**” or “**Plan**”) by shareholder’s written resolutions.

SOG Employee Share Option Scheme

Under the Scheme, the Company may grant options to Executive Directors and employees of the Group and associated companies (“**Group Employees**”) and Non-Executive Directors (including Independent Directors of the Group), who are also controlling shareholders or associates of such controlling shareholders, to subscribe for ordinary shares in the Company. For this purpose, a company is an “associated company” if the Company and/or the subsidiaries hold at least 20% but not more than 50% of the issued shares in that company and provided the Company has control (as defined in the Listing Manual) over the associated company. The number of shares in respect of which options may be granted to:

- (i) Each participant who is a controlling shareholder or his associate shall not exceed 10% of the shares available under the Scheme;
- (ii) The aggregate number of shares over which the Remuneration Committee may grant options on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all options granted under the SOG ESOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the day immediately preceding the date on which an offer to grant an option is made; and
- (iii) The aggregate number of shares which may be issued or transferred pursuant to options under the Scheme to participants who are controlling shareholders and their associates shall not exceed 25% of the shares available under the Scheme.

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

32 Share based payment (Cont'd)

SOG Employee Share Option Scheme (Cont'd)

The SOG ESOS shall continue in operation for a maximum duration of ten years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Scheme is administered by the Company's Remuneration Committee, comprising Chooi Yee-Choong (Chairman), Chan Heng Toong and See Tho Soat Ching, all Independent Directors of the Company.

There were no options granted under SOG ESOS since inception of the plan.

SOG Performance Share Plan

Under the Plan, the Company may award fully paid shares to Group Employees who have attained the age of twenty-one years and hold such rank as may be designated by the Remuneration Committee from time to time, and Non-Executive Directors (including Independent Directors). This is provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Controlling shareholders of the Company or associates of such controlling shareholders are also eligible to participate in the Plan, subject to independent approval for each grant to such a person.

The Plan allows the Company to target specific performance objectives and to provide an incentive for participants to achieve these targets. The Directors believe that the plan will provide the Company with a flexible approach to provide performance incentives to the employees and Non-Executive Directors and, consequently, to improve performance and achieve sustainable growth for the Company in the changing business environment, and to foster a greater ownership culture amongst senior management and Non-Executive Directors.

The total number of shares which may be issued or transferred pursuant to awards granted under the Plan, when aggregated with the aggregate number of shares over which options are granted under any other share option schemes of the Company, shall not exceed 15% of the total number issued shares (excluding shares held by the Company as treasury shares) from time to time.

The Plan shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten years commencing on the date on which the Plan is adopted by the Company in general meeting, provided always that the Plan may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Plan, any awards made to participants prior to such expiry or termination will continue to remain valid.

There were no awards granted under SOG PSP since inception of the plan.

33 Events after end of the reporting period

The Group and the Company

1. Incorporation of new subsidiaries

On 8 January 2019, a direct wholly-owned subsidiary, SOG Children (Paediatrics - Gleneagles) Pte. Ltd. ("CPG") and an indirect wholly-owned subsidiary, SOG Dermatology (Gleneagles) Pte. Ltd. ("DG") (collectively, the "Subsidiaries") were incorporated in Singapore. The issued and paid-up share capital of each of the Subsidiaries consists of 1,000 ordinary shares of S\$1 each. The principal activity of the CPG is that of the provisions of general paediatrics and paediatric respiratory medicine services, whilst that of DG is in the provision of general dermatology services.

2. Proposed final dividends

On 15 February 2019, the Board of Directors has recommended a final one-tier exempt dividend of 0.90 Singapore cents per share in respect of FY 2018.

Shareholdings

STATISTICS

As at 20 March 2019

Total number of issued shares (excluding treasury shares)	-	476,803,002
Number of treasury shares	-	Nil
Class of shares	-	Ordinary shares
Voting rights	-	One vote per share
Number of subsidiary holdings	-	Nil

DISTRIBUTION OF SHAREHOLDINGS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	69	3.03	46,200	0.01
1,001 - 10,000	1,002	44.06	6,589,600	1.38
10,001 - 1,000,000	1,181	51.94	65,307,300	13.70
1,000,001 and above	22	0.97	404,859,902	84.91
Total	2,274	100.00	476,803,002	100.00

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	HENG TUNG LAN	140,453,614	29.46
2	DBS NOMINEES PTE LTD	77,722,601	16.30
3	CITIBANK NOMINEES SINGAPORE PTE LTD	42,090,191	8.83
4	CHOO WAN LING	36,784,278	7.71
5	LEE KEEN WHYIE	25,600,356	5.37
6	BEH SUAN TIONG	24,008,452	5.04
7	MAYBANK NOMINEES (SINGAPORE) PTE LTD	20,000,000	4.19
8	STF INVESTMENTS LTD	9,880,000	2.07
9	WONG CHUI FONG	6,104,524	1.28
10	HENG TONG BWEE	2,661,886	0.56
11	RAFFLES NOMINEES (PTE) LIMITED	2,546,200	0.53
12	VSTL INVESTMENT LTD	2,500,000	0.52
13	PHILLIP SECURITIES PTE LTD	2,254,800	0.47
14	CHUA WEILYN NATALIE	2,191,800	0.46
15	OCBC SECURITIES PRIVATE LTD	1,533,200	0.32
16	UOB KAY HIAN PTE LTD	1,519,900	0.32
17	ZEN PROPERTY MANAGEMENT PTE LTD	1,439,900	0.30
18	YEO WEI HUANG	1,355,000	0.28
19	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,081,400	0.23
20	HSBC (SINGAPORE) NOMINEES PTE LTD	1,067,800	0.22
Total		402,795,902	84.46

Shareholdings STATISTICS

As at 20 March 2019

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
HENG TUNG LAN	140,453,614	29.46	NIL	0.00
LEE KEEN WHYE	25,600,356	5.37	56,104,524 ⁽¹⁾	11.76
BEH SUAN TIONG	24,008,452	5.04	24,472,000 ⁽²⁾	5.13
JOYCE LIM TENG EE	NIL	0.00	40,923,002 ⁽³⁾	8.58
CHOO WAN LING	36,784,278	7.71	NIL	0.00

Notes:

- (1) Dr. Lee Keen Whye has a deemed interest in the shareholdings of 6,104,524 shares held by his wife, Dr. Wong Chui Fong, Anna and of 30,000,000 shares and 20,000,000 shares held in his name under DBS Nominees Pte Ltd account and Maybank Nominees (Singapore) Pte Ltd account respectively.
- (2) Dr. Beh Suan Tiong has a deemed interest in the shareholdings of 472,000 shares held by his wife, Ms. Heng Siok Hong Veronica and 24,000,000 shares held in his name under DBS Nominees Pte Ltd account.
- (3) Dr. Joyce Lim Teng Ee has a deemed interest in the shareholding of 40,923,002 shares held under her name under Citibank Nominees Singapore Pte Ltd account.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on information available to the Company as at 20 March 2019, 25.16% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, the Company has complied with the Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST.

Notice of ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Singapore O&G Ltd. (the “Company”) will be held at Marina Mandarin Singapore, Level 5, Vanda Ballroom, 6 Raffles Boulevard, Singapore 039594 on Friday, 26 April 2019 at 9.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2018 and the Directors’ Statement and the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To declare a tax exempt (one-tier) final dividend of 0.90 Singapore cents per ordinary share for the financial year ended 31 December 2018. **(Resolution 2)**
3. To re-elect Dr. Lee Keen Whye, a Director who is retiring pursuant to Article 91 of the Company’s Constitution.

Dr. Lee shall, upon re-election as Director of the Company, remain as the Executive Director of the Company.

See Explanatory Note (a) **(Resolution 3)**
4. To re-elect Mr. Chan Heng Toong, a Director who is retiring pursuant to Article 91 of the Company’s Constitution.

Mr. Chan shall, upon re-election as Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company, and shall be considered independent for the purposes of Rule 704(7) of the SGX-ST Rules of Catalist.

See Explanatory Note (b) **(Resolution 4)**
5. To re-elect Ms. See Tho Soat Ching, a Director who is retiring pursuant to Article 97 of the Company’s Constitution.

Ms. See Tho shall, upon re-election as Director of the Company, remain as the member of the Audit Committee and Remuneration Committee of the Company, and shall be considered independent for the purposes of Rule 704(7) of the SGX-ST Rules of Catalist.

See Explanatory Note (c) **(Resolution 5)**
6. To approve the Independent Directors’ fees of S\$138,000 for the financial year ended 31 December 2018 (financial year ended 31 December 2017: S\$138,000). **(Resolution 6)**
7. To re-appoint Messrs Foo Kon Tan LLP as Auditor of the Company to hold office until the next AGM of the Company, and to authorise the Directors to fix the remuneration of Messrs Foo Kon Tan LLP. **(Resolution 7)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without modifications:

8. Authority to allot and issue shares (the “Share Issue Mandate”)

“That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore (the “Companies Act”) and Rule 806 of the Rules of Catalist, the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

Notice of ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities outstanding and/or subsisting at the time of the passing of this Resolution;
- (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) all applicable requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law and the Catalist Rules to be held, whichever is earlier.”

See Explanatory Note (d)

(Resolution 8)

9. Authority to grant options and to issue shares under the SOG Employee Share Option Scheme

“That, pursuant to Section 161 of the Companies Act, the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the SOG Employee Share Option Scheme (the “Scheme”) and to allot and issue from time to time such shares as may be required to be issued pursuant to the exercise of the options granted or to be granted under the Scheme provided always that the aggregate number of shares issued and issuable in respect of all options granted or to be granted under the Scheme, all awards granted or to be granted under the SOG Performance Share Plan and all shares, options or awards granted or to be granted under any other share option schemes or share plans of the Company, shall not exceed fifteen percent (15%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company.”

See Explanatory Note (e)

(Resolution 9)

Notice of ANNUAL GENERAL MEETING

10. Authority to grant awards and to issue shares under the SOG Performance Share Plan

“That, pursuant to Section 161 of the Companies Act, the Directors of the Company be and are hereby authorised to grant awards in accordance with the provisions of the SOG Performance Share Plan (the “Plan”) and to allot and issue from time to time such shares as may be required to be issued pursuant to the Plan provided always that the aggregate number of shares to be issued pursuant to the Plan, when added to the number of shares issued and issuable or existing shares delivered and deliverable in respect of all awards granted or to be granted under the Plan, all options granted or to be granted under the Scheme and all shares, options or awards granted under any other share scheme of the Company, shall not exceed fifteen percent (15%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company.”

See Explanatory Note (f)

(Resolution 10)

11. To transact any other business which may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Chong Pei Wen (Ms)
Company Secretary

11 April 2019
Singapore

Explanatory Notes:

- (a) In relation to Resolution 3 proposed above, Dr. Lee Keen Whye is an Executive Director and substantial shareholder of the Company. Apart from that, there is no relationship (including immediate family relationships) between Dr. Lee and the other Directors, the Company or its 10% shareholders and the detailed information on Dr. Lee is set out in the section entitled “Board Membership” in the Corporate Governance Report and “Disclosure of Information on Directors Seeking Re-election” on page 157 to 163 of the Company’s 2018 Annual Report.
- (b) In relation to Resolution 4 proposed above, there is no relationship (including immediate family relationships) between Mr. Chan Heng Toong and the other Directors, the Company or its 10% shareholders and the detailed information on Mr. Chan is set out in the section entitled “Board Membership” in the Corporate Governance Report and “Disclosure of Information on Directors Seeking Re-election” on page 157 to 163 of the Company’s 2018 Annual Report.
- (c) In relation to Resolution 5 proposed above, there is no relationship (including immediate family relationships) between Ms. See Tho Soat Ching and the other Directors, the Company or its 10% shareholders and the detailed information on Ms. See Tho is set out in the section entitled “Board Membership” in the Corporate Governance Report and “Disclosure of Information on Directors Seeking Re-election” on page 157 to 163 of the Company’s 2018 Annual Report.
- (d) The Ordinary Resolution 8 above, if passed, will empower the Directors of the Company from the date of the Meeting until the date of the next AGM, or the date by which the next AGM is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to allot and issue shares and convertible securities in the Company up to an amount not exceeding in total, one hundred percent (100%) of the issued shares excluding treasury shares and subsidiary holdings at the time of passing of this resolution, of which up to fifty percent (50%) may be issued other than on a pro-rata basis to shareholders.
- (e) The Ordinary Resolution 9 above, if passed, will empower the Directors to grant options and to allot and issue shares upon the exercise of such options granted or to be granted in accordance with the Scheme provided that the number of shares which the Directors may allot and issue under this Resolution, together with any shares issued and issuable in respect of all options granted or to be granted under the Scheme, pursuant to the vesting of any awards granted under the Plan and any shares, options or awards granted or to be granted under any other share schemes of the Company, shall not, in aggregate, exceed fifteen percent (15%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company from time to time.

Notice of ANNUAL GENERAL MEETING

- (f) The Ordinary Resolution 10 above, if passed, will empower the Directors to vest awards and to allot and issue shares pursuant to the vesting of such awards in accordance with the Plan provided that the number of shares which the Directors may allot and issue under this Resolution, together with any shares issued and issuable in respect of all awards granted under the Plan and all options granted or to be granted under the Scheme and any shares, options or awards granted or to be granted under any other share schemes of the Company, shall not, in aggregate, exceed fifteen percent (15%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company from time to time.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" means: (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. A proxy need not be a member of the Company.
3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the Share Registration office of the Company at 80 Robinson Road, #11-02, Singapore 068898 not later than 48 hours before the time set for the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Books Closure Date and Payment Date for Final Dividend

Subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 9 May 2019 for the purpose of determining entitlements of ordinary shareholders to the tax exempt (one-tier) Final Dividend of 0.90 Singapore cents per ordinary share for the financial year ended 31 December 2018.

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00, Singapore 068898, up to 5:00 p.m. on 9 May 2019 will be registered before entitlements to the Final Dividend are determined. Members whose securities accounts with The Central Depository (Pte) Ltd. are credited with the Company's ordinary shares as at 5:00 p.m. on 9 May 2019 will be entitled to the Final Dividend. Payment of the Final Dividend, if approved by the members at the forthcoming Annual General Meeting to be held on 26 April 2019 will be made on 24 May 2019.

Disclosure of Information on DIRECTORS SEEKING RE-ELECTION

Dr. Lee Keen Whye, Mr. Chan Heng Toong and Ms. See Tho Soat Ching are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 26 April 2019 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST is disclosed below:

	Dr. Lee Keen Whye	Mr. Chan Heng Toong	Ms. See Tho Soat Ching
Date of Appointment	6 January 2011	14 May 2015	11 February 2019
Date of last re-appointment	8 April 2016	21 April 2017	N.A
Age	65	69	42
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Dr. Lee as the Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Chan as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms. See Tho as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration her qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director.	Independent Director, Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee.	Independent Director, member of the Audit Committee and Remuneration Committee.
Professional qualifications	<ol style="list-style-type: none"> Bachelor of Medicine and Bachelor of Surgery (“MBBS”), National University of Singapore Fellow of the Royal College of Obstetricians and Gynaecologists (“FRCOG”), United Kingdom Fellow of the Academy of Medicine of Singapore (“FAMS”) 	<ol style="list-style-type: none"> Bachelor of Engineering (Honours), University of Singapore Master of Business Administration (Finance), University of British Columbia, Canada 	<ol style="list-style-type: none"> Chartered Accountant (Singapore), member of the Institute of Singapore Chartered Accountants. Member of Chartered Institute of Management Accountants (“CIMA”) and the ISACA.

Disclosure of Information on DIRECTORS SEEKING RE-ELECTION

	Dr. Lee Keen Whye	Mr. Chan Heng Toong	Ms. See Tho Soat Ching
Working experience and occupation(s) during the past 10 years	<p>2005 - 2010: Dr. Lee was the Chairman of Surgeons International Holdings Pte Ltd.</p> <p>2011 to Present: Dr. Lee currently operates SOG - KW Lee Clinic for Women in Gleneagles Medical Centre.</p>	<p>2007 - 2009: Mr. Chan was the Managing Director at United Overseas Bank overseeing the corporate finance business of the bank.</p> <p>2010 - 2013: Mr. Chan was the General Manager & Head of Investment Banking at Hong Leong Bank.</p>	<p>2009 - 2013: Ms. See Tho functioned as a training facilitator in the adult education sector, predominantly at Brick & Mortar Intelligence Pte Ltd. From 2010 - 2013, Ms. See Tho was concurrently a part-time teacher (undergraduate studies) and a teaching assistant (graduate studies) at the NUS Business School.</p> <p>2013 to Present: Ms. See Tho is a Senior Lecturer (Educator Track) at the NUS Business School. From 2016 to present, Ms. See Tho holds second and third appointments in NUS as the Associate Director of Residential & Student Life and as the Resident Fellow in a residential college. She continues to facilitate trainings in the adult education sector on an occasional basis.</p>
Shareholding interest in the listed issuer and its subsidiaries	81,704,880 (17.13% of total no. of ordinary shares)	200,000 (0.04% of total no. of ordinary shares)	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

Disclosure of Information on DIRECTORS SEEKING RE-ELECTION

	Dr. Lee Keen Whye	Mr. Chan Heng Toong	Ms. See Tho Soat Ching
Other Principal Commitments (Including Directorships)			
Past (for the last 5 years)	None	None	None
Present	<p><u>Our Group</u></p> <ul style="list-style-type: none"> - Beh's Clinic for Women Pte. Ltd. - Choo Wan Ling Women's Clinic Pte. Ltd. - Heng Clinic for Women Pte. Ltd. - K W Lee Clinic & Surgery for Women Pte. Ltd. - SOG-Cindy Pang Clinic for Women Pte. Ltd. - SOG-Radhika Breast & General Surgicare Pte. Ltd. - SOG Children (Paediatrics - Central) Pte. Ltd. - SOG Children (Paediatrics - Gastroenterology Liver) Pte. Ltd. - SOG Children (Paediatrics - Gleneagles) Pte. Ltd. - SOG Dermatology (Gleneagles) Pte. Ltd. <p><u>Other Companies</u></p> <ul style="list-style-type: none"> - Avesa Pte. Ltd. - Clover Mum Pte. Ltd. - Lee & Lee Clinic Pte. Ltd. - Singa Hotel Development Pte. Ltd. - Singa Hotel Nagoya Pte. Ltd. - Singa Management Pte. Ltd. - Singa Project Development Pte. Ltd. - Singa SV Investment Pte. Ltd. - Singa Wealth Pte. Ltd. - Singa Realty Pte. Ltd. - Singa Hospitality Pte. Ltd. - 3LA-HK Pte. Ltd. - 3LA-SB Pte. Ltd. - 3LA-SU Pte. Ltd. 	<p><u>Our Group</u></p> <ul style="list-style-type: none"> - Nil <p><u>Other Companies</u></p> <ul style="list-style-type: none"> - Ayondo Ltd. - City Gate Pte. Ltd. - XMH Holdings Ltd. 	<p><u>Our Group</u></p> <ul style="list-style-type: none"> - Nil <p><u>Other Companies</u></p> <ul style="list-style-type: none"> - Brick & Mortar Pte. Ltd. - Brick & Mortar Intelligence Pte. Ltd. - Partner of Pronoia Foods LLP - Finance Committee member of the National Kidney Foundation

Disclosure of Information on DIRECTORS SEEKING RE-ELECTION

	Dr. Lee Keen Whye	Mr. Chan Heng Toong	Ms. See Tho Soat Ching
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p>			
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c) Whether there is any unsatisfied judgment against him?	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

Disclosure of Information on DIRECTORS SEEKING RE-ELECTION

	Dr. Lee Keen Whye	Mr. Chan Heng Toong	Ms. See Tho Soat Ching
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

Disclosure of Information on DIRECTORS SEEKING RE-ELECTION

	Dr. Lee Keen Whye	Mr. Chan Heng Toong	Ms. See Tho Soat Ching
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

Disclosure of Information on DIRECTORS SEEKING RE-ELECTION

	Dr. Lee Keen Whye	Mr. Chan Heng Toong	Ms. See Tho Soat Ching
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only			
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>Not applicable, as this relates to the re-appointment of Dr. Lee Keen Whye as a director of the Company.</p>	<p>Not applicable, as this relates to the re-appointment of Mr. Chan Heng Toong as a director of the Company.</p>	<p>Not applicable, as this relates to the re-appointment of Ms. See Tho Soat Ching as a director of the Company. Notwithstanding so, the Company will arrange for Ms. See Tho to attend the relevant briefing and training in the roles and responsibilities of a director of a Singapore Public Listed Company as prescribed by the Exchange.</p>

SINGAPORE O&G LTD.

(Company Registration No. 201100687M)
(Incorporated in the Republic of Singapore)

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "Companies Act"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy SINGAPORE O&G LTD. shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors should contact their respective Agent Banks/SRS Operations if they have any queries regarding their appointment as proxies.
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the accompanying Notice of Annual General Meeting.

PROXY FORM

*I/We _____ (Name) *NRIC/Passport No. _____

of _____

being *a member/members of **SINGAPORE O&G LTD.** (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of shareholdings	
			No. of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of shareholdings	
			No. of Shares	%

or failing which, the Chairman of the Annual General Meeting of the Company (the "AGM"), as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf, at the AGM to be held at Marina Mandarin Singapore, Level 5, Vanda Ballroom, 6 Raffles Boulevard, Singapore 039594 on 26 April 2019 at 9.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as he/she/they will on any other matter arising at the AGM and any adjournment thereof.

Please tick here if more than two proxies will be appointed (Please refer to note 2). This is only applicable for intermediaries such as banks and capital markets services licence holders which provide custodial services.

NOTE: Each resolution at the AGM will be voted on by way of a poll.

No.	Ordinary Resolutions	For**	Against**
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018 and the Independent Auditor's Report thereon.		
2.	Declaration of a tax exempt (one-tier) final dividend of 0.90 Singapore cents per ordinary share for the financial year ended 31 December 2018		
3.	Re-election of Director pursuant to Article 91 - Dr. Lee Keen Whye		
4.	Re-election of Director pursuant to Article 91 - Mr. Chan Heng Toong		
5.	Re-election of Director pursuant to Article 97 - Ms. See Tho Soat Ching		
6.	Approval of the Independent Directors' fees of S\$138,000 for the financial year ended 31 December 2018		
7.	Re-appointment of Messrs Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration		
8.	Authority to allot and issue shares pursuant to the Share Issue Mandate		
9.	Authority to grant options and issue shares under SOG Employee Share Option Scheme		
10.	Authority to grant awards and issue shares under SOG Performance Share Plan		

Notes:

* Please delete accordingly.

** Please indicate your vote "For" or "Against" with an "X" within the box provided.

Dated this _____ day of _____ 2019

Total No. of Shares held	No. of Shares
In Depository Register	
In Register of Members	

*Signature(s) of Member(s)/ Common Seal of Corporate shareholder

IMPORTANT: Please read notes overleaf



Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy nor proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.

Affix
Stamp

**The Company Secretary
SINGAPORE O&G LTD.**

C/O Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#11-02
Singapore 068898

5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Share Registration office of the Company at 80 Robinson Road, #11-02 Singapore 068898 not later than 48 hours before the time set for the Annual General Meeting.
6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
7. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
8. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the accompanying Notice of Annual General Meeting.



Singapore O&G Ltd.

(Company Registration No: 201100687M)

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Singapore 398007



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