



SINGAPORE O&G LTD.
CARING FOR WOMEN'S & CHILDREN'S HEALTH

Strengthening our Position for **FUTURE GROWTH**

Annual Report 2019



CONTENTS

1

About SOG | Our Mission,
Vision & Values

2

Our Business

3

Our Group Structure

4

Chairman's Message

6

CEO's Message

8

Financial Highlights

10

Financial Review

14

Our Specialist Medical
Practitioners

22

Our Network

24

Board of Directors

31

Senior Management

32

Investor Relations

33

Corporate Information

34

Sustainability Report

79

Corporate Governance
Report

111

Directors' Statement

116

Independent Auditor's
Report

120

Statements of
Financial Position

121

Consolidated Statement of
Comprehensive Income

122

Consolidated Statement of
Changes in Equity

123

Consolidated Statement of
Cash Flows

125

Notes to the
Financial Statements

170

Shareholdings Statistics

172

Notice of
Annual General Meeting

178

Disclosure of Information on
Directors Seeking Re-election

Proxy Form

ABOUT SOG

Established since 2011, Singapore O&G Ltd. (“**SOG**”, the “**Company**” or collectively with its subsidiaries, the “**Group**”) is a leading healthcare service provider dedicated towards delivering premier medical services to women’s and children’s health and wellness at affordable prices.

With a long and established track record in the Obstetrics and Gynaecology (“**O&G**”) segment in Singapore, which provides pre-pregnancy counselling, delivery, pregnancy and post-delivery care, the Group has expanded its spectrum of healthcare services to include gynaecological and breast cancer, skin and aesthetic treatments, and paediatrics.

The Group’s clinics, under its four operating segments of O&G, Cancer-related, Dermatology and Paediatrics, are strategically located throughout Singapore to provide easy access to its patients.

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

OUR MISSION, VISION & VALUES

MISSION

To bring new life, health and wellness to our patients and their families through the provision of excellent healthcare.

VISION

To be the premier specialist provider in holistic healthcare for women and children.

To be the preferred choice for patients seeking private specialist healthcare.

VALUES

Accountability

We are responsible for our actions and attitudes.

Commitment to Excellence

We are committed to do our best for the care of our patients and their families.

Integrity

We are open, honest and ethical.

Respect

We embrace diversity and treat one another with dignity and empathy.

Teamwork

We work together in delivering the best medical outcomes and the highest quality of service.

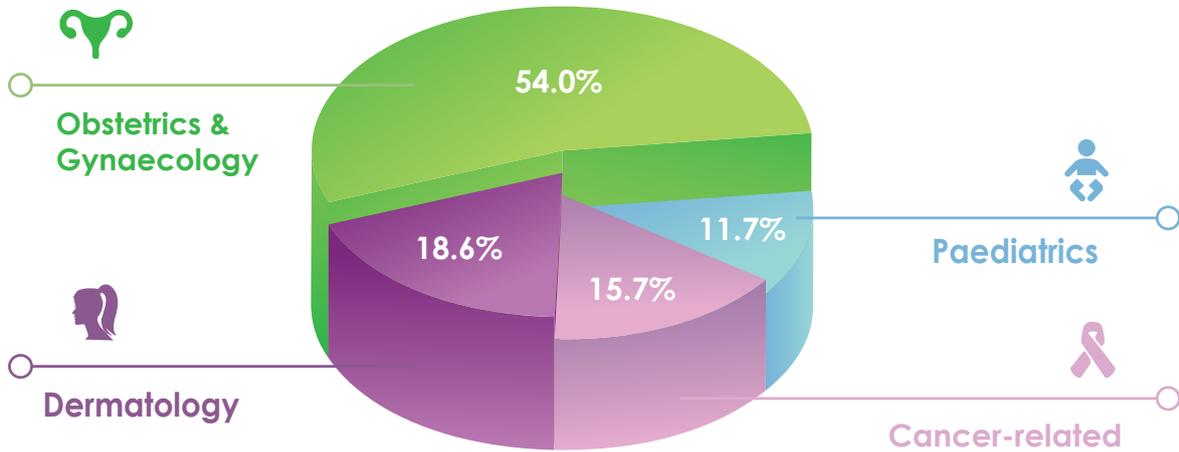
*This Annual Report has been prepared by the Company and its content have been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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

The contact person for the Sponsor is Ms. Jennifer Tan, Associate 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

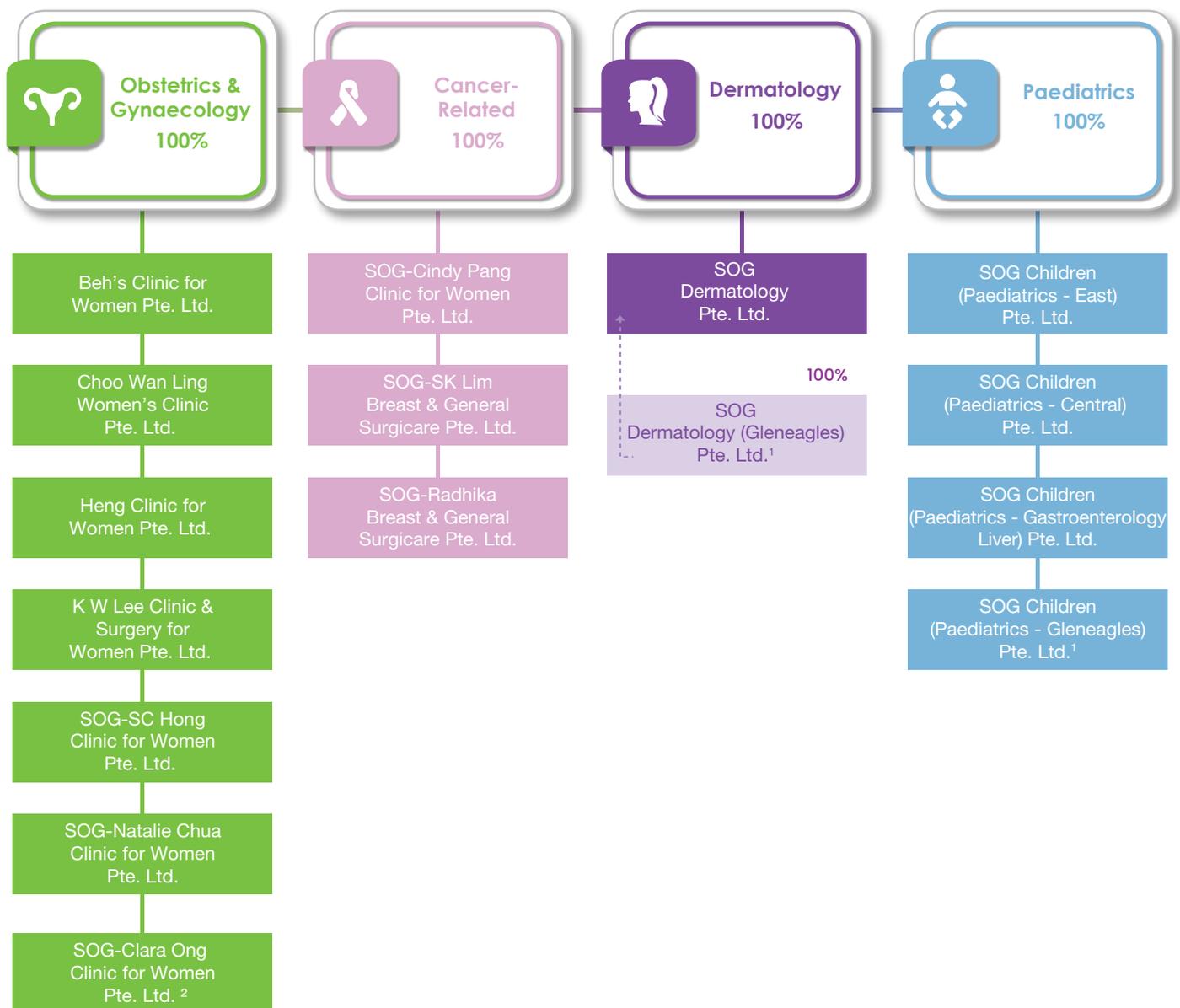
 Obstetrics & Gynaecology	General obstetrics, labour & delivery	Medical problems during pregnancy	Obstetrical complication & its management	High Intensity Focused Ultrasound (“HIFU”) treatment
	General gynaecology	Gynaecological surgery	Female pelvic medicine / Urogynaecology & reconstruction surgery	
 Cancer-related	Gynae-oncological surgery		Breast & general surgery	
 Dermatology	General skin care	Aesthetics & dermatological procedures		Dermatological surgery & laser surgery
 Paediatrics	Newborn & well-baby checks	Common childhood conditions	Childhood immunisation routine & vaccinations	
	Child nutrition, growth and developmental assessment	Gastrointestinal conditions & endoscopic procedures	Respiratory and behavioural sleep conditions	

OUR GROUP STRUCTURE



Singapore O&G Ltd.

As at 31 December 2019



¹ Incorporated on 8 January 2019.

² Incorporated on 30 April 2019.

CHAIRMAN'S MESSAGE



DR. BEH SUAN TIONG
Executive Chairman

DEAR SHAREHOLDERS,

This is our fifth year since the listing of SOG on the Catalist board of the Singapore Exchange on 4 June 2015. As the Chairman of SOG, I am delighted to share this milestone and our achievements in the financial year ended 31 December 2019 (“FY 2019”) with you.

MILESTONES AND ACHIEVEMENTS

Over the years, we have been seeing an increase in patient loads which attests to the increasing recognition of SOG brand as synonymous with quality and reliable patient care. Not only that, SOG has received recognition and clinched several awards for our corporate reporting and governance efforts for four consecutive years, with the latest being:

Best Annual Report Award (Bronze) under the less than S\$300 million in market capitalisation category at the Singapore Corporate Award 2019

This award is organised by the Singapore Institute of Directors, Institute of Singapore Chartered Accountants and The Business Times, and supported by Accounting and Corporate Regulatory Authority and Singapore Exchange Limited. Judged by an eminent panel of business leaders in Singapore, this award gives recognition for excellent financial reporting presentation and wider scope of disclosures beyond the minimum regulatory requirements that are in tandem with the needs of investors and other stakeholders.

Notwithstanding the impairment of goodwill of S\$11.9 million in FY 2019, the Group posted a revenue growth of 14.6% to S\$39.8 million and a net profit after tax of S\$10.8 million. This achievement was contributed by our team of SOG doctors. We are extremely happy to welcome the following new doctors who joined our SOG family in FY 2019:

1. Dr. Clara Ong, O&G Specialist
2. Dr. Petrina Wong, Paediatrician

BUSINESS SUSTAINABILITY

SOG was incepted on the tenet of providing comprehensive and holistic healthcare services to our patients and their families. Our values and strength of having a good corporate and healthcare infrastructure attract passionate like-minded doctors to join our SOG family. This increases the quality of care we provide and creates value for our brand reputation, which in turn attracts more patients.

Our expanded healthcare services i.e. Cancer-related, Dermatology and Paediatrics complement our core O&G services, and this reflects our commitment to provide a more comprehensive suite of services targeted at women and children. The Group will continue to strengthen our fundamentals and bolster the breadth of our services to better serve the needs of our patients and their families.

CHAIRMAN'S MESSAGE

As a healthcare provider, we need to constantly improve and adapt our healthcare services to cater to the changing healthcare trends, the prevalence of chronic illnesses and mutation of diseases. At SOG, we aim to invest in and equip our doctors with the right tools and opportunities to constantly upgrade their skills and adopt the latest medical practices and cutting-edge technologies.

To that end, we have a mentorship programme in place where our senior doctors mentor new doctors and support them in building and gaining a wider experience. Other opportunities include trainings and transfer of skills such as the High Intensity Focused Ultrasound procedure, a non-invasive surgical procedure for the treatment of uterine fibroids, where four of our doctors were the pioneer gynaecologists in Singapore to be trained and successfully performed this procedure in 2018.

As the world, including Singapore, battles with the widespread Coronavirus Disease 2019 (“**COVID-19**”) outbreak, SOG has also stepped up our precautionary measures to ensure and protect the safety and health of our doctors, staff and patients. Stringent safety practices have been enforced at our clinics, and the disinfection of common surfaces and equipment are carried out on a regular basis. The hospitals where our clinics are located, also conduct thorough screening procedures to further ensure a safe environment for all patients and visitors. As world economies grapple with the fallout from the outbreak, we are closely monitoring the situation and evaluating its possible impact on our services.

LEADERSHIP CHANGES

In February 2020, we welcomed Mr. Eric Choo as our new Chief Executive Officer (“**CEO**”). Eric is no stranger to SOG as he was formerly the Group’s Chief Financial Officer (“**CFO**”) and was one of the key executives involved in the successful listing of SOG back in 2015. With his familiarity with the Group and having formerly worked closely with the Board of Directors (the “**Board**”) and management in setting goals and formalising strategies, he was able to settle into his new role immediately. Together with his strong background in the healthcare and finance industries, we look forward to his leadership and steering SOG to the next phase of growth.

At the same time, I would like to announce that our two

founders, Dr. Lee Keen Whye and Dr. Heng Tung Lan, and I had served our two-year term as the Chairman of the Board. With the completion of our terms, the Board has decided that I shall continue to assume the role of Chairman of the Board. I look forward to continue working with the Board and management team to pursue sustained growth for the Group.

APPRECIATION

In closing, I would like to extend my gratitude to my fellow directors, doctors, nurses, clinical and management staff, thank you for your unwavering dedication and hard work. To our valued shareholders, thank you for your continued faith in SOG’s vision. We look forward to your continued support as we strive to maximise value to all our stakeholders.

DR. BEH SUAN TIONG

Executive Chairman

CEO'S MESSAGE



MR. ERIC CHOO
Chief Executive Officer

DEAR SHAREHOLDERS,

It is my honour to write this statement in the capacity of CEO of SOG after my appointment in February 2020. I would like to thank the Board for giving me this opportunity.

With my previous role as CFO of SOG, I have the privilege of having in-depth knowledge of its businesses and operations which allows me to assume the role quickly.

I am working closely with the Board and management team to achieve key strategic priorities that best support the Group's long-term business goals, strengthen and fortify SOG's competitive edge and growth opportunities to maximise sustained returns for our shareholders.

FINANCIAL REVIEW

The Group capped off FY 2019 with a commendable 14.6% increase in revenue from S\$34.7 million in FY 2018 to S\$39.8 million in FY 2019 which was boosted by steady growth from three of our business segments i.e. O&G, Cancer-related and Paediatrics. These three segments posted revenue growth which was attributed to higher patient loads and contribution from new clinics, and positive increase in segmental profit from operations. The strongest growth came from our Paediatrics segment which turned in its first full year of operating profit of S\$0.9 million, after two years of gestation following its inception in July 2017. On the other hand, Dermatology segment saw a marginal dip in revenue and registered lower profit from operations largely due to an increasingly competitive landscape for dermatology services in Singapore.

In tandem with revenue growth, consumables and medical supplies used increased by 32.7% from S\$4.9 million to S\$6.5 million, and employee remuneration expense increased by 21.7% from S\$13.5 million to S\$16.5 million. These increases were largely attributed to the operations of four new clinics and higher staff headcount.

As a result of the above and an impairment of goodwill of S\$11.9 million due to the declining earnings of the Dermatology segment which impacted the recoverable amount of this cash-generating unit, the Group posted a net loss after income tax of S\$1.1 million for FY 2019. Excluding the impairment of goodwill of S\$11.9 million, the Group would have reported a net profit after tax of S\$10.8 million for FY 2019.

The Group's financial position as at 31 December 2019 remained strong with a cash and cash equivalent balance of S\$26.0 million and no borrowings or debt securities.

BUSINESS SEGMENT REVIEW

O&G

In FY 2019, our O&G segment remained the major contributor to the Group's earnings and accounted for 54.0% of the Group's total revenue. Revenue increased by 3.7% from S\$20.7 million in FY 2018 to S\$21.5 million in FY 2019, while profit from operations remained consistent for both financial years at S\$10.9 million. Our O&G Specialists delivered a total of 1,985 babies in 2019 which is an increase of 8.8% or 161 more babies as compared to 1,824 babies in 2018.

Besides obstetrics services, we also saw an increasing demand for gynaecological services and has recruited another O&G Specialist, Dr. Clara Ong, in May 2019. Dr. Ong is a fully qualified Obstetrician and Gynaecologist with Ministry of Health, Singapore, and an accredited Colposcopist with the Society of Colposcopy & Cervical Pathology of Singapore. Dr. Ong is also trained to perform the High Intensity Focused Ultrasound (“HIFU”) procedure, a non-invasive surgical procedure for the treatment of uterine fibroids and adenomyosis. The SOG HIFU team, led by Dr. Lee Keen Whye and comprising Dr. Beh Suan Tiong, Dr. Hong Sze Ching and Dr. Clara Ong, was the pioneer gynaecologists to perform HIFU in Singapore.

Paediatrics

There has been an increasing demand for our Paediatrics services since its inception in FY 2017, as well as increasing inter-referrals from our O&G segment.

Revenue from our Paediatrics segment grew significantly from S\$0.2 million in FY 2017 to S\$4.7 million in FY 2019, and also posted its first full year of operating profit of S\$0.9 million following first two years of operating losses during its start-up period. With increasing patient loads, we have recruited another Paediatrician, Dr. Petrina Wong, in February 2019. Apart from general paediatrics, Dr. Wong also specialises in respiratory and sleep conditions of babies and children.

Cancer-related

Our Cancer-related segment also posted healthy growth in revenue and profit. Revenue increased by 17.5% from S\$5.3 million in FY 2018 to S\$6.2 million in FY 2019, while profit from operations increased by 41.6% from S\$1.6 million in FY 2018 to S\$2.3 million in FY 2019.

Despite cancer cases being on the rise, we believe the survival rate for people with cancer will improve over the years with medical advancement in cancer treatment. We hope to strengthen our Cancer-related segment by adding new headcount to our dedicated team of highly skilled Cancer Specialists to provide a more comprehensive range of breast care and gynae-oncological services for our patients and their families.

Dermatology

Due to the increasing competitive business landscape and decreasing medical tourists in Singapore, our Dermatology segment had been impacted. Revenue declined by 4.4% from S\$7.7 million in FY 2018 to S\$7.4 million in FY 2019, while profit from operations declined by 61.3% from S\$2.3 million in FY 2018 to S\$0.9 million in FY 2019.

Our Dermatology segment is helmed by Dr. Joyce Lim. In December 2018, we recruited our first Dermatology Specialist, Dr. Liew Hui Min, who specialises in children’s and women’s dermatology. With the addition of Dr. Liew, the Group now has two Dermatologists to provide medical diagnosis of skin conditions and comprehensive medical dermatological care for our patients and their families.

To remain competitive in Singapore, we will actively increase our marketing activities to promote our aesthetics and dermatological services. We will also work closely with our other business segments to offer these services to our patients and their families.

APPRECIATION

On behalf of the Board, I would like to extend our appreciation to our valued shareholders for your trust and support. In view of our FY 2019 performance, an interim dividend of 0.62 Singapore cents per share was paid on 3 September 2019. We look forward to your continuing support and confidence in the prospects of SOG.

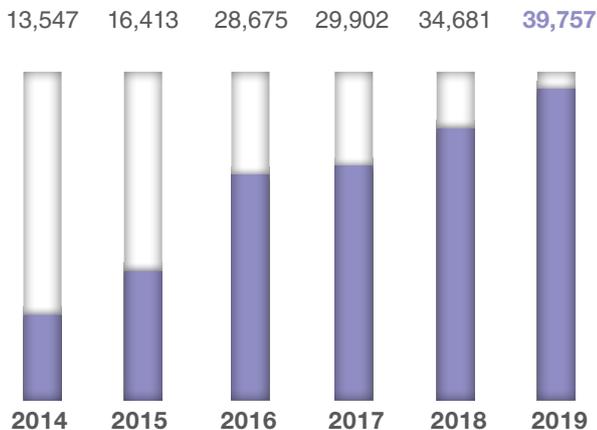
I would also like to express my gratitude to our patients and their families for choosing SOG and in believing in the quality of our healthcare services. Lastly, my heartfelt thanks to all our doctors, nurses, clinical and management staff for their dedication and hard work in delivering the highest standard of patient care to our patients and their families especially during this period of COVID-19 situation.

MR. ERIC CHOO

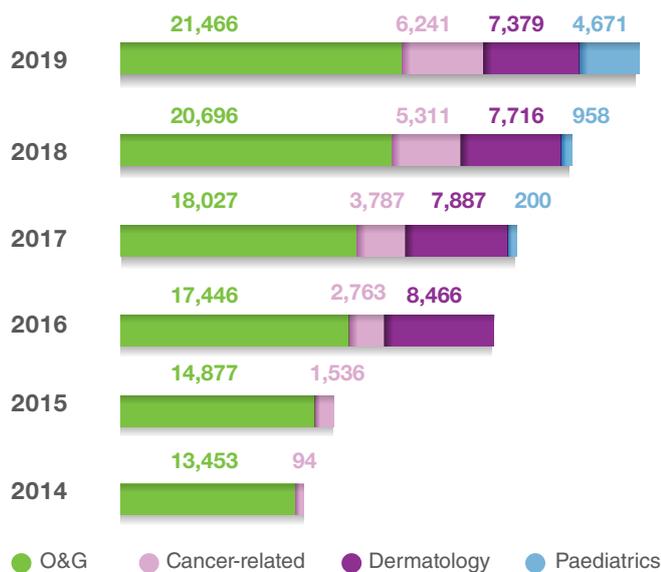
Chief Executive Officer

FINANCIAL HIGHLIGHTS

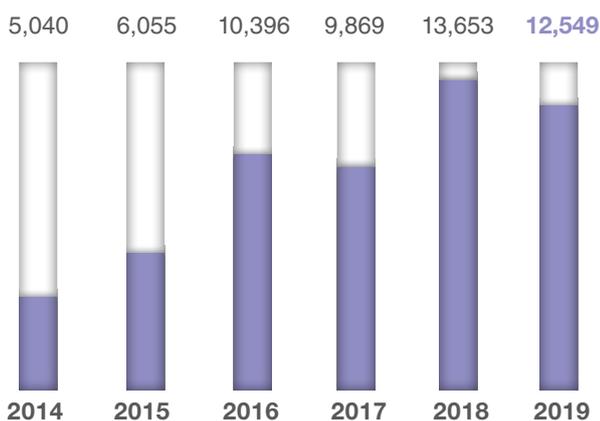
Revenue (S\$'000)



Revenue by Operating Segments (S\$'000)

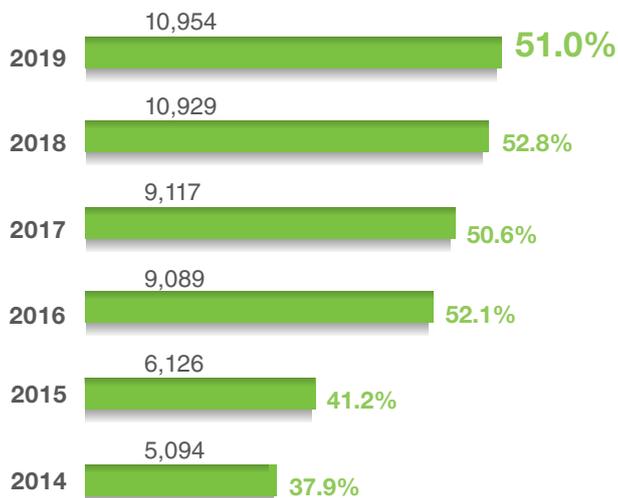


Profit from Operations (S\$'000)

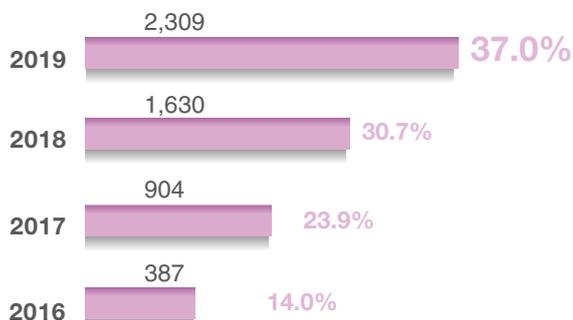


Profit (S\$'000)/Margins (%) from Operations by Business Segments

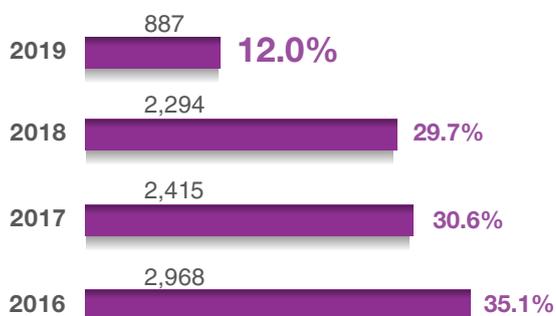
O&G



Cancer-related



Dermatology



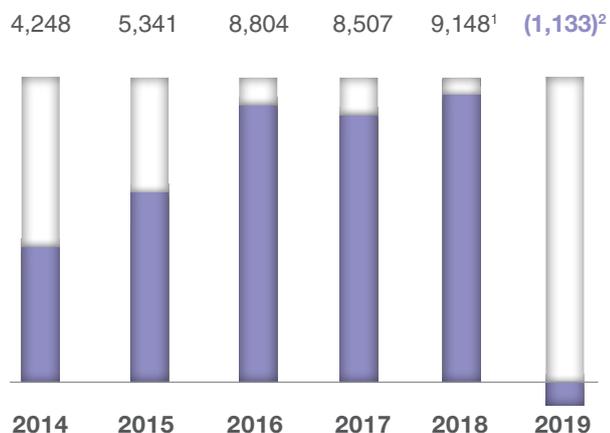
Paediatrics



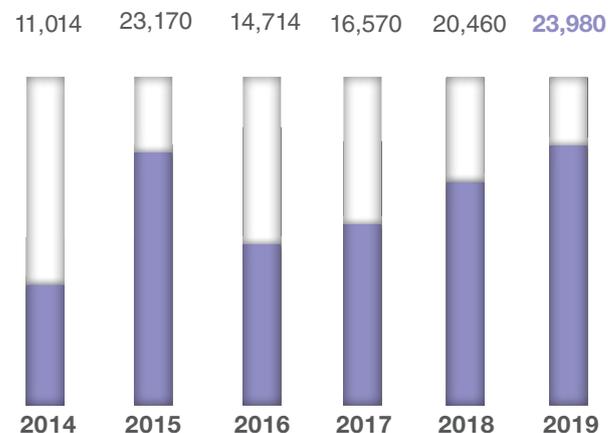
2017 & 2018 not meaningful to be discussed

FINANCIAL HIGHLIGHTS

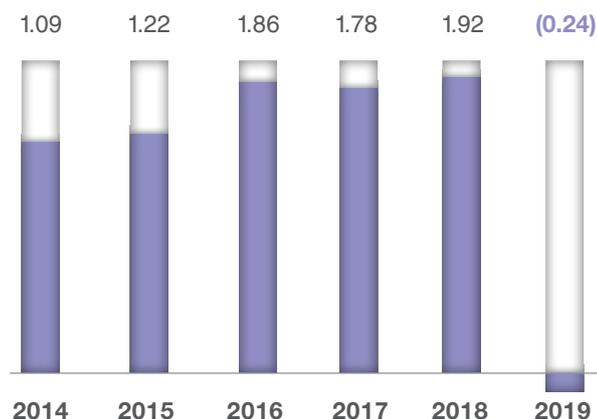
Profit after Tax (S\$'000)



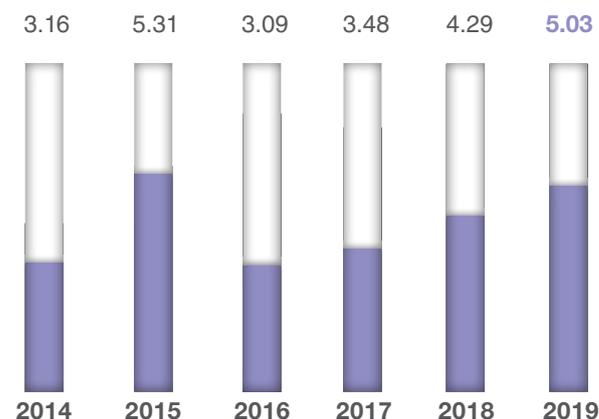
Net Tangible Asset Value (S\$'000)



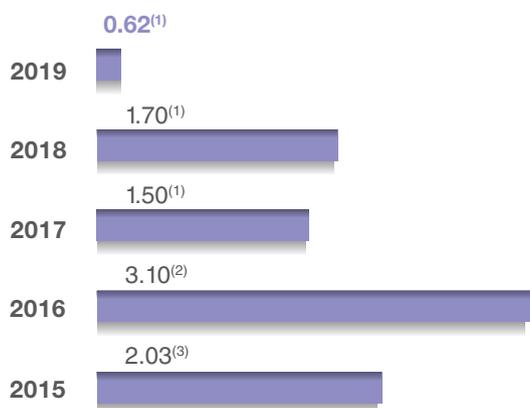
Earnings Per Share[^] (Singapore Cents)



Net Tangible Asset Value Per Share* (Singapore Cents)



Dividend (Singapore Cents)



¹ Exclude goodwill impairment of S\$2.8 million and non-recurring income net of taxes and associated expenses of S\$0.9 million, net profit for FY 2018 would have been S\$11.0 million

² Exclude goodwill impairment of S\$11.9 million, net profit for FY 2019 would have been S\$10.8 million

[^] 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 tangible 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 shares for final dividend

FINANCIAL REVIEW

Income Statement

S\$'000	FY 2019	FY 2018	Change (%)	Changes due to:
Revenue	39,757	34,681	14.6	<ul style="list-style-type: none"> • Increase in contribution of S\$3.7 million, S\$0.8 million and S\$0.9 million from Paediatrics, O&G and Cancer-related segments respectively • Marginal decline of S\$0.3 million from Dermatology segment
Other operating income	449	1,425	(68.5)	<ul style="list-style-type: none"> • Decrease due to the absence of one-off proceeds from Legal Dispute of S\$1.3 million • Offset by an increase of S\$0.2 million in rental rebates and compensation of S\$0.1 million for early termination of lease agreement
Consumables and medical supplies used	(6,466)	(4,873)	32.7	<ul style="list-style-type: none"> • Increase due to the addition of new clinics and more medication sales and consumables used in procedures by existing clinics
Employee remuneration expense	(16,481)	(13,544)	21.7	<ul style="list-style-type: none"> • Increase of S\$1.8 million from new Paediatrics, Dermatology and O&G clinics • Increase of S\$0.5 million for incentive bonus for the specialist medical practitioners • Increase of S\$0.5 million due to higher headcount of management staff and clinical staff at existing clinics • Absence of S\$0.1 million reversal of overprovision for FY 2017 management staff bonuses in FY 2019
Depreciation	(2,207)	(554)	N/M	<ul style="list-style-type: none"> • Increase of S\$1.7 million due to depreciation recognised for ROU assets arising from the adoption of SFRS(I) 16 effective from 1 January 2019
Other operating expense	(2,503)	(3,482)	(28.1)	<ul style="list-style-type: none"> • Decrease in rental expense of S\$1.5 million arising from the adoption of SFRS(I) 16 effective from 1 January 2019 • Offset by loss on disposal of renovation amounting to S\$0.1 million arising from early termination of lease agreement, and an increase in advertising expenses, consultancy fees, office supplies and other administration expenses amounting to S\$0.4 million

S\$'000	FY 2019	FY 2018	Change (%)	Changes due to:
Profit from operations	12,549	13,653	(8.1)	
Impairment of goodwill	(11,900)	(2,800)	N/M	<ul style="list-style-type: none"> Increase of S\$9.1 million due to the declining earnings of the Dermatology segment which impacted the recoverable amount of the cash generating unit ("CGU")
Finance income	153	78	96.2	<ul style="list-style-type: none"> Increase of S\$75,000 due to more cash being placed under interest-bearing current accounts and fixed deposit
Finance expense	(183)	-	N/M	<ul style="list-style-type: none"> Relates to interest expense incurred on lease liabilities arising from the adoption of SFRS(I) 16 effective from 1 January 2019
Net finance (expense)/ income	(30)	78	N/M	
Profit before income tax	619	10,931	(94.3)	<ul style="list-style-type: none"> Excluding the impairment of goodwill of S\$11.9 million in FY 2019 and S\$2.8 million in FY 2018 and the non-recurring income of S\$1.1 million arising from the Legal Dispute, net of professional and legal fees included in FY 2018, profit before income tax would have been S\$12.5 million for FY 2019 and S\$12.6 million for FY 2018
Income tax expense	(1,752)	(1,783)	(1.7)	<ul style="list-style-type: none"> Lower profits from operations and partially offset by lower tax allowance under the Productivity and Innovation Credit Scheme and partial tax exemption
(Loss)/profit for the year	(1,133)	9,148	N/M	
Total liabilities	12,848	7,138	80.0	

FINANCIAL REVIEW

Balance Sheet

S\$'000	As at 31 December 2019	As at 31 December 2018	Change (%)	Changes due to:
Non-current assets	17,526	25,543	(31.4)	<ul style="list-style-type: none"> Decrease of S\$11.9 million for impairment of goodwill relating to the JL Acquisition Offset by increase in ROU asset of S\$3.7 million arising from the adoption of SFRS(l) 16 effective from 1 January 2019
Current assets	31,532	26,185	20.4	<ul style="list-style-type: none"> Inventories increased S\$0.3 million due mainly to higher inventories balance held by Dermatology segment S\$0.5 million increase in trade and other receivables arising from the increase in specialist medical practitioners' fees due from hospitals and insurance companies Cash and cash equivalents increase of S\$4.4 million due to S\$14.1 million net cash inflows from operating activities, S\$0.1 million interest received, offset by purchase of plant and equipment of S\$0.9 million, payment of S\$4.3 million and S\$3.0 million for FY 2018 final dividend and FY 2019 interim dividend, and payment for the principal and interest on leases totalling S\$1.6 million
Total assets	49,058	51,728	(5.2)	
Non-current liabilities	2,515	140	N/M	<ul style="list-style-type: none"> Lease liabilities increased S\$2.4 million due to the adoption of SFRS(l) 16 effective from 1 January 2019
Current liabilities	10,333	6,998	47.7	<ul style="list-style-type: none"> Trade and other payables increased S\$1.7 million due to higher purchases of supplies, increase in provision for FY 2019 incentive bonus for specialist medical practitioners, and management and clinical staff Lease liabilities increased S\$1.4 million due to the adoption of SFRS(l) 16 effective from 1 January 2019 Contract liabilities increased S\$0.2 million from more antenatal, aesthetics and vaccination packages fees collected upfront from patients for consultations and/or procedures that have yet to be performed
Total liabilities	12,848	7,138	80.0	

S\$'000	As at 31 December 2019	As at 31 December 2018	Change (%)	Changes due to:
Share capital	29,646	29,646	-	
Reserves	6,564	14,944	(56.1)	<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 by the Company in 2014 Deficit in merger reserve of S\$1.7 million represents 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 Retained earnings decreased S\$8.4 million due to a S\$1.1 million loss incurred for FY 2019, offset by payment for FY 2018 final dividend and FY 2019 interim dividend
Total equity	36,210	44,590	(18.8)	

Cash Flow Statement

S\$'000	FY 2019	FY 2018	Change (%)	Changes due to:
Net cash from operating activities	14,089	13,402	5.1	<ul style="list-style-type: none"> Absence of S\$1.6 million in lease payments which is recognised under financing activities in FY 2019 arising from the adoption of SFRS(I) 16 effective from 1 January 2019 and increase in net working capital inflow of S\$0.6 million Offset by S\$1.1 million decrease in profit from operations and S\$0.5 million increase in income tax paid
Net cash used in investing activities	(801)	(224)	N/M	<ul style="list-style-type: none"> Purchase of plant and equipment of S\$949,000 Offset by interest received of S\$148,000 from fixed deposit placement and interest-bearing current accounts
Net cash used in financing activities	(8,849)	(8,058)	9.9	<ul style="list-style-type: none"> Payment for the FY 2018 final dividend and FY 2019 interim dividend to shareholders respectively Payment of S\$1.6 million for the principal and interest on leases
Net increase in cash and cash equivalents	4,439	5,120	(13.3)	
Cash and cash equivalents at end of year	25,985	21,546	20.6	

OUR SPECIALIST MEDICAL PRACTITIONERS



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
- High Intensity Focused Ultrasound (“**HIFU**”) treatment

Qualifications/Professional Memberships

- 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 HIFU, a non-invasive surgical procedure for the treatment of uterine fibroids and adenomyosis
- Former President of the Obstetrical & Gynaecological Society of Singapore (“**OGSS**”) (2007 - 2009)
- Treasurer of Congress Trust Fund, OGSS
- Chairman, Operating Theatre Committee, Thomson Medical Centre



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/Professional Memberships

- 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

OUR SPECIALIST MEDICAL PRACTITIONERS



Dr. Heng Tung Lan

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

Specialisations

- Pregnancy care and delivery, menopause and female wellness enhancement

Qualifications/Professional Memberships

- 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



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
- High Intensity Focused Ultrasound (“HIFU”) treatment

Qualifications/Professional Memberships

- Bachelor of Medicine and Bachelor of Surgery (“MBBS”), National University of Singapore
- Master of Medicine (Obstetrics and Gynaecology), 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

- Awarded the SingHealth Health Quality Service Awards: Silver (2015)
- One of the pioneer Singapore gynaecologists to successfully perform HIFU, a non-invasive surgical procedure for the treatment of uterine fibroids and adenomyosis
- 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



Dr. Lee Keen Whye

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

Specialisations

- Endoscopic work – especially hysteroscopy, laparoscopy and vaginal rejuvenation
- High Intensity Focused Ultrasound (“HIFU”) treatment

Qualifications/Professional Memberships

- 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 HIFU, a non-invasive surgical procedure for 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
- Medical Director of HIFU Centre, Farrer Park Hospital



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/Professional Memberships

- 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

OUR SPECIALIST MEDICAL PRACTITIONERS



Dr. Clara Ong

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

Specialisations

- Fully-qualified obstetrician and gynaecologist with more than 10 years of experience
- Pregnancy care, menopausal care, family planning, management of general gynaecological conditions and colposcopy
- High Intensity Focused Ultrasound (“HIFU”) treatment

Qualifications/Professional Memberships

- 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
- Fellow of the Academy of Medicine of Singapore (“FAMS”)

Awards/Achievements

- Examiner for the MBBS degree held by the NUS Yong Loo Lin School of Medicine
- Clinical Lecturer for the NUS Yong Loo Lin School of Medicine
- Published articles in both local and international peer-accredited journals
- Presented research papers in various conferences in Singapore and overseas



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/Professional Memberships

- Bachelor of Medicine and Bachelor of Surgery (“MBBS”), National University of Singapore
- Master of Medicine (Obstetrics and 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 of the Society of Colposcopy and Cervical Pathology of Singapore
- Committee Member of the Women’s Gynaecological Cancer Awareness Campaign organised by Singapore Cancer Society
- 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

OUR SPECIALIST MEDICAL PRACTITIONERS



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/Professional Memberships

- 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 and Changi General Hospital



Dr. Liew Hui Min

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

Specialisations

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

Qualifications/Professional Memberships

- Bachelor of Surgery & Medicine (“**MBChB**”), 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**”)
- International Fellow of the American Academy of Dermatology
- Member of the Allergy and Clinical Immunology Society (Singapore)
- Collegiate Member of Royal College of Physicians (United Kingdom)
- International Member of Women’s Society of Dermatology

Awards/Achievements

- Winner of the KKH Service from the Heart Award (2014)
- Executive Committee Member of the Dermatological Society of Singapore
- Member of the Paediatric Dermatology Focus Group of Dermatological Society of Singapore
- Visiting Consultant at National University 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

OUR SPECIALIST MEDICAL PRACTITIONERS



Dr. Joyce Lim Teng Ee

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

Specialisations

- Dermatology and laser surgery

Qualifications/Professional Memberships

- 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**”)
- 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
- 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

Awards/Achievements

- Council Member of the Asian Dermatological Congress
- 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
- 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



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/Professional Memberships

- 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**”)
- Member of Singapore Paediatric Society

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
- Clinical Physician Faculty Member of Paediatric Residency
- Co-authored numerous articles and papers in the paediatric community



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/Professional Memberships

- 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

OUR SPECIALIST MEDICAL PRACTITIONERS



Dr. Christina Ong

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

Specialisations

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

Qualifications/Professional Memberships

- 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 (“**FRCPCH**”), United Kingdom
- Fellow of the Academy of Medicine of Singapore (“**FAMS**”)

Awards/Achievements

- Awarded Service of the Heart Awards Visiting consultant 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)



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/Professional Memberships

- 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

Strategically located clinics throughout Singapore for easy accessibility.

O&G

SOG - Beh Clinic for Women

Thomson Medical Centre #05-03
339 Thomson Road
Singapore 307677

SOG - KW Lee Clinic for Women

Gleneagles Medical Centre #08-15/16
6 Napier Road
Singapore 258499

SOG - Heng Clinic for Women

Parkway East Medical Centre #02-08
319 Joo Chiat Place
Singapore 427989

SOG - Choo Wan Ling Clinic for Women

Mount Elizabeth Novena Specialist Centre #10-30
38 Irrawaddy Road
Singapore 329563

SOG - SC Hong Clinic for Women

Mount Alvernia Medical Centre Block D #07-62
820 Thomson Road
Singapore 574623

SOG - Natalie Chua Clinic for Women

Parkway East Medical Centre #02-07
319 Joo Chiat Place
Singapore 427989

SOG - Clara Ong Clinic for Women

Gleneagles Medical Centre #08-15/16
6 Napier Road
Singapore 258499

Cancer Related

SOG - Cindy Pang Clinic for Women & GynaeOncology

Mount Elizabeth Novena Specialist Centre #08-25
38 Irrawaddy Road
Singapore 329563

SOG - SK Lim Breast & General Surgicare

Mount Elizabeth Novena Specialist Centre #06-53
38 Irrawaddy Road
Singapore 329563

Dermatology

Joyce Lim Skin & Laser Clinic

Paragon Medical Suites #11-16/20
290 Orchard Road
Singapore 238859

SOG - HM Liew Skin and Laser Clinic

Gleneagles Medical Centre #06-01
6 Napier Road
Singapore 258499

Paediatrics

SOG - Clinic for Children (Joo Chiat)

Parkway East Medical Centre #04-06
319 Joo Chiat Place
Singapore 427989

SOG - Clinic for Children (Tiong Bahru)

11A Boon Tiong Road #01-11
Singapore 161011

SOG - Christina Ong Clinic for Children and Gastroenterology

Mount Elizabeth Novena Specialist Centre #07-53
38 Irrawaddy Road
Singapore 329563

SOG - Petrina Wong Clinic for Children Respiratory and Sleep

Gleneagles Medical Centre #08-14
6 Napier Road
Singapore 258499





BOARD OF DIRECTORS



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 2019)
4 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 Children (Paediatrics – Central) Pte. Ltd.
- SOG Children (Paediatrics – East) Pte. Ltd.
- SOG Children (Paediatrics – Gastroenterology Liver) Pte. Ltd.
- SOG Children (Paediatrics – Gleneagles) Pte. Ltd.
- SOG Dermatology (Gleneagles) Pte. Ltd.
- SOG Dermatology Pte. Ltd.
- SOG-Cindy Pang Clinic for Women Pte. Ltd.
- SOG-Clara Ong Clinic for Women Pte. Ltd.
- SOG-Natalie Chua Clinic for Women Pte. Ltd.
- SOG-Radhika Breast and General Surgicare Pte. Ltd.
- SOG-SC Hong Clinic for Women Pte. Ltd.
- SOG-SK Lim Breast & General Surgicare 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 2019)
8 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

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

Past Directorships in Listed Companies held over the preceding five years

- Nil



BOARD OF DIRECTORS



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 2019)

8 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

- 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 Children (Paediatrics – Central) Pte. Ltd.
- SOG Children (Paediatrics – Gastroenterology Liver) Pte. Ltd.
- SOG Children (Paediatrics – Gleneagles) Pte. Ltd.
- SOG Dermatology (Gleneagles) Pte. Ltd.
- SOG-Cindy Pang Clinic for Women Pte. Ltd.
- SOG-Clara Ong Clinic for Women Pte. Ltd.
- SOG-Radhika Breast & General Surgicare 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 2019)
1 year 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
- Fellow of CPA Australia
- Fellow of the Association of Chartered Certified Accountants

Present Directorships

Other Companies

- Bismac Consultants Pte. Ltd.
- 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 Sdn. Bhd.
- SingHealth Fund Limited

Past Directorships in Listed Companies held over the preceding five years

- Fischer Tech Ltd.
- Equal-Ark Singapore Ltd.



BOARD OF DIRECTORS



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 2019)
4 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

- City Gate Pte. Ltd.

Past Directorships in Listed Companies held over the preceding five years

- Ayondo Ltd.
- XMH Holdings Ltd.

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 2019)
4 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



BOARD OF DIRECTORS



MS. SEE THO SOAT CHING Independent Director

Date of first appointment as Director
11 February 2019

Length of service as a Director (as at 31 December 2019)
10 months

Board Committees

- Member of the Audit Committee
- Member of the 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



Mr. Eric Choo
Chief Executive Officer

Mr. Eric Choo was appointed as Chief Executive Officer in February 2020. He is responsible for leading the management in setting and executing the Group's strategies, goals and missions, and oversees the day-to-day operations, overall administration, business and strategic development, marketing, corporate planning and management of the Group.

Mr. Choo has ten (10) years of experience in the healthcare industry which include holding senior management role as Chief Financial Officer ("CFO") for two healthcare companies, Eagle Eye Centre Pte. Ltd. and Singapore O&G Ltd. He was the former CFO of Singapore O&G Ltd. and was one of the key executive officers during the initial public offering of the Company in 2015. During his tenure with the Company from 2014 to 2018, he was also involved in its operations and administration matters.

Prior to joining the Group, he was an Audit Senior Manager with KPMG LLP. He was with KPMG LLP from 2005 to 2014. He has about ten (10) years of professional experience working as an auditor in Singapore and the United States, and his experience includes providing audit and assurance services to public companies listed on the Singapore Exchange and stock exchanges in the United States. During his tenure with KPMG LLP, he was involved in several sustainability advisory and assurance projects.

Mr. Choo holds a Bachelor of Business (Accountancy) degree from the Royal Melbourne Institute of Technology and is a member of the Institute of Singapore Chartered Accountants and CPA Australia.



Ms. Doreen Chew
Chief Financial Officer

Ms. Doreen Chew 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 eighteen (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

We are committed to providing timely and consistent disclosure of financial results and significant corporate activities to our 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 half year 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 kept 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/or recommended, the Company will disclose the reason(s) for the decision, in accordance to the requirements of the Catalist Rules.

For FY 2019, the Board of Director declared an interim dividend of 0.62 Singapore cents per share which was paid on 3 September 2019.

Stakeholder’s 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.

In FY 2019, we actively participated in institutional-initiated investment events, SGX retail seminars as well as conducted results briefings for buy and sell-side analysts and private investors. We participated in a total of seventeen one-on-one meetings and five group meetings during the year, meeting a total of 255 investors.

Tentative Financial Calendar for FY 2020*

6 August 2020	1H 2020 Results Announcement
17 February 2021	FY 2020 Results Announcement

*Subject to change

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
(A member of the Chartered Secretaries Institute of Singapore)

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: Mr. Chan Ser
(Since financial year ended 31 December 2019)

Principal Bankers

United Overseas Bank Limited
DBS Bank Ltd

Investor Relations

ir@sog.com.sg

SUSTAINABILITY REPORT

Since 2015 when SOG first embarked on the sustainability reporting journey, we have continuously discussed the challenges and material issues that are important to our stakeholders. We recognise the importance and virtuous cycle of improvement in sustainability reporting. This report features the environmental, social and governance (“ESG”) factors, approaches and practices of SOG and its subsidiaries (“Group”) and identification of more material topics and disclosure of our key 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 Catalyst 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 Group’s performance. <p>SOG Group’s Sustainability Report draws on the internationally recognised standard of reporting, the Global Reporting Initiative (“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 67 of this Annual Report.</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 2018.</p>
<p>Report Period and Scope</p>	<p>This report covers data and information from 1 January 2019 to 31 December 2019 (“FY 2019”) and discusses the Group’s achievements and performance towards 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 are available at www.sog.com.sg</p>

Our Strategic Approach to Sustainability

With our vision and corporate values in mind, we are constantly striving 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.

Defining Our Materiality Issues

With the top ten risks identified in our Risk Refresher exercise in FY 2019, 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:

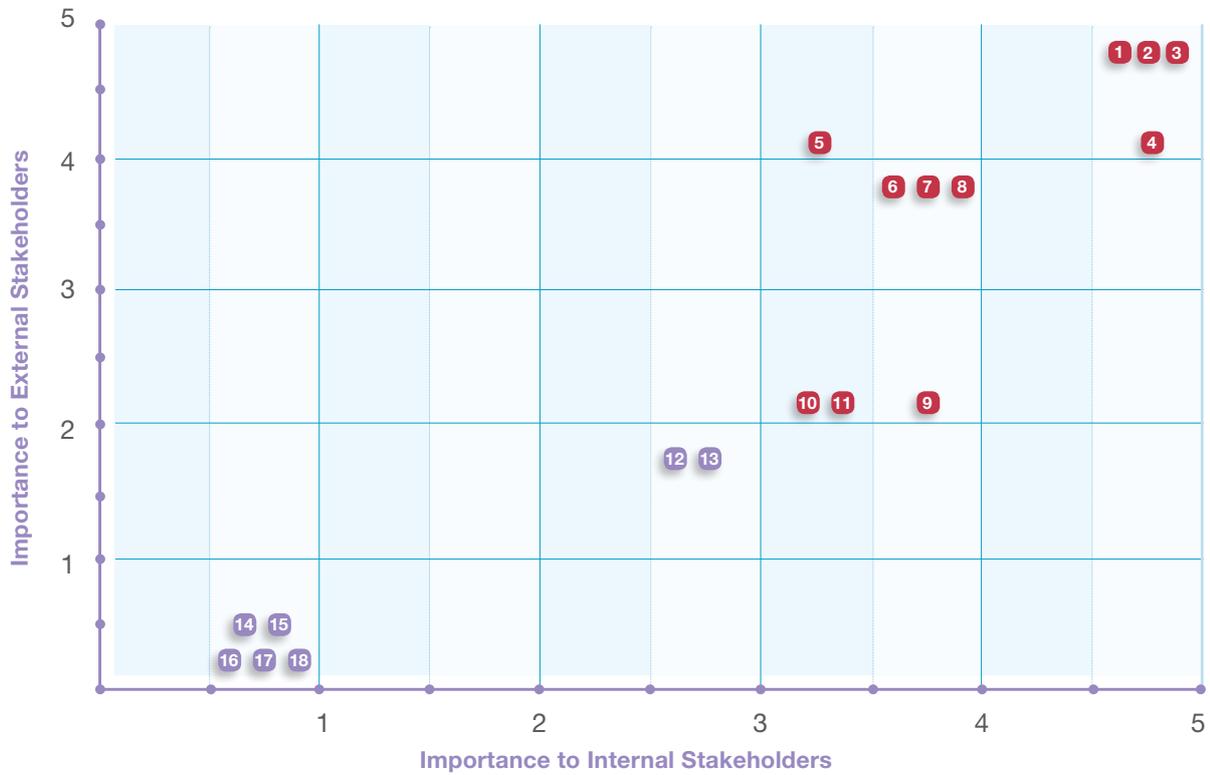
1. Those risks ranked as high impact and likelihood of occurrence to the Group, and
2. Those that are ranked as high and critical by both our internal and external stakeholders for sustainability issues.

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.



Our Materiality Matrix



Issue		Page	Issue		Page
1.	Legal compliance and corporate governance	41	12.	Wages and local hiring	-
2.	Service quality and responsibility	59	13.	Business partners engagement	-
3.	Patients and community engagement	65	14.	Energy management	-
4.	Health and safety	60	15.	Certified green clinic/office interior	-
5.	Economic contribution to society	41	16.	Environmental impact assessment and mitigation	-
6.	Anti-corruption and anti-fraud	58	17.	Water conservation	-
7.	Training and staff development	61	18.	Climate change and emission	-
8.	Labour-management relations	64			
9.	Diversity and equal opportunity	64			
10.	Biohazard and medical waste management	59			
11.	Supply chain and procurement practices	59			

SUSTAINABILITY REPORT

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
<p>Our patients and their families</p>	<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
<p>Shareholders and Financial Community</p>	<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 feedbacks 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 tele-conferences 	<ul style="list-style-type: none"> » Feedbacks on their products and services » Information of their new products or services 	<ul style="list-style-type: none"> » Gather feedbacks from our patients and their families and pass on the feedbacks 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, needs and support required
Media	<ul style="list-style-type: none"> » Quarterly financial statement announcements* and adhoc press releases » Adhoc communication through 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 	<ul style="list-style-type: none"> » Ensure timely communication of our financial results, key business developments and any other reportable matters

* With effect from 7 February 2020, the Company had transitioned to half-yearly financial reporting.

SUSTAINABILITY REPORT

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 minimisation 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** includes 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 feedbacks 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 specialisation.



Economic

As of 31 December 2019, we operate fifteen (15) clinics in Singapore. SOG Corporate Office oversees the entire group of clinics and each clinic is operated by one of our specialist medical practitioners. We work closely with our specialist medical practitioners and clinical staff to identify and consider any sustainability opportunities and risks that may arise.

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. In a competitive landscape which SOG operates in, we have to look beyond short-term gains and financial bottom line by introducing long-term sustainability opportunities and recognising risks. Our conviction is to achieve a balanced bottom line for sustained growth for the organisation and the community we operate in.

More importantly, we strive to contribute positively to 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 on our mission to provide holistic and excellent healthcare for our patients. 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 focused on our growth and sustainability strategies, in enhancing shareholders' value.

For more information on SOG's financial performance, please refer to the "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 2018 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 2019. Neither has the Audit Committee received any whistle-blowing notifications during the year.

For further details on Corporate Governance, please refer to page 79 to 110 of this Annual Report.

SUSTAINABILITY REPORT

Below is our self-assessment based on the Singapore Governance and Transparency Index (“SGTI”) Assessment Framework:

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
A	BOARD RESPONSIBILITIES – 35%				
1.	Board size				
(a)	Number of directors on board	1	1	If the Board comprises of at least 6 members but not more than 11.	Not applicable
2.	Board independence				
(a)	Proportion of independent directors on board	3	3	3 points, if proportion of independent directors on board is more than 50%, 2 points, if proportion of independent directors on board is equal to 50%.	Not applicable
(b)	Number of directors on board				
(c)	Number of independent directors on board				
3.	CEO-Chairman separation				
(a)	Is the chairman an independent director?	1	3	3 points, if chairman is independent, 2 points if chairman is non-independent and lead independent director is appointed, 1 point, if chairman is executive and lead independent director is appointed.	The Chairman is not an Independent Director but the Company has appointed a Lead Independent Director. Given the nature of our business which is bespoke in nature, our Executive Chairman needs to have hands on understanding of the business. In order to provide further checks and balances, the Group has appointed a Lead Independent Director.
(b)	If the answer to the above is no, is the chairman a non-executive director and not related to the CEO?				
(c)	If chairman is the CEO, is related to the CEO, is a controlling shareholder or is an executive director, does the company have a lead independent director?				
4.	Board competencies				
(a)	Does at least one of the independent directors have experience in the industry the company is in?	1	1		
(b)	Does the company disclose a board diversity policy?	1	1		The Company disclose its Board Diversity Policy Statement together with the measurable objectives in the Annual Corporate Governance Report and on our website.

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
(c)	Does the company disclose the orientation programmes for new directors?	1	1		The Nominating Committee has recommended training and courses to the existing and new directors.
5.	Board duties and responsibilities				
(a)	Does the company clearly state the roles and responsibilities of the board of directors?	1	1		The principal functions of the Board and matters reserved for the Board are clearly stated and disclosed in the Annual Report.
6.	Board and committee meetings				
(a)	How many times did the board meet during the year?	1	1	1 point, if the board meets at least 6 times during the year.	In FY 2019, the Board has 5 formal meetings. During the year, the Board has also conducted at least 2 informal meetings and on numerous occasions used circular resolutions in writing to approve certain decisions.
(b)	How many times did the remuneration and nomination committee meet during the year?	-	1	If the remuneration and nominating committee each meets at least 2 times during the year.	In FY 2019, the Remuneration Committee met 4 times whilst the Nominating Committee met only once. Both committees used circular resolutions in writing to approve certain decisions.
(c)	How many times did the audit committee meet during the year?	1	1	1 point, if the audit committee meets at least 4 times during the year.	In FY 2019, the Audit Committee met 4 times.
(d)	Is individual director attendance at board and committee meetings given?	1	1		
7.	Nominating Committee				
(a)	Number of members in the committee	1	1		The Nominating Committee has three members, including the Chairman, who are Independent Directors.
(b)	Number of independent members in the committee				
(c)	Is the Chairman independent?				

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
(d)	Does the company set limits on the number of directorships that can be held?	1	1		The Company has set a limit of six (6) directorships.
8.	Selection of directors				
(a)	Is the skills/experience sought disclosed?	1	1		The resume of candidates were circulated to the Nominating Committee and the Board for review.
(b)	Is the process followed disclosed?	1	1		The Nominating Committee oversees and reviews the director selection process prior to the recommendation to the Board. Board approves the appointment of Director.
9.	Board and individual director appraisal				
(a)	For board appraisal, is the process disclosed in detail?	1	1		Each of the directors of the Company is required to complete an annual board performance evaluation form after each financial year end. A summary report will be tabled at the Nominating Committee for review and discussion. The feedbacks, comments and recommendations by Directors will be discussed constructively by the Nominating Committee and the Board.
(b)	For board appraisal, is the criteria disclosed?	1	1		As per the criteria set in Performance Evaluation Sheet and Self-Assessment checklist.
(c)	For individual director appraisal, is the process disclosed in detail?	1	1	Both the questions should be "Y", in order to get 1 point.	Each of the directors of the Company is required to complete an annual individual performance assessment form after each financial year end. A summary report will also be tabled at the Nominating Committee meeting for review and discussion.
(d)	For individual director appraisal, is the criteria disclosed?				

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
(e)	Does the company conduct an annual performance assessment of the board committee?	1	1		
10.	Remuneration Committee				
(a)	Number of members in the committee	1	1		The Remuneration Committee has three members, including the Chairman, who are Independent Directors.
(b)	Number of independent members in the committee				
(c)	Is the chairman independent?				
11.	Executive director/Top 5 executives' remuneration				
(a)	Is the remuneration of executive directors disclosed? (E=Exact, B1=Bands of S\$100K or less with upper limit, B2=Bands of between S\$100K-S\$250K with upper limit, B3=Bands of S\$250K with upper limit, ND=Not disclosed)	2	2		Rounded to nearest S\$1
(b)	Is the remuneration of CEO disclosed? (E=Exact, B1=Bands of S\$100K or less with upper limit, B2=Bands of between S\$100K-S\$250K with upper limit, B3=Bands of S\$250K with upper limit, ND=Not disclosed)	1	1		
(c)	Is the remuneration of top 5 executives disclosed? (E=Exact, B1=Bands of S\$100K or less with upper limit, B2=Bands of between S\$100K-S\$250K with upper limit, B3=Bands of S\$250K with upper limit, ND=Not disclosed)	1	2	2 points, if exact remuneration of key executives is disclosed, 1 point, if the disclosure is in S\$250K bands, and the total remuneration of key executives and key executives' names are provided.	There are only 2 senior management. Their remuneration is shown in bands due to commercial sensitivities.
(d)	Are the names of the top 5 executives given?				
(e)	Is the aggregate remuneration paid to the top 5 key management personnel disclosed?				
(f)	Are short-term incentives used?	1	1		
(g)	Are long-term incentives used?	-	1		

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
(h)	Does the company disclose information on the link between remuneration paid to the executive directors and key management personnel, and performance?	1	1		
(i)	Does the Remuneration Committee periodically seek remuneration consultants' advice on remuneration matters for directors?	1	1		
12.	Non-Executive director fees				
(a)	Is the fees of non-executive directors disclosed? (E=Exact, ND=Not disclosed)	1	1		
(b)	Is the fee structure disclosed?	1	1		
TOTAL: SECTION A		30	35		
B.	RIGHTS OF SHAREHOLDERS – 20%				
1.	Fundamental shareholder right				
(a)	Does the company pay dividend (final/annual/interim/special dividends) to all its shareholders within 30 days after the declaration of dividends and/or after shareholders' approval of final dividends at shareholder general meetings?	1	1		
2.	Right to participate effectively and vote in general shareholder meetings				
(a)	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors?	1	1		The Company seek Shareholders' approval for Independent Directors' fee.
(b)	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	1	1		

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
(c)	Do shareholders have opportunities to ask questions in the latest AGM, and does the meeting minutes record details of shareholders' questions and answers?	1	1		Yes. The Company will prepare the minutes of the AGM that include substantial and pertinent comments or queries raised by shareholders relating to the agenda of the meetings and responses from the Board and Management. The minutes of the AGM is published to the shareholders via SGXNET together with the Corporate Presentation slides that were presented to the shareholders at the AGM.
(d)	Does the company disclose the appointment of an independent party (scrutineers/inspectors) to count and validate the votes at the AGM?	2	2		
(e)	Does the company disclose the attendance of the chairman of the Board at the latest AGM?	1	1	Both the questions should be "Y", in order to get 1 point.	
(f)	Does the company disclose the attendance of the CEO/ Managing Director at the latest AGM?				
(g)	Is poll voting used, instead of show of hands, for all resolutions at the latest AGM?	2	2		All resolutions at AGM are voted by poll.
3.	Conduct of interested party transactions ("IPTs") and management of conflicts of interest				
(a)	Does the company disclose policy that requires directors of the board to refrain from participation in board discussions and decision making process on a particular agenda when they have conflicts of interest?	1	1		
(b)	Does the company ensure that IPTs are conducted fairly and on arm's length basis?	2	2		
4.	Institutional investors				
(a)	Does the share ownership of institutional investors, other than controlling shareholders, exceed 5%?	1	1		

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
5.	Shareholder participation				
(a)	Does the company disclose that it allows shareholders who hold shares through nominees to appoint more than two proxies or to attend AGMs as observers without being constrained by the two-proxy rule?	1	1		
(b)	Does the company disclose detailed information on each agenda item for the AGM in the Notice?	1	1		
(c)	Does the company publish detailed information of the vote results?	1	1		
(d)	Are all the directors required to stand for re-election at least once every three years?	1	1		
(e)	Do shareholders or the board of directors approve the remuneration of the executive directors and/or the senior executives?	1	1		
6.	Dividend payment				
(a)	If dividends are paid, is there disclosure of company's policy on payment of dividends?	2	2		
(b)	If dividends are not paid, is there disclosure of reasons for not paying out dividends during the financial year?				
	TOTAL: SECTION B	20	20		
C	ENGAGEMENT OF STAKEHOLDERS – 10%				
1.	Rights of stakeholders established through law and mutual agreements upheld				
1.1	Does the company disclose a policy and its relevant activities that:				
(a)	Specify company's efforts to ensure customers' (patients') health and safety?	1	1		
(b)	Demonstrate the company's attempts to employ eco-friendly and sustainable value chain processes?	1	1		

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
(c)	Describe the company's interaction and cooperation with the relevant communities?	1	1		
(d)	Describe the company's anti-corruption programmes and procedures?	1	1		
(e)	Explain how the company protects creditors' rights?	1	1		
2.	Stakeholders' avenue for redress for violation of rights				
2.1	Performance enhancing mechanisms for employee participation				
(a)	Does the company disclose relevant policy to ensure the health, safety and welfare of its employees?	1	1		
(b)	Does the company provide training and development programmes for its employees?	1	1	Company should disclose both the details of the training and development programmes and relevant data on training and development programmes undergone by its employees.	
(c)	Does the company publish relevant results of such training and development programmes that its employees participated in?				
3.	Stock options				
(a)	Is the vesting period for stock options/ PSP (Performance Share Plan) 3 years or more?	-	1		Not applicable to the Company as SOG Employee Share Option Scheme and SOG Performance Share Plan were approved on 6 May 2015. As of to-date, no option or award is granted.
4.	Whistleblowing policy				
(a)	Does the company have a whistleblowing policy?	1	1		Yes. Reviewed by the Audit Committee.
(b)	If the answer to the above is yes, are key details of the policy disclosed and is anonymous reporting allowed?	1	1		
TOTAL: SECTION C		9	10		

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
D	ACCOUNTABILITY AND AUDIT – 10%				
1.	Composition of the audit committee				
(a)	Are all the audit committee members independent?	2	2	2 points, if all the members are independent,	The Audit Committee has three members and is chaired by the Lead Independent Director. All members are Independent Directors.
(b)	If the answer to the above is no, are the audit committee members non-executive with an independent chairman?			1 point if all the audit committee members are non-executive with an independent chairman.	
(c)	Does the majority of the audit committee members have an accounting or finance background?	1	1		
(d)	Does the audit committee chairman have an accounting or finance background?	1	1		
2.	Risk management and internal control system				
(a)	Is there disclosure of the process and framework used to assess the adequacy of risk management and internal control systems?	1	1		
(b)	Is there disclosure that the internal auditor meets or exceeds the Institute of Internal Auditors standards?	1	1		
(c)	Does the annual report have a statement by the board or audit committee on the adequacy of the risk management and internal control systems (including operational, financial compliance, and information technology)?	1	1		
(d)	Does the company identify the in-house head/team of internal audit or the name of the external firm that conducts its internal audit?	1	1		Internal audit functions are outsourced to reputable and adequately resourced firm.

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
(e)	Is there a CEO/CFO certification of financial statements?	1	1	Both questions should be "Y", in order to get 1 point.	
(f)	Is there an assurance from the CEO and the CFO regarding the effectiveness of the company's risk management and internal control systems?				
3.	External auditor and auditor report				
(a)	Is the Audit Committee primarily responsible for proposing the appointment and removal of the external auditor?	1	1		
	TOTAL: SECTION D	10	10		
E	DISCLOSURE AND TRANSPARENCY – 25%				
1.	Transparent ownership structure				
(a)	Does the company disclose the direct and indirect (deemed) shareholdings of directors?	1	1		
2.	Quality of Annual Report				
2.1	Does the company's annual report disclose the following items:				
(a)	Corporate objectives	1	1		
(b)	Financial performance indicators	1	1		
(c)	Non-financial performance indicators	1	1		
(e)	Key risks (including operational risks) and how these risks are assessed and managed	1	1		
3.	Disclosure of related party transactions (RPTs) and interested person transactions (IPTs)				
(a)	Does the company disclose a detail policy that sets out procedures for the review and approval of material/significant IPTs?	1	1		

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
(b)	For each material/significant IPT, does the company identify all related parties and its relationship with each party?	1	1	Both the questions should be "Y", in order to get 1 point.	
(c)	For each material/significant IPT, does the company disclose the nature and value of each transaction?				
(d)	Does the company disclose the type of material transactions that require board approval?	1	1		
4.	Directorships/ Chairmanships in listed companies				
(a)	Is there disclosure of all the directorships and chairmanships held by its directors at present and over the past 3 years?	2	2	Disclosure of 3 years = 2 points,	The Company discloses all the directors and chairmanships held by its directors at present and over the past 5 years.
(b)	Is there disclosure of only the current directorships and chairmanships held by its directors?			Disclosure of only current year = 1 point.	
5.	Timeliness of release of results				
(a)	Financial year end	2	3	3 points, if released within 30 days,	The Group released its financial results within 31-60 days.
(b)	Results release date				
(c)	Number of days taken to release the results				
(d)	Does the company release its audited annual/financial report no later than 60 days from the company's financial year end?	-	1		As the announcement is released after 30 days, it is highly unlikely for the Group to release its audited annual/financial report no later than 60 days from the Company's financial year end.
5.	Medium of communication				
5.1	Does the company use the following modes of communication?				
(a)	Analyst's briefing	1	1	At least either of the questions should be "Y" to get 1 point.	
(b)	Media briefing/press conferences				

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
6.1	Corporate website				
(a)	Are details of its code of conduct or ethics disclosed?	1	1		
(b)	Is the link provided on the SGX website and/or annual report?	1	1		
(c)	Does the website have a clearly dedicated investor relations (“IR”) link instead of providing the financial information under links such as “News” or “Announcements”?	1	1		
(d)	Are the latest financial results available on the website?	1	1	Both the questions should be “Y”, in order to get 1 point.	
(e)	Is the latest annual report available on the website?				
(f)	Is the IR contact given on the website/annual report?	1	1		
6.2	Does the company have a website disclosing up-to-date information on the following:				
(a)	Group corporate structure	1	1		
(b)	Clear vision and mission statements?	1	1		
(c)	Does the company demonstrate email responsiveness to investor relations function promptly and effectively (i.e. within a week)?	1	1		The Group acknowledges all relevant emails and must respond with a reasoned answer within 10 days.
7.	Results briefings				
(a)	In the company’s annual report, are the commentaries of the board on steps and measures being taken to understand shareholders’ viewpoints and concerns, e.g. through analyst briefings, investor roadshows or Investors’ Day briefings?	1	1		
(b)	Does the company carry out adequate investor relations policy in order to ensure regular and effective convey of pertinent information to shareholders?	1	1		

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
	TOTAL: SECTION E	23	25		
	TOTAL BASE SCORE (A, B, C, D, E)	92	100		
ADD:	BONUSES				
1.	Having a positive Corporate Governance confirmation	3	3		
2.	Disclosing information on the succession planning for the board and senior management	-	3		
3.	Having a board-level risk committee comprising independent directors	3	3		The Audit Committee also oversees the risk management framework of the Company.
4.	Having a comprehensive description of how the company assesses the independence of its directors and independent director should be independent from major shareholders	3	3		The Nominating Committee assessed the Independent Director's independence based on the Code of Corporate Governance guidelines.
5.	Having a policy which prevents non-executive directors from selling stock prior to leaving the company	2	2		
6.	Publishing an annual sustainability report	3	3		The Group has published an annual sustainability report and included in its Annual Report since FY 2016.
7.	Reducing share issue mandate	-	5		Currently, the Company has not reduced its share issue mandate. The Company may consider of reducing its share issue mandate in the near future.
8.	Having a share trading policy which requires board approval for trading by directors and disclosing the policy	-	3		Currently, each director is required to inform the Company of any trading of shares of the Company. The Company may consider to implement a share trading policy in the near future.
9.	Setting the risk tolerance, or having a risk management policy describing the tolerance for various classes of risk by the board	2	2		The Group has implemented an Enterprise Risk Management framework and performed a risk refresher in FY 2019.

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
10.	All directors attended the latest AGM	3	3		
11.	External search done when appointing new directors	3	3		
12.	Disclosing detailed information on director training	3	3		
13.	Publishing its notice of AGM (with detailed agendas and explanatory circulars) at least 28 days before the meeting date	-	3		
14.	Adopting integrated reporting in its Annual Report	2	2		The Group has prepared its FY 2019 Annual Report based on the combined reporting format with a section on "Sustainability Report".
15.	Having assurance from the Board and/or the Remuneration Committee that the level and structure of remuneration align with the long-term interests and risk management policies of the company	2	2		
TOTAL: BONUS SECTION		29	43		
LESS:	PENALTIES				
1.	Non-disclosure of director information	N/A			
2.	Tenure of independent directors (points)	N/A			
3.	Independent Directors concurrently hold multiple directorship	N/A			The external directorships are disclosed for Independent Directors.
4.	Number of external directorships concurrently held by Executive Directors	N/A			The external directorships are disclosed for Executive Directors.
5.	Presence of board interlocks	N/A			
6.	Same independent directors sitting on the nominating, remuneration and audit committee	N/A			With the appointment of new Independent Director, Ms. See Tho Soat Ching, the Board and Board Committees have been re-constituted on 11 February 2019. The Company does not have same independent directors sitting on the nominating, remuneration and audit committee.

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
7.	CEO/MD/ED not subject to re-election	N/A			
8.	The Lead Independence Director (LID), if any, is not on the Nominating Committee or the LID failed to meet other independent directors separately	-1			Lead Independent Director, Mr. Ng Boon Yew, is a member of the Nominating Committee.
9.	Issuance of a profit warning within 30 days after the IPO or after a results announcement	N/A			
10.	Earnings restatements	N/A			
11.	Frequent turnover of senior management (CEO, Executive Directors & CFO) – More than one change within a year	N/A			
12.	Resignation of senior management (CEO, Executive Directors & CFO) without adequate disclosure of information regarding the circumstances, search for replacement and expected time frame for appointing a new person	N/A			On 13 November 2019, the Company announced the resignation of Dr. Ivan Lau Eng Kien as CEO of the Company to pursue his interest in the provision of clinical services with effect from 31 January 2020. In the same announcement, the Company mentioned that the Board has commenced the search for a new CEO and will keep shareholders updated on his/her appointment through announcement on the SGXNet.
13.	Other directors resigning without disclosure of reasons	N/A			
14.	Appointments or resignation of independent directors which are closely linked to controlling shareholders	N/A			
15.	Directors or senior management resigning and raising corporate governance-related concerns	N/A			
16.	External auditors unable to issue an opinion or raises red flag, allegations of fraud reported, unauthorised trading	N/A			
17.	Breach of listing rules	N/A			

SUSTAINABILITY REPORT

Section	Questions	Self Assessment	Points (Maximum)	Guidelines	Reasons for not achieving maximum points
18.	Retention or appointment of directors or senior management who have been subjected to regulatory actions	N/A			
19.	Significant interested party transactions involving major shareholders, directors or senior management or evidence of serious conflicts of interest (points)	N/A			
20.	Issue of share options to independent directors	N/A			
21.	Issue of share options when stock prices are at or near year end lows	N/A			
22.	Late announcement of stock option grants (points)	N/A			
23.	Investor relations issues	N/A			
24.	Appointment of alternate IDs, insufficient disclosure of nominating process	N/A			
25.	Director attendance at board and committee meetings	N/A			
26.	Query on trading activity	N/A			
27.	Non-audit fees exceed audit fees if the company engages the same audit firm	N/A		If the non-audit fees exceed audit fees consecutively for last 2 years.	
28.	Chairman has also been the CEO in the last three years	N/A			
29.	Presence of a pyramid and/or cross holding ownership structure	N/A			
30.	Legal violations pertaining to labour/employment/ consumer/insolvency/ commercial/ competition or environmental issues	N/A			
31.	Directors or senior managers have an employment relationship with the current external auditor in the past 2 years	N/A			
	TOTAL MAXIMUM (BASE + BONUS):	120	143		

N/A denotes not applicable.

For further details on Corporate Governance, please refer to page 79 to 110 of this Annual Report.

SUSTAINABILITY REPORT

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 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 person transactions in relation to the Group on a quarterly basis.

Anti-Corruption and Anti-Fraud

SOG adopts zero-tolerance policy to bribery and corruption. Internal monitoring and management control systems are put in place which serve as a necessary check and balance to ensure our employees are compliant to the company’s anti-corruption policy, Code of Ethics and prescribed business processes.

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 can 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: Mr. Chan Ser

✉ ser.chan@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 2019 and the Group has met its targets set for FY 2019 in the FY 2018 Sustainability Report.



Target for FY 2020:

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 protecting their personal data and 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 accounts, processing payments, addressing questions and feedbacks, improving our products and service level; as well as, where permitted

SUSTAINABILITY REPORT

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 2019 and the Group has met its targets set for FY 2019 in the FY 2018 Sustainability Report.



Target for FY 2020:

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 Enterprise Risk Management ("ERM") system and performed annual Risk Refresher exercise to identify, assess and manage the top ten risks in FY 2019.

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 Practices

Our supply chain constitutes mainly the suppliers for our consumables and medical supplies for our fifteen (15) 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.

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 2019 and the Group has met its targets set for FY 2019 in the FY 2018 Sustainability Report.



Target for FY 2020:

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.

SUSTAINABILITY REPORT

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 2019, there were no incidents of non-compliance with the rules and regulations from MOH and NEA and the Group has met its targets set for FY 2019 in the FY 2018 Sustainability Report.



Target for FY 2020:
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 relevant 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 2019, 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 2019 in the FY 2018 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 2019	Target for FY 2020
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 2020:
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, who share the Group'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 childcare, maternity as well as paternity leave in accordance with the guidelines from the Ministry of Manpower of Singapore.

Below is the employee headcount as at 31 December 2019.

 Number of Headcount	 Specialist Medical Practitioners	 Clinical Staff	 Management Staff	 Total
As at 31 December 2019	15	50	17	82
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

In FY 2019, the Group decided to enhance the appropriateness of performance metric used in the determination of talents retention, from turnover rate to retention rate. In FY 2019, the Group has met its target set for FY 2019 in the FY 2018 Sustainability Report.

Year	Average Retention Rate
2019	96.06%

 **Target for FY 2020:**
To maintain FY 2019's average retention rate

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 Group. Our senior management leads and develops the Group in achieving the goals and vision of the Group. Our senior specialist medical practitioners provide 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.

SUSTAINABILITY REPORT



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 conferences 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 2019, the Group has met its targets set for FY 2019 in the FY 2018 Sustainability Report for the provision of trainings for all our employees.



Target for FY 2020:

We aim to provide training opportunities for all employees based on Ministry of Manpower’s training indicators as follows:-

Employees	Average Training Hours per FTE
Specialist Medical Practitioners	72
Clinical Staff	28
Management Staff	44



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

2019

Gender	No. of Specialist Medical Practitioners Headcount [^]	No. of Medical Conferences	No. of Training Hours	Average No. of Training Hours per FTE [^]
Male	2	17	342	171.0
Female	13	66	1,073	82.5
Total	15	83	1,415	253.5

2018

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



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

2019

Gender	No. of Clinical Staff Headcount [^]	No. of Trainings	No. of Training Hours	Average No. of Training Hours per FTE [^]
Male	0	0	0	0
Female	50	159	749	15.0
Total	50	159	749	15.0

2018

Gender	No. of Clinical Staff Headcount [^]	No. of Trainings	No. of Training Hours	Average No. of Training Hours per FTE [^]
Male	0	0	0	0
Female	44	14	360	8.2
Total	44	14	360	8.2



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

2019

Gender	No. of Management Staff Headcount [^]	No. of Trainings	No. of Training Hours	Average No. of Training Hours per FTE [^]
Male	5	19	205	41.0
Female	12	38	388	32.3
Total	17	57	593	73.3

2018

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

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

SUSTAINABILITY REPORT

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:



Measurable Objectives	Progress
1. To have women on the Board	Two of our Directors are women.
2. To have women on board our senior management	There is a senior management member who 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 2019, the Group has a total of 82 employees (including specialist medical practitioners); and of whom, 75 are female and 7 are male employees.

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 shareholders.

We ensure that there are fair work practices, and remuneration are ascertained based on individual work performance and not on any gender consideration. No form of discrimination is tolerated within the Group.

In FY 2019, there were no incidents of discrimination and corrective actions taken and the Group has met its target set for FY 2019 in the Sustainability Report for FY 2018.



Target for FY 2020:

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 Group and have a more positive attitude towards their work and our patients and their families. Our employees are provided with frequent management updates and duly briefed 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 business development, finance, human resource and administrative, marketing and operational matters.

In FY 2019, the Group conducted at least two (2) townhall meetings for our Specialist Medical Practitioners. Beyond that, the Group has held various informal and small group meetings to engage our specialists on matters concerning their respective clinics.

In FY 2019, the Group has met its targets set for FY 2019 in the FY 2018 Sustainability Report.



Target for FY 2020:

To conduct at least one (1) meeting 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 new initiatives, policies and processes, and solicits opinions and feedbacks.

In FY 2019, the Group conducted at least one (1) townhall meeting for our clinical staff. The Group has also held various informal and small group meetings 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.

In FY 2019, the Group has met its targets set for FY 2019 in the Sustainability Report for FY 2018.



Target for FY 2020:

To conduct at least one (1) meeting for clinical staff

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

As a responsible corporate organisation, 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 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 annual public forums where our specialist medical practitioners share their knowledge and expertise, and our medical and healthcare suppliers set up 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.



Year	Forum
2019	Pregnancy Your Journey to Motherhood (held on 14 September 2019)
	Know Your Body A Forum on Women's Health (held on 19 October 2019)
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)

SUSTAINABILITY REPORT



Educational Health Talks

We frequently 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
2019	12	76
2018	12	70
2017	8	34

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.

On 16 November 2019, SOG held a “Walk for Rice” event which saw our Board of Directors, specialist medical practitioners, clinical staff, management staff, and their families and friends actively participating and sweating



it all out for the underprivileged families in Singapore. “Walk for Rice” is a corporate social responsibility event by FairPrice which encourages the community to walk for a good cause. We are proud to have achieved a total of 200km which is equivalent to 1000 bowls of white rice, 1000 bowls of brown rice and 500 bowls of Oatmeal.

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



Global Reporting Initiative Content Index

Disclosure Number	Disclosure Title	Section Reference/Page
GRI 102: General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Cover page
102-2	Activities, brands, products, and services	1
102-3	Location of headquarters	Cover page, 33
102-4	Location of operations	22-23
102-5	Ownership and legal form	Cover page
102-6	Markets served	22-23
102-7	Scale of the organisation	22-23
102-8	Information on employees and other workers	14-21, 61-63
102-9	Supply chain	59
102-10	Significant changes to the organisation and its supply chain	59
102-11	Precautionary principle or approach	40
102-12	External initiatives	35, 67-72
102-13	Membership of associations	14-21
Strategy		
102-14	Statement from senior decision-maker	4-7
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	1, 35, 58
Governance		
102-10	Governance structure	35, 41
Stakeholder Engagement		
102-40	List of stakeholder groups	38-39
102-61	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	38
102-43	Approach to stakeholder engagement	36
102-44	Key topics and concerns raised	38-39
Reporting Practice		
102-45	Entities included in the consolidated financial statements	3
102-67	Defining report content and topic Boundaries	34
102-47	List of material topics	36-37

SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Section Reference/Page
102-48	Restatements of information	No restatements of information
102-49	Changes in reporting	No significant changes in reporting
102-50	Reporting period	34
102-72	Date of most recent report	34
102-52	Reporting cycle	34
102-53	Contact point for questions regarding the report	Cover page
102-54	Claims of reporting in accordance with the GRI Standards	Cover page, 34
102-55	GRI content index	67-72
102-56	External assurance	34
Topic Specific Disclosures		
Economic Performance		
103-1	Explanation of the material topic and its Boundary	4-7
103-2	The management approach and its components	4-7
103-3	Evaluation of the management approach	8-13
201-1	Direct economic value generated and distributed	8-13
201-2	Financial implications and other risks and opportunities due to climate change	N/A
201-3	Defined benefit plan obligations and other retirement plans	61
201-4	Financial assistance received from government	N/A
Market Presence		
103-1	Explanation of the material topic and its Boundary	Not applicable as our business operation is only in Singapore.
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable as there is no minimum wage system in Singapore.
202-2	Proportion of senior management hired from the local community	31
Procurement Practices		
103-1	Explanation of the material topic and its Boundary	59
103-2	The management approach and its components	59
103-3	Evaluation of the management approach	59

SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Section Reference/Page
204-1	Proportion of spending on local suppliers	10 Majority of our business expenditures in Singapore is with locally registered companies.
Anti-Corruption		
103-1	Explanation of the material topic and its Boundary	58
103-2	The management approach and its components	58
103-3	Evaluation of the management approach	58
205-1	Operations assessed for risks related to corruption	58
205-2	Communication and training about anti-corruption policies and procedures	58
205-3	Confirmed incidents of corruption and actions taken	58
Environment		
Materials		
103-1	Explanation of the material topic and its Boundary	59
103-2	The management approach and its components	59
103-3	Evaluation of the management approach	59
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	59
103-2	The management approach and its components	59
103-3	Evaluation of the management approach	59
302-1	Energy consumption within the organisation	Not applicable as it is deemed to be immaterial.
302-2	Energy consumption outside of the organisation	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	60
103-2	The management approach and its components	60
103-3	Evaluation of the management approach	60
303-1	Water withdrawal by source	Not applicable as it is deemed to be immaterial.

SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Section Reference/Page
Effluent and Waste		
103-1	Explanation of the material topic and its Boundary	59-60
103-2	The management approach and its components	59-60
103-3	Evaluation of the management approach	59-60
306-1	Water discharge by quality and destination	59-60
306-2	Waste by type and disposal method	59-60
306-4	Transport of hazardous waste	59-60
Environmental Compliance		
103-1	Explanation of the material topic and its Boundary	40, 59
103-2	The management approach and its components	40, 59
103-3	Evaluation of the management approach	40, 59
307-1	Non-compliance with environmental laws and regulations	59
Social		
Employment		
103-1	Explanation of the material topic and its Boundary	40, 60-61
103-2	The management approach and its components	40, 60-61
103-3	Evaluation of the management approach	40, 60-61
401-1	New employee hires and employee turnover	61
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61-63
401-3	Parental leave	61
Labour-Management Relations		
103-1	Explanation of the material topic and its Boundary	40, 64
103-2	The management approach and its components	40, 64
103-3	Evaluation of the management approach	40, 64
402-1	Minimum notice periods regarding operational changes	64
Occupational Health and Safety		
103-1	Explanation of the material topic and its Boundary	40, 60
103-2	The management approach and its components	40, 60
103-3	Evaluation of the management approach	40, 60
403-1	Workers representation in formal joint management-worker health and safety committees	60
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	60
403-3	Workers with high incidence or high risk of diseases related to their occupation	60

SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Section Reference/Page
Training and Education		
103-1	Explanation of the material topic and its Boundary	40-62
103-2	The management approach and its components	40-62
103-3	Evaluation of the management approach	40-62
404-1	Average hours of training per year per employee	62-63
404-2	Programs for upgrading employee skills and transition assistance programs	62-63
404-3	Percentage of employees receiving regular performance and career development reviews	61
Diversity and Equal Opportunity		
103-1	Explanation of the material topic and its Boundary	64
103-2	The management approach and its components	64
103-3	Evaluation of the management approach	64
405-1	Diversity of governance bodies and employees	64
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	64
103-2	The management approach and its components	64
103-3	Evaluation of the management approach	64
406-1	Incidents of discrimination and corrective actions taken	64
Human Rights Assessment		
103-1	Explanation of the material topic and its Boundary	60
103-2	The management approach and its components	60
103-3	Evaluation of the management approach	60
612-1	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	40, 65
103-2	The management approach and its components	40, 65
103-3	Evaluation of the management approach	40, 65
613-1	Operations with local community engagement, impact assessments, and development programs	65-66
613-2	Operations with significant actual and potential negative impacts on local communities	65-66

SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Section Reference/Page
Customer Health and Safety		
103-1	Explanation of the material topic and its Boundary	60
103-2	The management approach and its components	60
103-3	Evaluation of the management approach	60
616-1	Assessment of the health and safety impacts of product and service categories	60
616-2	Incidents of non-compliance concerning the health and safety impacts of products and services	60
Marketing and Labeling		
103-1	Explanation of the material topic and its Boundary	60
103-2	The management approach and its components	60
103-3	Evaluation of the management approach	60
617-1	Requirements for product and service information and labeling	60
617-2	Incidents of non-compliance concerning product and service information and labeling	60
617-3	Incidents of non-compliance concerning marketing communications	60
Customer Privacy		
103-1	Explanation of the material topic and its Boundary	58-59
103-2	The management approach and its components	58-59
103-3	Evaluation of the management approach	58-59
610-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	58-59
Socioeconomic Compliance		
103-1	Explanation of the material topic and its Boundary	40-41, 58-59
103-2	The management approach and its components	40-41, 58-59
103-3	Evaluation of the management approach	40-41, 58-59
619-1	Non-compliance with laws and regulations in the social and economic area	40-41, 58-59

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.

OUR STRATEGIES AND FUTURE PLANS

Sustainable Development Strategies



Delivering New Lives (Babies)

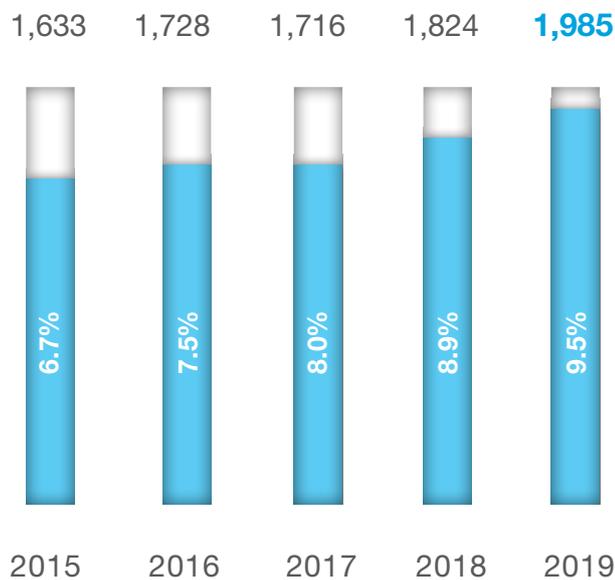
Continuing Patient Care and Support to New Lives (Babies) and Children

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

Delivering New Lives (Babies) in Singapore

2019 Highlights

No. of babies delivered by SOG



SOG delivered 1,985 babies or 9.5% market share of the private sector healthcare market. This is an increase of 0.6% market share of the private sector healthcare market as compared to FY 2018.

2020 Outlook

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

1. Lifting of age limit and increase in co-funding for Assisted Reproduction Technology treatments.
2. Provide more subsidies for child vaccinations and developmental screenings.
3. Additional subsidies for pre-schools and increase in provision of affordable and quality infant-care and childcare places.
4. Enhance healthcare support with MediShield Life extended to cover serious pregnancy and delivery-related complications.
5. Provide paternity leave for eligible working fathers.
6. Help couples get their own homes more quickly.
7. 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

2019 Highlights

Our Paediatrics segment has a direct correlation with that of the O&G segment i.e. market share in the number

OUR STRATEGIES AND FUTURE PLANS

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\$1.0 million to S\$4.7 million in FY 2019. During late FY 2018 and early FY 2019, we have recruited Dr. Christina Ong who sub-specialises in paediatric gastroenterology and Dr. Petrina Wong who sub-specialises in childhood respiratory and sleep conditions. With the sub-specialised services of our Paediatrics medical practitioners, we are able to provide a more holistic care and support to our patients.

2020 Outlook

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

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

2019 Highlights

Enhancing lives for our patients and their families

For our Dermatology segment, notwithstanding the challenges in Singapore's medical tourism and the increasingly competitive landscape, revenue contribution from this segment reduced marginally from S\$7.7 million to S\$7.4 million in FY 2019.

In late FY 2018, we have recruited Dr. Liew Hui Min as part of the Group's effort 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 one Breast Surgeon 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 2019, with revenue growth from S\$5.3 million to S\$6.2 million. We have also seen a rise in the number of surgeries performed.

Year	No. of Gynaecological Surgeries Performed	No. of Breast Surgeries Performed
2019	284	324
2018	213	214
2017	149	186
2016	153	139

2020 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 provided enhancing and synergistic possibilities to our core O&G business.

Preserving and extending lives for our patients and their families

Cancer cases have been rising over the years. One in every four to five people in Singapore may develop cancer in their lifetime and the number of people affected by cancer will continue to increase.

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.

Source:

<https://www.ica.gov.sg/news-and-publications/statistics>

<https://www.straittimes.com/singapore/health/more-financial-help-for-couples-seeking-fertility-treatments-subsidies-for>

<https://www.channelnewsasia.com/news/singapore/pre-school-subsidies-fees-increased-income-josephine-teo-11848782>

<https://www.channelnewsasia.com/news/singapore/medishield-life-coverage-extended-to-serious-pregnancy-delivery-11316798>

<https://www.channelnewsasia.com/news/singapore/singapore-total-fertility-rate-new-low-1-16-10002558>

<https://www.mom.gov.sg/employment-practices/leave/paternity-leave>

OUR STRATEGIES AND FUTURE PLANS

Future Plans

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

Expansion of new services based on our vision of 'To be 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



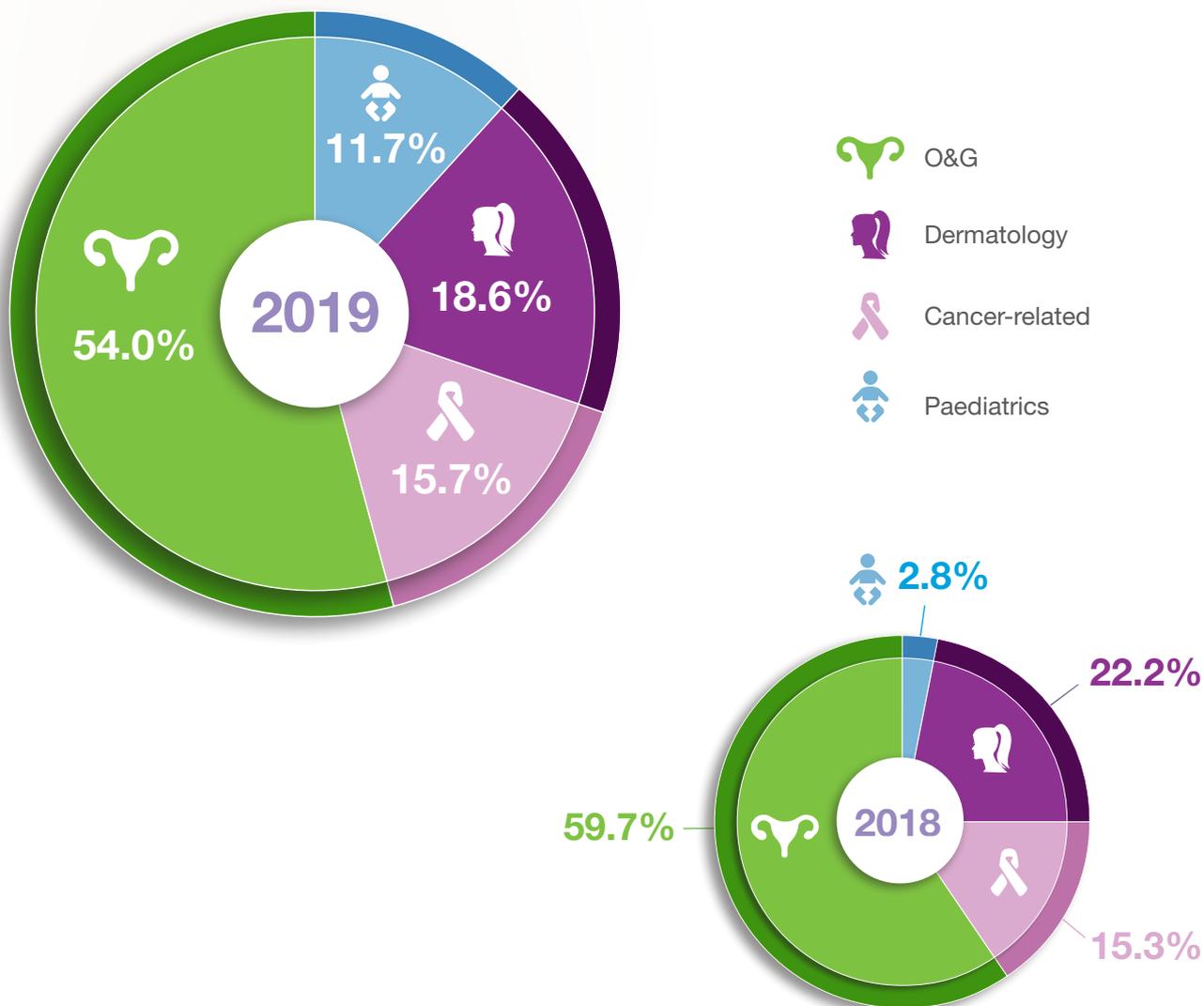
OUR STRATEGIES AND FUTURE PLANS

Where Are We Now

As a leading specialist healthcare group dedicated to women's and children's health and wellness, we strive to provide the full suite of services for all our patients and their families. In FY 2019, we continue to expand the depth and breadth of our healthcare services by growing our Paediatric and O&G segments. We have recruited two specialist medical practitioners namely Dr. Petrina Wong (Paediatrics - Respiratory & Sleep) and Dr. Clara Ong (Obstetrician & Gynaecologist) in February and May respectively.

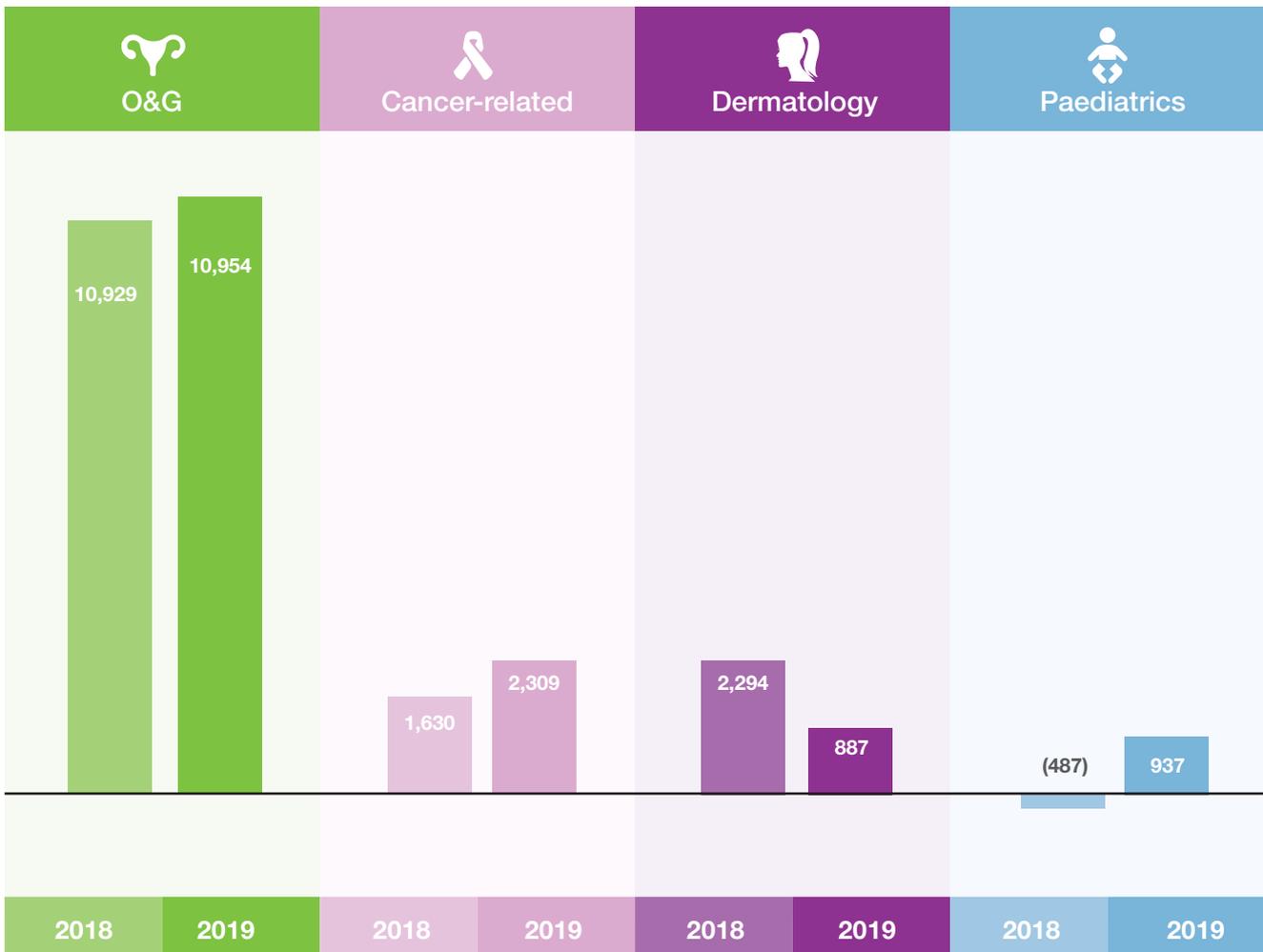
As at 31 December 2019, the Group has four operating segments: (1) O&G, (2) Cancer-related, (3) Dermatology, and (4) Paediatrics. In comparison to the previous financial year, the revenue and profit from operations contribution from our fifteen (15) specialist medical practitioners for FY 2019 are as follows:

Revenue by Operating Segments



OUR STRATEGIES AND FUTURE PLANS

Profit/ (Loss) from Operations by Operating Segments (S\$'000)



In FY 2019, we saw a remarkable growth in our Paediatrics segment as we added another specialist medical practitioner in the segment. The segment went from a loss from operations of S\$0.5 million for FY 2018 to a profit from operations of S\$1.0 million for FY 2019.

Likewise, our Cancer-related segment continues to grow with profit from operations improving by 41.7% from S\$1.6 million for FY 2018 to S\$2.3 million for FY 2019.

The number of babies delivered by our O&G segment in FY 2019 increased from 1,824 babies in FY 2018 to 1,985 babies in FY 2019. Profit from operations from our O&G segment grew marginally by 0.2% from S\$10.9 million for FY 2018 to S\$11.0 million for FY 2019.

We will continue to grow our four (4) segments and support our specialist medical practitioners in building up their patient loads especially for our junior medical practitioners. This will propel the Group to increase our market share in Singapore.

OUR STRATEGIES AND FUTURE PLANS

What We Aim to Achieve in the Future

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

1. Strengthen SOG's brand awareness and increase market share.
2. Recruit more Specialist Medical Practitioners to strengthen all business segments within the Group.
3. Increase the level of our inter-clinic referrals through synergy awareness.
4. Continue to grow our non-O&G business segments to increase their revenue and profit contribution to the Group.
5. Identify opportunities in business partnerships and collaborations, venturing into humanitarian and other ancillary perspective.



CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE AND CATALIST RULES

The Board of Directors (“**Board**”) of Singapore O&G Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining high standards of corporate governance and place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company’s corporate governance practices in place during the financial year ended 31 December 2019 (“**FY 2019**”), with specific reference made to the Code of Corporate Governance 2018 (the “**Code**”), its related practice guidance (“**PG**”), guidelines from Code of Corporate Governance 2012 (“**Code 2012**”) which are still in effect as well as the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”).

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company’s Compliance or Explanation
General	<p>(a) Has the Company complied with all the principles and guidelines of the Code?</p> <p>If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.</p> <p>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?</p>	<p>The Company has complied with the principles and guidelines as set out in the Code, Code 2012 and the Guide, where applicable.</p> <p>Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code, Code 2012 and/or the Guide.</p> <p>Not applicable. The Company did not adopt any alternative corporate governance practices in FY 2019.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE																																																	
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation																																															
BOARD MATTERS																																																	
THE BOARD'S CONDUCT OF AFFAIRS																																																	
1.1	<u>Board and Board Committees composition</u>	As at the date of this report, the Board has 7 members and comprises the following:																																															
		<table border="1"> <thead> <tr> <th colspan="2">Composition of the Board</th> <th colspan="3">Composition of the Board Committees C – Chairman M – Member</th> </tr> <tr> <th>Name of Director</th> <th>Designation</th> <th>AC⁽¹⁾</th> <th>NC⁽²⁾</th> <th>RC⁽³⁾</th> </tr> </thead> <tbody> <tr> <td>Dr. Beh Suan Tiong</td> <td>Executive Chairman</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>Dr. Lee Keen Whye</td> <td>Executive Director</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>Dr. Heng Tung Lan</td> <td>Executive Director</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>Mr. Ng Boon Yew</td> <td>Lead Independent Director</td> <td>C</td> <td>M</td> <td>–</td> </tr> <tr> <td>Mr. Chan Heng Toong</td> <td>Independent Director</td> <td>M</td> <td>C</td> <td>M</td> </tr> <tr> <td>Mr. Chooi Yee-Choong</td> <td>Independent Director</td> <td>–</td> <td>M</td> <td>C</td> </tr> <tr> <td>Ms. See Tho Soat Ching</td> <td>Independent Director</td> <td>M</td> <td>–</td> <td>M</td> </tr> </tbody> </table>			Composition of the Board		Composition of the Board Committees C – Chairman M – Member			Name of Director	Designation	AC ⁽¹⁾	NC ⁽²⁾	RC ⁽³⁾	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	C	M	–	Mr. Chan Heng Toong	Independent Director	M	C	M	Mr. Chooi Yee-Choong	Independent Director	–	M	C	Ms. See Tho Soat Ching	Independent Director	M	–	M
Composition of the Board		Composition of the Board Committees C – Chairman M – Member																																															
Name of Director	Designation	AC ⁽¹⁾	NC ⁽²⁾	RC ⁽³⁾																																													
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	C	M	–																																													
Mr. Chan Heng Toong	Independent Director	M	C	M																																													
Mr. Chooi Yee-Choong	Independent Director	–	M	C																																													
Ms. See Tho Soat Ching	Independent Director	M	–	M																																													
10.2		<p>Notes:</p> <p>(1) The Audit Committee (“AC”) comprises 3 members, all of whom, including the Chairman, are independent. All the members of the AC are non-executive Directors.</p>																																															
4.2		<p>(2) The Nominating Committee (“NC”) comprises 3 members, all of whom, including the Chairman, are independent. All member of the NC are non-executive Directors. The Lead Independent Director is a member of the NC.</p>																																															
6.2		<p>(3) The Remuneration Committee (“RC”) comprises 3 members, all of whom, including the Chairman, are independent. All the members of the RC are non-executive Directors.</p>																																															
	<u>Role of Board</u>	<p>Entrusted to lead and oversee the Group, the Board is to act in the best interests of the Group. In addition to its statutory duties, the Board's principle functions are:</p> <ul style="list-style-type: none"> 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; 																																															

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
	<p><u>Role of Board</u></p>	<ul style="list-style-type: none"> • 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 and specialist medical practitioners, 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 • 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. <p>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 as set out in Section 1.4 of Table I.</p>
	<p><u>Practices relating to conflict of interest</u></p>	<p>The Company has in place practices to address potential conflicts of interest. All Directors are required to notify the Company promptly of all conflicts of interest as soon as practicable as well as when required and refresh the required declarations annually. Directors are required to recuse themselves from all deliberations/voting in relation to the matters which he/she has a conflict of interest in, unless the Board is of the opinion that the participation of the conflicted Director is of the best interest to the Company.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
1.2	<p><u>Directors' training and orientation</u></p> <p>(a) Are new Directors given formal training? If not, please explain why.</p> <p>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</p>	<p>All newly appointed Directors will undergo an orientation programme conducted by the Chief Executive Officer (“CEO”), where the Director would be briefed on the Group’s businesses, Board processes, internal controls and governance practices. The orientation programme 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.</p> <p>In addition, as required under the SGX-ST Listing Manual: Section B: Rules of Catalist (“Catalist Rules”), a new Director who has no prior experience as a Director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training will be completed within one year of the appointment.</p> <p>The Board values on-going professional development and recognises that it is important that all Directors receive regular training to serve effectively on and contribute to the Board.</p> <p>To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development. Professional development may relate to a particular subject area, committee membership, or key developments in the Company’s environment, provided by accredited training providers. Directors are encouraged to consult the Chairman, CEO and NC if they consider that they personally, or the Board as a whole, would benefit from specific education or training on matters that fall within the responsibility of the Board or relate to the Company’s business. Such training costs are borne by the Company.</p> <p>The Directors are also provided with ongoing updates and/or briefings from time to time by the senior management of the Company, 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 and listing rules.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE																																			
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation																																	
	<u>Training attended for FY 2019</u>	<p>Courses, conferences and seminars attended by some of the Directors include:</p> <table border="1"> <thead> <tr> <th colspan="3">Table 1.2 – Training(s) attended by Directors in FY 2019</th> </tr> <tr> <th>Course Name</th> <th>Course Organiser</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>ACCA Annual conference</td> <td>ACCA</td> <td>Mr. Ng Boon Yew</td> </tr> <tr> <td>SID Conference</td> <td>Singapore Institute Of Directors</td> <td>Mr. Ng Boon Yew</td> </tr> <tr> <td>MAS Lecture</td> <td>Monetary Authority of Singapore</td> <td>Mr. Ng Boon Yew</td> </tr> <tr> <td>ACRA-SID-SGX 5th Audit Committee Seminar</td> <td>Jointly organised by ACRA, Singapore Institute Of Directors and SGX</td> <td>Mr. Chan Heng Toong</td> </tr> <tr> <td>SGX Regulatory Symposium</td> <td>SGX</td> <td>Mr. Chan Heng Toong</td> </tr> <tr> <td>SID – Asean Corporate Governance</td> <td>Singapore Institute Of Directors</td> <td>Mr. Chan Heng Toong</td> </tr> <tr> <td>Listed Company Director Essentials - LED 1, 2, 3, 4, 5, 6 & 8</td> <td>Singapore Institute Of Directors</td> <td>Ms. See Tho Soat Ching</td> </tr> <tr> <td>Cyber Security Threats and Data Breaches</td> <td>Singapore Institute Of Directors</td> <td>Ms. See Tho Soat Ching</td> </tr> <tr> <td>To speak or not to speak: Contentious Shareholder Meetings</td> <td>APIC Corporate Solutions</td> <td>Ms. See Tho Soat Ching</td> </tr> </tbody> </table>	Table 1.2 – Training(s) attended by Directors in FY 2019			Course Name	Course Organiser	Attendees	ACCA Annual conference	ACCA	Mr. Ng Boon Yew	SID Conference	Singapore Institute Of Directors	Mr. Ng Boon Yew	MAS Lecture	Monetary Authority of Singapore	Mr. Ng Boon Yew	ACRA-SID-SGX 5th Audit Committee Seminar	Jointly organised by ACRA, Singapore Institute Of Directors and SGX	Mr. Chan Heng Toong	SGX Regulatory Symposium	SGX	Mr. Chan Heng Toong	SID – Asean Corporate Governance	Singapore Institute Of Directors	Mr. Chan Heng Toong	Listed Company Director Essentials - LED 1, 2, 3, 4, 5, 6 & 8	Singapore Institute Of Directors	Ms. See Tho Soat Ching	Cyber Security Threats and Data Breaches	Singapore Institute Of Directors	Ms. See Tho Soat Ching	To speak or not to speak: Contentious Shareholder Meetings	APIC Corporate Solutions	Ms. See Tho Soat Ching
Table 1.2 – Training(s) attended by Directors in FY 2019																																			
Course Name	Course Organiser	Attendees																																	
ACCA Annual conference	ACCA	Mr. Ng Boon Yew																																	
SID Conference	Singapore Institute Of Directors	Mr. Ng Boon Yew																																	
MAS Lecture	Monetary Authority of Singapore	Mr. Ng Boon Yew																																	
ACRA-SID-SGX 5th Audit Committee Seminar	Jointly organised by ACRA, Singapore Institute Of Directors and SGX	Mr. Chan Heng Toong																																	
SGX Regulatory Symposium	SGX	Mr. Chan Heng Toong																																	
SID – Asean Corporate Governance	Singapore Institute Of Directors	Mr. Chan Heng Toong																																	
Listed Company Director Essentials - LED 1, 2, 3, 4, 5, 6 & 8	Singapore Institute Of Directors	Ms. See Tho Soat Ching																																	
Cyber Security Threats and Data Breaches	Singapore Institute Of Directors	Ms. See Tho Soat Ching																																	
To speak or not to speak: Contentious Shareholder Meetings	APIC Corporate Solutions	Ms. See Tho Soat Ching																																	
1.3	<u>Matters requiring Board's approval</u>	<p>Matters that require the Board's approval include:</p> <ul style="list-style-type: none"> • corporate strategies and business plans; • corporate policies; • Board structure; • material acquisitions and disposals; • corporate or financial restructuring; • all investments and divestments; • share issuance, dividend declarations or changes in capital; • budgets, financial results announcements, annual reports and audited financial statements; and • interested person transactions exceeding S\$100,000. 																																	
1.4	<u>Delegation to Board Committees</u>	<p>The Board delegated certain responsibilities to the AC, the RC and the NC (collectively, the “Board Committees”). The composition of the Board Committees is set out in Section 1.1 of Table I. The terms of reference of the AC, RC and NC are set out in Sections 4.1, 6.1 and 10.1 of Table I respectively.</p>																																	

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE																																																						
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation																																																				
1.5	<u>Attendance of Board and Board Committees</u>	<p>The Board meets on a quarterly basis, and as and when circumstances require. In FY 2019, the number of Board and Board Committee meetings held, and the attendance of each Board member are shown below.</p> <table border="1"> <thead> <tr> <th></th> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Number of Meetings Held</td> <td>5</td> <td>4</td> <td>1</td> <td>4</td> </tr> <tr> <td>Name of Director</td> <td colspan="4">Number of Meetings Attended</td> </tr> <tr> <td>Dr. Beh Suan Tiong</td> <td>5</td> <td>4*</td> <td>1*</td> <td>2*</td> </tr> <tr> <td>Dr. Lee Keen Whye</td> <td>5</td> <td>4*</td> <td>1*</td> <td>2*</td> </tr> <tr> <td>Dr. Heng Tung Lan</td> <td>5</td> <td>4*</td> <td>1*</td> <td>2*</td> </tr> <tr> <td>Mr. Ng Boon Yew</td> <td>5</td> <td>4</td> <td>1</td> <td>2*</td> </tr> <tr> <td>Mr. Chan Heng Toong</td> <td>4</td> <td>4</td> <td>1</td> <td>4</td> </tr> <tr> <td>Mr. Chooi Yee-Choong</td> <td>5</td> <td>4*</td> <td>1</td> <td>4</td> </tr> <tr> <td>Ms. See Tho Soat Ching</td> <td>4</td> <td>3</td> <td>1*</td> <td>4</td> </tr> </tbody> </table> <p>* by Invitation</p> <p>The Company's Constitution allow for meetings to be held through telephone and/or videoconference.</p>				Board	AC	NC	RC	Number of Meetings Held	5	4	1	4	Name of Director	Number of Meetings Attended				Dr. Beh Suan Tiong	5	4*	1*	2*	Dr. Lee Keen Whye	5	4*	1*	2*	Dr. Heng Tung Lan	5	4*	1*	2*	Mr. Ng Boon Yew	5	4	1	2*	Mr. Chan Heng Toong	4	4	1	4	Mr. Chooi Yee-Choong	5	4*	1	4	Ms. See Tho Soat Ching	4	3	1*	4
	Board	AC	NC	RC																																																		
Number of Meetings Held	5	4	1	4																																																		
Name of Director	Number of Meetings Attended																																																					
Dr. Beh Suan Tiong	5	4*	1*	2*																																																		
Dr. Lee Keen Whye	5	4*	1*	2*																																																		
Dr. Heng Tung Lan	5	4*	1*	2*																																																		
Mr. Ng Boon Yew	5	4	1	2*																																																		
Mr. Chan Heng Toong	4	4	1	4																																																		
Mr. Chooi Yee-Choong	5	4*	1	4																																																		
Ms. See Tho Soat Ching	4	3	1*	4																																																		
1.6	<p><u>Access to information</u></p> <p>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</p>	<p>Directors are provided with complete and adequate information related to agenda items in a timely manner for them to make informed decisions and discharge their duties and responsibilities.</p> <p>Management provides the Board with key information that is complete, adequate and timely prior to meetings and whenever required. The information provided to Directors for FY 2019 is set out in the table below.</p> <table border="1"> <thead> <tr> <th colspan="3">Table 1.6 – Types of information provided by Management</th> </tr> <tr> <th></th> <th>Information</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td> <td>Quarterly</td> </tr> <tr> <td>2.</td> <td>Updates to the Group's operations and the markets in which the Group operates in</td> <td>Quarterly</td> </tr> <tr> <td>3.</td> <td>Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis)</td> <td>Quarterly</td> </tr> <tr> <td>4.</td> <td>Reports on on-going or planned corporate actions</td> <td>Ad-hoc</td> </tr> <tr> <td>5.</td> <td>External Auditors' ("EA") and Internal auditors' ("IA") report(s)</td> <td>Annually</td> </tr> <tr> <td>6.</td> <td>Research report(s)</td> <td>Ad-hoc</td> </tr> <tr> <td>7.</td> <td>Shareholding statistics</td> <td>Annually</td> </tr> </tbody> </table>			Table 1.6 – Types of information provided by Management				Information	Frequency	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Quarterly	2.	Updates to the Group's operations and the markets in which the Group operates in	Quarterly	3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis)	Quarterly	4.	Reports on on-going or planned corporate actions	Ad-hoc	5.	External Auditors' ("EA") and Internal auditors' ("IA") report(s)	Annually	6.	Research report(s)	Ad-hoc	7.	Shareholding statistics	Annually																							
Table 1.6 – Types of information provided by Management																																																						
	Information	Frequency																																																				
1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Quarterly																																																				
2.	Updates to the Group's operations and the markets in which the Group operates in	Quarterly																																																				
3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis)	Quarterly																																																				
4.	Reports on on-going or planned corporate actions	Ad-hoc																																																				
5.	External Auditors' ("EA") and Internal auditors' ("IA") report(s)	Annually																																																				
6.	Research report(s)	Ad-hoc																																																				
7.	Shareholding statistics	Annually																																																				

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
		<p>Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information at least five days prior to the meetings to allow sufficient time for review by the Directors.</p> <p>Management will also on best endeavour, encrypt documents which bear material price sensitive information when circulating documents electronically. Management will also provide any additional material information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p>
1.7	<p><u>Change of company secretary</u></p> <p><u>Access to Management and company secretary</u></p> <p><u>Access to professional advice</u></p>	<p>The appointment and removal of the company secretary is a matter for the Board as a whole.</p> <p>Directors have separate and independent access to the Management and company secretary at all times.</p> <p>Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice at the Company's expense where required. The appointments of such independent professional advisors are subject to approval of the Board.</p>
BOARD COMPOSITION AND GUIDANCE		
2.1 2.2 2.3 3.3	<p><u>Board composition</u></p> <p>Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.</p> <p><u>Lead Independent Director</u></p>	<p>The Company complies with the Code as while the Chairman is not independent, Independent Directors make up a majority of the Board. As at the date of this Report, the Board comprises three (3) Executive Directors and four (4) Independent Directors.</p> <p>Mr. Ng Boon Yew has also been appointed as the Lead Independent Director of the Company and makes himself available to shareholders if they have concerns relating to matters that contact through the Chairman, CEO and/or Chief Financial Officer ("CFO") has failed to resolve, or where such contact is inappropriate or inadequate.</p> <p>The Lead Independent Director makes himself available to shareholders at the Company's general meetings and his email is stated on the Company's website at https://www.sog.com.sg/corporate-statements/, in the Company's Whistleblowing Policy Statement. The Lead Independent Director has the authority and is responsible 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 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 and/or the Board after such meetings.</p> <p>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.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
2.1 4.4 Code 2012 – Guideline 2.4	<p><u>Independence assessment of Directors</u></p> <p>(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code and Catalist Rules that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.</p> <p>(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.</p> <p><u>Independent Directors serving beyond nine years</u></p> <p>Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.</p>	<p>The Board considers the existence of relationships or circumstances, including those identified by the Code and Catalist Rules, that are relevant to determine whether a Director is independent. In addition, the NC reviews annually the independence of each individual Director.</p> <p>The NC has reviewed each Independent Director's declaration as set out in the Director's Independence Form in their assessment of independence and confirmed that the independence of the Independent Directors is in accordance with the Code, PG and Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code, PG and Catalist Rules.</p> <p>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 appointments on listed companies. 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 that Directors continually meet requirements of independence under the Code and Catalist Rules.</p> <p>There are no Directors who is deemed independent by the Board, notwithstanding the existence of a relationship that would otherwise deem him not to be independent.</p> <p>As required by Code 2012, the independence of any Director who served beyond nine years from the date of his/her first appointment should be subjected to particularly rigorous review.</p> <p>There are no Independent Directors who has served beyond nine years since the date of his/her first appointment.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE																													
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation																											
	<p><i>Board diversity</i></p> <p>(a) What is the Board's policy with regard to diversity in identifying Director nominees?</p> <p>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</p> <p>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</p>	<p>The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the policy is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.</p> <p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1"> <thead> <tr> <th colspan="3"><i>Table 2.4 – Diversity of the Board</i></th> </tr> <tr> <th></th> <th>Number of Directors</th> <th>Proportion of Board</th> </tr> </thead> <tbody> <tr> <td colspan="3">Core Competencies</td> </tr> <tr> <td>- Accounting or finance</td> <td>3</td> <td>43%</td> </tr> <tr> <td>- Business management</td> <td>4</td> <td>57%</td> </tr> <tr> <td>- Relevant industry knowledge or experience</td> <td>4</td> <td>57%</td> </tr> <tr> <td colspan="3">Gender</td> </tr> <tr> <td>- Male</td> <td>5</td> <td>71%</td> </tr> <tr> <td>- Female</td> <td>2</td> <td>29%</td> </tr> </tbody> </table> <p>The Board took the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> • Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and • Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. <p>The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.</p>	<i>Table 2.4 – Diversity of the Board</i>				Number of Directors	Proportion of Board	Core Competencies			- Accounting or finance	3	43%	- Business management	4	57%	- Relevant industry knowledge or experience	4	57%	Gender			- Male	5	71%	- Female	2	29%
<i>Table 2.4 – Diversity of the Board</i>																													
	Number of Directors	Proportion of Board																											
Core Competencies																													
- Accounting or finance	3	43%																											
- Business management	4	57%																											
- Relevant industry knowledge or experience	4	57%																											
Gender																													
- Male	5	71%																											
- Female	2	29%																											
2.5	<i>Meeting in the absence of the Management</i>	<p>The Independent Directors, led by the Lead Independent Director, held ad-hoc discussions via electronic communication to discuss concerns or matters such as the effectiveness of Management. Such discussions are conducted in the absence of key management personnel.</p> <p>For FY 2019, the Independent Directors met at least once in the absence of key management personnel.</p>																											

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE																				
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation																		
4.3	<p><u>Selecting, Appointment and Re-appointment of Directors</u></p> <p>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new Directors and (ii) re-electing incumbent Directors.</p>	<p>(f) 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 addressing 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;</p> <p>(g) recommending to the Board the review of Board's succession plans for Directors, in particular, the Chairman, and for the CEO;</p> <p>(h) 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;</p> <p>(i) 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</p> <p>(j) reviewing the training and professional development programs for the Board.</p> <p>For the review of succession plans and Board's composition for FY 2019, the NC also took into consideration the amendments to the Catalist Rules in relation to the continued appointment of an Independent Director who has served for an aggregate period of more than nine years, bearing in mind that the amendments will come into effect from 1 January 2022.</p> <table border="1"> <thead> <tr> <th colspan="3">Table 4.3(a) – Selection and Appointment of New Directors</th> </tr> <tr> <th colspan="3">The NC: -</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Determine selection criteria</td> <td> <ul style="list-style-type: none"> In consultation with the Board, identifies the current needs and inadequacies of the Board requires to complement and strengthen the Board. Determines the competencies required for the new appointment after such consultation. </td> </tr> <tr> <td>2.</td> <td>Candidate search</td> <td> <ul style="list-style-type: none"> Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. </td> </tr> <tr> <td>3.</td> <td>Assesses shortlisted candidates</td> <td> <ul style="list-style-type: none"> Meets and interviews the shortlisted candidates to assess their suitability. </td> </tr> <tr> <td>4.</td> <td>Proposes recommendations</td> <td> <ul style="list-style-type: none"> Makes recommendations for Board's consideration and approval. </td> </tr> </tbody> </table>	Table 4.3(a) – Selection and Appointment of New Directors			The NC: -			1.	Determine selection criteria	<ul style="list-style-type: none"> In consultation with the Board, identifies the current needs and inadequacies of the Board requires to complement and strengthen the Board. Determines the competencies required for the new appointment after such consultation. 	2.	Candidate search	<ul style="list-style-type: none"> Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. 	3.	Assesses shortlisted candidates	<ul style="list-style-type: none"> Meets and interviews the shortlisted candidates to assess their suitability. 	4.	Proposes recommendations	<ul style="list-style-type: none"> Makes recommendations for Board's consideration and approval.
Table 4.3(a) – Selection and Appointment of New Directors																				
The NC: -																				
1.	Determine selection criteria	<ul style="list-style-type: none"> In consultation with the Board, identifies the current needs and inadequacies of the Board requires to complement and strengthen the Board. Determines the competencies required for the new appointment after such consultation. 																		
2.	Candidate search	<ul style="list-style-type: none"> Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. 																		
3.	Assesses shortlisted candidates	<ul style="list-style-type: none"> Meets and interviews the shortlisted candidates to assess their suitability. 																		
4.	Proposes recommendations	<ul style="list-style-type: none"> Makes recommendations for Board's consideration and approval. 																		

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE								
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation						
		<p>Table 4.3(b) – Re-election of Incumbent Directors</p> <p>The NC: -</p> <table border="1"> <tr> <td>1.</td> <td>Assesses incumbent Director</td> <td> <ul style="list-style-type: none"> Assesses the performance of the Director in accordance with the performance criteria approved by the Board. Considers the current needs of the Board. </td> </tr> <tr> <td>2.</td> <td>Proposes re-appointment of Director</td> <td> <ul style="list-style-type: none"> Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment. </td> </tr> </table> <p>After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new Director and/or propose the re-election of the incumbent Director for shareholders' approval.</p> <p>Pursuant to Article 91 of the Company's Constitution, at least one-third of the Directors are required to retire by rotation and submit themselves for re-election at each annual general meeting of the Company. The Company's Constitution and the Catalist Rules, provides that all Directors shall retire by rotation at least once every three years and such retiring Director shall be eligible for re-election.</p> <p>The NC, with the respective member interested in the discussion having abstained from the deliberations, recommended that Dr. Heng Tung Lan, Dr. Beh Suan Tiong and Mr. Chooi Yee-Choong be nominated for re-election at the forthcoming Annual General Meeting ("AGM").</p> <p>Dr. Heng Tung Lan and Dr. Beh Suan Tong, upon re-election as Directors of the Company, will remain as Executive Directors. Dr. Beh Suan Tiong will also remain as the Chairman of the Board upon re-election. Mr. Chooi Yee-Choong will, upon re-election as a Director of the Company, remain as an Independent Director, Chairman of the Remuneration Committee, and a member of the Nominating Committee.</p>	1.	Assesses incumbent Director	<ul style="list-style-type: none"> Assesses the performance of the Director in accordance with the performance criteria approved by the Board. Considers the current needs of the Board. 	2.	Proposes re-appointment of Director	<ul style="list-style-type: none"> Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.
1.	Assesses incumbent Director	<ul style="list-style-type: none"> Assesses the performance of the Director in accordance with the performance criteria approved by the Board. Considers the current needs of the Board. 						
2.	Proposes re-appointment of Director	<ul style="list-style-type: none"> Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment. 						
4.5	<p><u>Assessment of Directors' duties</u></p> <p><u>Other listed company directorships and principal commitments of Directors</u></p>	<p>Assessment of the individual Directors' performance was based on the criteria set out in Section 5.1 of Table I. The assessment criteria were set out in the following documents, which were used to assess the performance and consider competing time commitments of the Directors:-</p> <ul style="list-style-type: none"> Director Assessment Checklist; and Performance Evaluation Form. <p>The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and principal commitments of each of the Directors (if any) as set out in the "Board of Directors" section of this Annual Report, and is satisfied that all Directors were able to diligently discharge their duties for FY 2019.</p>						

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
	<p><u>Multiple Directorships</u></p> <p>(a) What is the maximum number of listed company board representations that the Company has prescribed for its Directors? What are the reasons for this number?</p> <p>(b) If a maximum has not been determined, what are the reasons?</p> <p>(c) What are the specific considerations in deciding on the capacity of Directors?</p>	<p>The Board has set the maximum number of listed company board representations as not more than six (6) directorships.</p> <p>Having assessed the capacity of the Directors based on factors disclosed in Section 4.5(c) of Table I, the Board is of the view that this number would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge on board matters, hence ultimately benefitting the Company.</p> <p>Not Applicable.</p> <p>The specific considerations in assessing the capacity of Directors include:</p> <ul style="list-style-type: none"> • Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectations of the other listed directorships and principle commitments held.
PG 4	<p><u>Alternate Directors</u></p>	<p>Alternate Directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans.</p> <p>Notwithstanding the foregoing, the Board does not encourage the appointment of alternate Directors. The Company currently does not have any alternate Directors.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE																						
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation																				
BOARD PERFORMANCE																						
5.1	<u>Performance Criteria</u>	<p>Table 5 sets out the performance criteria, recommended by the NC and approved by the Board, to evaluate the effectiveness of the Board as a whole and assess the contribution by each Director.</p> <table border="1"> <thead> <tr> <th colspan="2">Table 5 – Performance Criteria</th> </tr> <tr> <th>Board</th> <th>Individual Directors</th> </tr> </thead> <tbody> <tr> <td>1. Size and composition</td> <td>1. Commitment of time</td> </tr> <tr> <td>2. Access to information</td> <td>2. Knowledge and abilities</td> </tr> <tr> <td>3. Board processes</td> <td>3. Teamwork</td> </tr> <tr> <td>4. Strategic planning</td> <td>4. Independence and objectivity</td> </tr> <tr> <td>5. Board accountability</td> <td>5. Integrity</td> </tr> <tr> <td>6. Succession planning</td> <td>6. Overall effectiveness</td> </tr> <tr> <td>7. Board effectiveness in its monitoring role and attainment of the strategic and long-term objectives</td> <td>7. Track record in good decision making</td> </tr> <tr> <td>8. Board Committees' performance in relation to discharging their responsibilities set out in their respective terms of reference</td> <td></td> </tr> </tbody> </table> <p>The NC would review the criteria periodically to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long-term shareholders value. In addition to the assessment criteria currently employed by the NC and approved by the Board, the NC may also consider including quantitative considerations in the assessment criteria, such as the Company's share price performance over a five-year period vis-à-vis the Singapore Straits Times Index and a benchmark index of its industry peers, return on assets, return on equity, return on investment, economic value added and profitability on capital employed. Any such amendment to the criteria used to assess performance of the Board, Board committees and individual Directors will be proposed by the NC to the Board for approval.</p> <p>The NC did not propose any changes to the performance criteria for FY 2019 as compared to the previous financial year as the Board composition and the Group's principal business activities remained the same.</p>	Table 5 – Performance Criteria		Board	Individual Directors	1. Size and composition	1. Commitment of time	2. Access to information	2. Knowledge and abilities	3. Board processes	3. Teamwork	4. Strategic planning	4. Independence and objectivity	5. Board accountability	5. Integrity	6. Succession planning	6. Overall effectiveness	7. Board effectiveness in its monitoring role and attainment of the strategic and long-term objectives	7. Track record in good decision making	8. Board Committees' performance in relation to discharging their responsibilities set out in their respective terms of reference	
Table 5 – Performance Criteria																						
Board	Individual Directors																					
1. Size and composition	1. Commitment of time																					
2. Access to information	2. Knowledge and abilities																					
3. Board processes	3. Teamwork																					
4. Strategic planning	4. Independence and objectivity																					
5. Board accountability	5. Integrity																					
6. Succession planning	6. Overall effectiveness																					
7. Board effectiveness in its monitoring role and attainment of the strategic and long-term objectives	7. Track record in good decision making																					
8. Board Committees' performance in relation to discharging their responsibilities set out in their respective terms of reference																						

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
5.2	<p><u>Performance Review</u></p> <p>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</p> <p>(b) Has the Board met its performance objectives?</p>	<p>The reviews of the performance of the Board, Board Committees and individual Directors are conducted by the NC annually and when the individual Director is due for re-election.</p> <p>For FY 2019, the review process was as follows:</p> <ol style="list-style-type: none"> All Directors individually completed the Director Assessment Checklist and Performance Evaluation Form on the effectiveness of the Board, Board Committees and the individual Directors based on criteria disclosed in Table 5 of Principle 5.1; The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; The NC discussed the report, and ascertained 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; and The results of the performance review were deliberated during the NC meeting and tabled at the Board meeting for further discussion. <p>All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance or re-appointment as a Director of the Company.</p> <p>No external facilitator was used in the evaluation process.</p> <p>Yes, the Board has met its performance objectives for FY 2019 .</p>
REMUNERATION MATTERS		
DEVELOPING REMUNERATION POLICIES		
6.1 6.3	<p><u>Role of the RC</u></p>	<p>The RC is guided by key terms of reference which includes:</p> <p>(a) reviewing and recommending to the Board for approval of the policy for determining the remuneration of the key executives of the Group, as follows:</p> <ul style="list-style-type: none"> Executive Directors; Specialist Medical Practitioners; CEO; and CFO. <p>(b) 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;</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
		<p>(c) 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 the Group;</p> <p>(d) 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;</p> <p>(e) reviewing and recommending to the Board the termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments, where applicable to each member of key management personnel;</p> <p>(f) seeking expert advice inside the Company and/or outside professional advice on remuneration of all Directors and key management personnel 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;</p> <p>(g) 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 fulfilment of performance hurdles under such plans;</p> <p>(h) reviewing the remuneration framework (including Directors' fees) for the Independent Directors of the Company; and</p> <p>(i) reviewing the remuneration of employees who are related to the Directors, CEO and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
		<p>The RC's review and recommendations cover all aspects including fees, salaries, allowance, bonuses, options, share-based incentives, awards and benefits-in-kind.</p> <p>Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.</p>
6.4	<u>Engagement of Remuneration Consultants</u>	During FY 2019, the Company engaged an independent remuneration consultant firm, Carrots Consulting Pte Ltd, for professional advice on the Company's remuneration framework of the key management personnel, specialist medical practitioners and employees to ensure that it is competitive and aligned to the market benchmark. The remuneration consultant does not have any relationships with the Company that may affect its independence and objectivity.
6.2	<u>"Claw-back" Provisions</u>	There are no contractual provisions which allows the Company to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.
LEVEL AND MIX OF REMUNERATION		
DISCLOSURE ON REMUNERATION		
7.1 7.2 7.3 8.1	<p><u>Remuneration Policy</u></p> <p><u>Remuneration Structure for Executive Directors and key management personnel</u></p> <p>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</p>	<p>The Company's remuneration policy which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff that total compensation has been linked to the achievement of organisational and individual performance objectives and benchmarked against relevant and comparative compensation in the market.</p> <p>The remuneration received by the Executive Directors and key management personnel takes into consideration his/her individual performance and contribution towards the overall performance of the Group for FY 2019. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives, for each individual role. 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.</p> <p>The remuneration structure is linked by incorporating key performance indicators, selected conditions in the share plans and performance conditions set out in Part (b) of this section. The senior management proposes the compensation for the Executive Directors and key management personnel for the RC's review, which would thereafter recommend the Executive Directors' and key management personnel's compensation for the Board's approval.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE								
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation						
	<p><u>Performance Criteria</u></p> <p>(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?</p> <p>(c) Were all of these performance conditions met? If not, what were the reasons?</p>	<p>The following performance conditions for determining incentive plans were chosen to motivate Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:</p> <table border="1"> <thead> <tr> <th colspan="2"><i>Table 7.1 - Performance Criteria</i></th> </tr> </thead> <tbody> <tr> <td>Qualitative</td> <td> <ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Talent Retention 6. Current market and industry practices </td> </tr> <tr> <td>Quantitative</td> <td> <ol style="list-style-type: none"> 1. NPAT growth 2. Revenue growth </td> </tr> </tbody> </table> <p>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY 2019.</p>	<i>Table 7.1 - Performance Criteria</i>		Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Talent Retention 6. Current market and industry practices 	Quantitative	<ol style="list-style-type: none"> 1. NPAT growth 2. Revenue growth
<i>Table 7.1 - Performance Criteria</i>								
Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Talent Retention 6. Current market and industry practices 							
Quantitative	<ol style="list-style-type: none"> 1. NPAT growth 2. Revenue growth 							
7.2	<p><u>Remuneration Structure of Non-Executive Directors</u></p>	<p>Non-Executive Directors will each receive their Directors' fees in cash. Directors' fees are subjected to shareholders' approval at a general meeting. The fees for the financial year in review are determined in the current financial year, proposed by the Management, submitted to the RC for review and thereafter recommended to the Board for approval.</p> <p>The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY 2019 is appropriate, considering the effort, time spent and responsibilities of said Directors.</p>						

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE																																																																																																	
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation																																																																																															
8.1 (a) 8.1 (b)	(a) Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The breakdown for the remuneration of the Directors and the CEO for FY 2019 is as follows:</p> <table border="1"> <thead> <tr> <th colspan="7"><i>Table 8.1(a) - Directors' and CEO's Remuneration</i></th> </tr> <tr> <th>Name</th> <th>Remuneration (\$\$)</th> <th>Directors Fees (%)</th> <th>Salaries (%)</th> <th>Variable/ Performance Bonus for FY 2019 (%)</th> <th>Employer CPF Contribution (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="7">Executive Directors</td> </tr> <tr> <td>Dr. Beh Suan Tiong</td> <td>453,360</td> <td>-</td> <td>97.9</td> <td>-</td> <td>2.1</td> <td>100.0</td> </tr> <tr> <td>Dr. Heng Tung Lan</td> <td>1,138,091</td> <td>-</td> <td>91.1</td> <td>7.1</td> <td>1.8</td> <td>100.0</td> </tr> <tr> <td>Dr. Lee Keen Whye</td> <td>421,563</td> <td>-</td> <td>87.9</td> <td>11.3</td> <td>0.8</td> <td>100.0</td> </tr> <tr> <td colspan="7">Independent Directors</td> </tr> <tr> <td>Mr. Ng Boon Yew</td> <td>45,000</td> <td>100.0</td> <td>-</td> <td>-</td> <td>-</td> <td>100.0</td> </tr> <tr> <td>Mr. Chan Heng Toong</td> <td>45,000</td> <td>100.0</td> <td>-</td> <td>-</td> <td>-</td> <td>100.0</td> </tr> <tr> <td>Mr. Chooi Yee-Choong</td> <td>39,000</td> <td>100.0</td> <td>-</td> <td>-</td> <td>-</td> <td>100.0</td> </tr> <tr> <td>Ms. See Tho Soat Ching</td> <td>39,000</td> <td>100.0</td> <td>-</td> <td>-</td> <td>-</td> <td>100.0</td> </tr> <tr> <td colspan="7">CEO</td> </tr> <tr> <td>Dr. Lau Eng Kien⁽¹⁾</td> <td>N/A⁽²⁾</td> <td>-</td> <td>77.6</td> <td>17.9⁽³⁾</td> <td>4.5</td> <td>100.0</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) Resigned with effect from 31 January 2020.</p> <p>(2) The Board, taking into consideration the competitive business environment, decided not to disclose the remuneration amounts of the CEO.</p> <p>(3) Variable/Performance bonus for FY 2019 is subject to RC and Board's approval.</p> <p>There was no termination, retirement and post-employment benefits that may be granted to the Directors and the CEO.</p>					<i>Table 8.1(a) - Directors' and CEO's Remuneration</i>							Name	Remuneration (\$\$)	Directors Fees (%)	Salaries (%)	Variable/ Performance Bonus for FY 2019 (%)	Employer CPF Contribution (%)	Total (%)	Executive Directors							Dr. Beh Suan Tiong	453,360	-	97.9	-	2.1	100.0	Dr. Heng Tung Lan	1,138,091	-	91.1	7.1	1.8	100.0	Dr. Lee Keen Whye	421,563	-	87.9	11.3	0.8	100.0	Independent Directors							Mr. Ng Boon Yew	45,000	100.0	-	-	-	100.0	Mr. Chan Heng Toong	45,000	100.0	-	-	-	100.0	Mr. Chooi Yee-Choong	39,000	100.0	-	-	-	100.0	Ms. See Tho Soat Ching	39,000	100.0	-	-	-	100.0	CEO							Dr. Lau Eng Kien ⁽¹⁾	N/A ⁽²⁾	-	77.6	17.9 ⁽³⁾	4.5	100.0
<i>Table 8.1(a) - Directors' and CEO's Remuneration</i>																																																																																																	
Name	Remuneration (\$\$)	Directors Fees (%)	Salaries (%)	Variable/ Performance Bonus for FY 2019 (%)	Employer CPF Contribution (%)	Total (%)																																																																																											
Executive Directors																																																																																																	
Dr. Beh Suan Tiong	453,360	-	97.9	-	2.1	100.0																																																																																											
Dr. Heng Tung Lan	1,138,091	-	91.1	7.1	1.8	100.0																																																																																											
Dr. Lee Keen Whye	421,563	-	87.9	11.3	0.8	100.0																																																																																											
Independent Directors																																																																																																	
Mr. Ng Boon Yew	45,000	100.0	-	-	-	100.0																																																																																											
Mr. Chan Heng Toong	45,000	100.0	-	-	-	100.0																																																																																											
Mr. Chooi Yee-Choong	39,000	100.0	-	-	-	100.0																																																																																											
Ms. See Tho Soat Ching	39,000	100.0	-	-	-	100.0																																																																																											
CEO																																																																																																	
Dr. Lau Eng Kien ⁽¹⁾	N/A ⁽²⁾	-	77.6	17.9 ⁽³⁾	4.5	100.0																																																																																											

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE																																
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation																														
	<p>(b) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</p> <p>(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</p>	<p>Given the size and nature of the Company's business, the Company has only identified two (2) top key management personnel.</p> <p>The breakdown for the remuneration of the Company's key management personnel, i.e. the CFO and Chief Administration Officer of the Company (who is not a Director or the CEO) for FY 2019 is as follows:</p> <table border="1"> <thead> <tr> <th colspan="5">Table 8.1(b) – Remuneration of Key Management Personnel</th> </tr> <tr> <th>Name</th> <th>Salary (%)</th> <th>Variable/ Performance Bonus for FY 2019 (%)</th> <th>Employer CPF Contribution (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5">Between S\$250,000 to S\$500,000</td> </tr> <tr> <td>Ms. Doreen Chew Wai Yin</td> <td>70.5</td> <td>22.4⁽²⁾</td> <td>7.1</td> <td>100.0</td> </tr> <tr> <td colspan="5">Below S\$250,000</td> </tr> <tr> <td>Ms. Heng Tong Bwee⁽¹⁾</td> <td>93.3</td> <td>–</td> <td>6.7</td> <td>100.0</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) Retired on 31 March 2019</p> <p>(2) Variable/Performance bonus for FY 2019 is subject to RC and Board's approval.</p> <p>There was no termination, retirement and post-employment benefits that may be granted to the top key management personnel.</p> <p>Given the highly competitive conditions of the Group's industry, and the prevalent poaching of experienced executives, the Company believes that the disclosure of the total remuneration of its top key management personnel as recommended by the Code may not be in the best interest of the Group. Nevertheless, the Company has sought to provide the remuneration of its key management personnel in the bands of S\$250,000 and also a breakdown in percentage terms.</p>	Table 8.1(b) – Remuneration of Key Management Personnel					Name	Salary (%)	Variable/ Performance Bonus for FY 2019 (%)	Employer CPF Contribution (%)	Total (%)	Between S\$250,000 to S\$500,000					Ms. Doreen Chew Wai Yin	70.5	22.4 ⁽²⁾	7.1	100.0	Below S\$250,000					Ms. Heng Tong Bwee ⁽¹⁾	93.3	–	6.7	100.0
Table 8.1(b) – Remuneration of Key Management Personnel																																
Name	Salary (%)	Variable/ Performance Bonus for FY 2019 (%)	Employer CPF Contribution (%)	Total (%)																												
Between S\$250,000 to S\$500,000																																
Ms. Doreen Chew Wai Yin	70.5	22.4 ⁽²⁾	7.1	100.0																												
Below S\$250,000																																
Ms. Heng Tong Bwee ⁽¹⁾	93.3	–	6.7	100.0																												
8.2	<p><u>Related Employees</u></p> <p>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S\$100,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</p>	<p>The table sets out the list of employees who is a substantial shareholder, immediate family member of a substantial shareholder, Director or the CEO.</p> <table border="1"> <thead> <tr> <th colspan="2">Table 8.2 – Remuneration of Related Employees</th> </tr> <tr> <th>Name</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td colspan="2">Between S\$100,000 and S\$150,000</td> </tr> <tr> <td>Ms. Heng Siok Hong Veronica</td> <td>Wife of Dr. Beh Suan Tiong, the Executive Chairman and Substantial Shareholder</td> </tr> </tbody> </table>	Table 8.2 – Remuneration of Related Employees		Name	Relationship	Between S\$100,000 and S\$150,000		Ms. Heng Siok Hong Veronica	Wife of Dr. Beh Suan Tiong, the Executive Chairman and Substantial Shareholder																						
Table 8.2 – Remuneration of Related Employees																																
Name	Relationship																															
Between S\$100,000 and S\$150,000																																
Ms. Heng Siok Hong Veronica	Wife of Dr. Beh Suan Tiong, the Executive Chairman and Substantial Shareholder																															
8.3	<p><u>Employee Share Scheme(s)</u></p>	<p>Information on the SOG Share Option Scheme and SOG Performance Share Plan is set out on page 112 to 113 of this Annual Report.</p>																														

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
RISK MANAGEMENT AND INTERNAL CONTROLS		
9 9.1	<p><u>Risk Governance by the Board</u></p> <p><u>Identification of the Group's risks</u></p> <p><u>Management of risks</u></p>	<p>The Board, with the assistance of the AC, is responsible for the overall risk governance, risk management and internal control systems and framework of the Group.</p> <p>The Audit Committee has tasked the CFO to assist the Board in discharge of the compliance duties such as the review and implementation of the overall risk management philosophy, guidelines and major policies for effective risk management, including the risk profile, risk tolerance level and risk strategy.</p> <p>The Group has in place an Enterprise Risk Management (“ERM”) system and aims to mitigate the exposures through appropriate risk management strategies and internal controls, which parameters have been reviewed and approved by the Board on an annual basis. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure strategic, business, operational, financial, reporting, compliance and information technology risk exposures are identified and appropriately managed.</p> <p>Operational business risks are identified, addressed and reviewed on an ongoing basis by the Management. The Management then reports and updates the AC on a regular basis. For material risks which includes breaches in regulations or events that would potentially incur substantial damages/loss, the Board has a practice in place, whereby the Board is notified of such major incidents to be able to provide oversight and advise the Management accordingly.</p> <p>For FY 2019, the Board and AC has reviewed that the Group's key risks largely lies in the area of financial, operational, compliance, information technology and data security. They have been mitigated by way of enhancing and improving the Group's existing risk management and internal controls framework.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
9.2	<p><u>Confirmation of Internal Controls</u></p> <p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p> <p>(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</p>	<p>The Board and the AC are of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY 2019.</p> <p>The bases for the Board's view are as follows:</p> <ol style="list-style-type: none"> 1. Assurance has been received from the CEO and CFO (refer to Section 9.2(b) of Table I); 2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. Key management personnel evaluates, monitors material risks and reports to the AC on a regular basis; 4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; 5. An enterprise risk management framework was established to identify, manage and mitigate significant risks; and 6. Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels. <p>Yes, the Board has obtained such assurance from the CEO and CFO in respect of FY 2019.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
AUDIT COMMITTEE		
10.1 10.3	<u>Role of the AC</u>	<p>All members of the AC are Non-Executive Directors who are independent and do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within a period of two years commencing on the date of their ceasing to be a partner of the external audit firm and none of the AC members hold any financial interest in the external audit firm.</p> <p>The AC is guided by its key terms of reference, which includes:</p> <ul style="list-style-type: none"> (a) 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; (b) 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; (c) 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); (d) 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; (e) reviewing the assurance from the CEO and the CFO on the financial records and financial statements; (f) 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; (g) consider and make recommendations to the Board on the proposals to shareholders on the appointment or re-appointment of the external and internal auditors and matters relating to resignation or dismissal of the external and internal auditors; (h) consider and make recommendations to the Board on the proposals to shareholders on the remuneration and terms of engagement of the external and internal auditors; (i) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; (j) reviewing transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
	<u>Whistle Blowing Policy</u>	<p>(k) reviewing potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;</p> <p>(l) reviewing the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;</p> <p>(m) 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;</p> <p>(n) 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;</p> <p>(o) reviewing annually the cost effectiveness of the audit, independence, objectivity and performance of the internal and external auditors;</p> <p>(p) 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</p> <p>(q) 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.</p> <p>The Company's employees (including specialist medical practitioners) and any other stakeholders concerned such as patients and their families, suppliers, competitors and contractors may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to the following channels:</p> <ol style="list-style-type: none"> Audit Committee Chairman Mr. Ng Boon Yew boonyew@rafflescampus.edu.sg Auditors Foo Kon Tan LLP Attention to Audit Partner-in-charge: Mr. Chan Ser ser.chan@fookontan.com
10.2	<u>Qualification of the AC members</u>	<p>Yes. The Board considers Mr. Ng Boon Yew, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Mr. Chan Heng Toong and Ms. See Tho Soat Ching of the AC also have recent and relevant experience in accounting and financial management.</p> <p>Further details on the key information and profile of the AC members, including their academic and professional qualifications, are presented under the "Board of Directors" sections of this Annual Report.</p> <p>The members of the AC collectively have strong accounting and related financial management expertise and experience and are appropriately qualified to discharge their responsibilities.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
10.4	<u>Internal Audit Function</u>	<p>The Company's internal audit function is outsourced to BDO LLP that reports directly to the AC Chairman and administratively to the Management. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.</p> <p>The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit plan complements that of the external auditors and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems.</p> <p>The AC is satisfied that internal auditor is able to discharge its duties effectively as the internal auditor:</p> <ul style="list-style-type: none"> • is adequately qualified, given that it is a member of the Institute of Internal Auditors and it adheres to the Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors; • is adequately resourced; and • has the appropriate standing in the Company, given, inter alia, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.
10.5	<u>Met Auditors in Management's Absence</u>	The AC has met with the IA and the EA once in the absence of key management personnel in FY 2019.
SHAREHOLDER RIGHTS AND ENGAGEMENT		
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
11.1	<u>Shareholders' Participation at General Meetings</u> <u>Appointment of Proxies</u>	<p>Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders.</p> <p>The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings. Specified intermediaries, such as banks and capital markets services licence holders which provide custodial services, may appoint more than two proxies.</p>
11.2	<u>Bundling of Resolutions</u>	Resolutions requiring shareholders' approval are tabled separately for adoption at the Company's general meetings unless they are closely related and are more appropriately tabled together. Reasons, and implications of why resolutions are bundled will be set out in the circulars sent out.
11.3	<u>Directors' Attendance</u>	The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. All Directors attended the annual general meeting for the Company's financial year ended 31 December 2018 ("FY 2018 AGM"), held on 26 April 2019.

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
11.4	<u>Absentia Voting</u>	The Company's Constitution allows for absentia voting, (including but not limited to the voting by mail, electronic mail or facsimile). However, 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.
11.5	<u>Publication of Minutes</u>	All minutes of general meetings, including the substantial and relevant comments or queries raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management, will be made available to shareholders via SGXNET and on the Company's website at https://www.sog.com.sg within 3 days from the date of the general meeting, together with the Corporate Presentation slides that were presented to shareholders at the general meeting (if any).
11.6	<u>Dividend Policy</u> (a) Does the Company have a dividend policy? (b) Is the Company paying dividends for the financial year? If not, please explain why.	<p>The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, inter alia, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.</p> <p>No final dividend is recommended for FY 2019.</p> <p>The Company has paid an interim dividend of 0.62 Singapore cents per ordinary share for FY 2019 on 3 September 2019.</p>
ENGAGEMENT WITH SHAREHOLDERS		
12.1 12.2 12.3 13.3	<u>Communication with Shareholders</u> (a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors? (b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	<p>The Company solicits feedback from and addresses the concerns of shareholders (including institutional and retail investors) via:</p> <ul style="list-style-type: none">• its external investor relations firm, August Consulting Pte Ltd, whose contact details can be found at the end of press statements released by the Company via SGXNET;• investor/analyst briefings; and• the corporate email address on its website. <p>The Company held 3 investor briefings in FY 2019 to meet with its institutional and retail investors. In FY 2019, the Management has also briefed shareholders on the Company's performance during the FY 2018 AGM.</p> <p>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.</p> <p>In addition, the Company has in place a dedicated section of its website labelled "Investor Relations" at https://sog.listedcompany.com/, to promote regular, effective and fair communication. The Company's investor relations website is a key resource of information for the investment community. It contains comprehensive information on the Company, including investor presentations, annual reports, past financial results and announcements, upcoming events, shares and dividend information.</p>

CORPORATE GOVERNANCE REPORT

TABLE I - COMPLIANCE WITH THE CODE		
Principle / Provision	Code and/or Guide Description	Company's Compliance or Explanation
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	<p>Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at https://sog.listedcompany.com/. All materials presented in general meetings are uploaded on the SGXNET.</p> <p>For enquires and all other matters, Shareholders and all other parties can contact the Company at ir@sog.com.sg.</p>
MANAGING STAKEHOLDERS RELATIONSHIP		
ENGAGEMENT WITH STAKEHOLDERS		
13.1 13.2	<i>Stakeholders Management</i>	<p>The Company undertakes an annual review in identifying its material stakeholders. It assesses the material environmental, social and governance factors that affects the Group.</p> <p>Please refer to the Company's latest sustainability report in this annual report for the assessment process and how such relationships with stakeholders are managed.</p>

CORPORATE GOVERNANCE REPORT

TABLE II - COMPLIANCE WITH CATALIST RULES																	
Rule	Rule Description	Company's Compliance or Explanation															
720(5)	<u>Information relating to Directors seeking re-election</u>	In addition to the information relating to the Directors seeking re-election as per Appendix 7F of the Catalist Rules, which are set out on page 178 to 185 of this Annual Report, there is no change to the disclosures of each Directors for the disclosures labelled (a) to (k) as per previously announced.															
1204(6)(A)	<u>Non-audit fees</u> (a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	<table border="1"> <thead> <tr> <th colspan="3">Table 1204(6)(A) – Fees Paid/Payable to the EA for FY 2019</th> </tr> <tr> <th></th> <th>S\$</th> <th>% of total</th> </tr> </thead> <tbody> <tr> <td>Audit fees</td> <td>176,500</td> <td>100</td> </tr> <tr> <td>Non-Audit Fees</td> <td>–</td> <td>–</td> </tr> <tr> <td>Total</td> <td>176,500</td> <td>100</td> </tr> </tbody> </table>	Table 1204(6)(A) – Fees Paid/Payable to the EA for FY 2019				S\$	% of total	Audit fees	176,500	100	Non-Audit Fees	–	–	Total	176,500	100
Table 1204(6)(A) – Fees Paid/Payable to the EA for FY 2019																	
	S\$	% of total															
Audit fees	176,500	100															
Non-Audit Fees	–	–															
Total	176,500	100															
1204(6)(B)	<u>Confirmation by AC</u> (b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.	There were no non-audit services rendered during FY 2019.															
1204(6)(C)	<u>Appointment of Auditors</u>	The Company confirms its compliance to Rules 712 and 715 of the Catalist Rules.															
1204(8)	<u>Material Contracts</u>	Save for the service agreements between the Executive Directors and the Company, there were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY 2019 or if not then subsisting, entered into since the end of the previous financial year.															
1204(10)	<u>Adequacy of Internal Controls</u>	Please refer to the confirmation provided by the Board in Section 9.2 of Table I.															
1204(10B)	<u>Adequacy of Internal Audit Function</u>	The AC is of the opinion that the internal audit function is independent, effective and adequately resourced.															

CORPORATE GOVERNANCE REPORT

TABLE II - COMPLIANCE WITH CATALIST RULES															
Rule	Rule Description	Company's Compliance or Explanation													
1204(17)	<u>Interested Person Transactions ("IPT")</u>	<p>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Name of interested person</th> <th style="width: 25%;">Nature of relationship</th> <th style="width: 25%;">Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$</th> <th style="width: 25%;">Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$</th> </tr> </thead> <tbody> <tr> <td>Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd.</td> <td>Leasing of Gleneagles Clinic from Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd. in which Dr. Lee Keen Whye, an Executive Director of the Group, is a director and shareholder of Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd.</td> <td style="text-align: center;">274,992</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Lee & Lee Clinic Pte. Ltd.</td> <td>Leasing of Gleneagles Clinic from Lee & Lee Clinic Pte. Ltd. in which Dr. Lee Keen Whye, an Executive Director of the Group, is a director and shareholder of Lee & Lee Clinic Pte. Ltd.</td> <td style="text-align: center;">105,842</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>Save as disclosed, there were no IPTs with value of more than S\$100,000 transacted during FY 2019.</p>		Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$	Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd.	Leasing of Gleneagles Clinic from Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd. in which Dr. Lee Keen Whye, an Executive Director of the Group, is a director and shareholder of Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd.	274,992	-	Lee & Lee Clinic Pte. Ltd.	Leasing of Gleneagles Clinic from Lee & Lee Clinic Pte. Ltd. in which Dr. Lee Keen Whye, an Executive Director of the Group, is a director and shareholder of Lee & Lee Clinic Pte. Ltd.	105,842	-
Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$												
Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd.	Leasing of Gleneagles Clinic from Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd. in which Dr. Lee Keen Whye, an Executive Director of the Group, is a director and shareholder of Lee & Lee Clinic Pte. Ltd. and Avesa Pte. Ltd.	274,992	-												
Lee & Lee Clinic Pte. Ltd.	Leasing of Gleneagles Clinic from Lee & Lee Clinic Pte. Ltd. in which Dr. Lee Keen Whye, an Executive Director of the Group, is a director and shareholder of Lee & Lee Clinic Pte. Ltd.	105,842	-												

CORPORATE GOVERNANCE REPORT

TABLE II - COMPLIANCE WITH CATALIST RULES																											
Rule	Rule Description	Company's Compliance or Explanation																									
1204(19)	<u>Dealing in Securities</u>	<p>The Company has adopted an internal code of conduct which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.</p> <p>The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the period beginning two weeks and one month before the announcement of the Company's quarterly and full-year financial statements respectively, and ending on the date of the announcement of the relevant results. With effect from 7 February 2020, the Company had transitioned to half-yearly financial reporting, and will update the internal code of conduct accordingly. Independent Directors are prohibited from selling/disposing their shares prior to leaving the Group.</p>																									
1204(21)	<u>Non-sponsor Fees</u>	No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY 2019.																									
1204(22)	<u>Use of IPO Proceeds</u>	<p>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.</p> <p>As at the date of this Annual Report, the use of IPO proceeds are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Amount Allocated</th> <th>Amount Utilised</th> <th>Amount Unutilised</th> </tr> <tr> <th>Use of IPO proceeds</th> <th>S\$'000</th> <th>S\$'000</th> <th>S\$'000</th> </tr> </thead> <tbody> <tr> <td>Expansion of business operations¹</td> <td>3,000</td> <td>(1,177)</td> <td>1,823</td> </tr> <tr> <td>Investments in healthcare professionals and synergistic businesses²</td> <td>6,000</td> <td>(6,000)</td> <td>–</td> </tr> <tr> <td>Working capital purposes³</td> <td>200</td> <td>(200)</td> <td>–</td> </tr> <tr> <td>Total</td> <td>9,200</td> <td>(7,377)</td> <td>1,823</td> </tr> </tbody> </table> <p>Notes:</p> <p>1. The amount of S\$1.2 million from the expansion of business operations category has been mainly utilised for the set-up cost of the following clinics:</p> <ul style="list-style-type: none"> • 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; • S\$0.1 million for SOG-Clinic for Children (Gastroenterology Liver), located at Mount Elizabeth Novena Specialist Centre #07-53 in November 2018; • S\$0.3 million for SOG Dermatology (Gleneagles), located at Gleneagles Medical Centre #06-01 in January 2019; • S\$0.1 million for SOG-Clinic for Children (Gleneagles), located at Gleneagles Medical Centre #08-14 in February 2019; and • S\$0.1 million for SOG-Clara Ong Clinic for Women located at Gleneagles Medical Centre #08-15/16 in May 2019. 			Amount Allocated	Amount Utilised	Amount Unutilised	Use of IPO proceeds	S\$'000	S\$'000	S\$'000	Expansion of business operations ¹	3,000	(1,177)	1,823	Investments in healthcare professionals and synergistic businesses ²	6,000	(6,000)	–	Working capital purposes ³	200	(200)	–	Total	9,200	(7,377)	1,823
	Amount Allocated	Amount Utilised	Amount Unutilised																								
Use of IPO proceeds	S\$'000	S\$'000	S\$'000																								
Expansion of business operations ¹	3,000	(1,177)	1,823																								
Investments in healthcare professionals and synergistic businesses ²	6,000	(6,000)	–																								
Working capital purposes ³	200	(200)	–																								
Total	9,200	(7,377)	1,823																								

CORPORATE GOVERNANCE REPORT

TABLE II - COMPLIANCE WITH CATALIST RULES		
Rule	Rule Description	Company's Compliance or Explanation
		<p>2. The amount of S\$6.0 million from 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 JL Acquisition in January 2016, in accordance with the terms and conditions of the Framework Agreement dated 4 November 2015 and the Sale and Purchase Agreement dated 31 December 2015.</p> <p>3. The amount of S\$0.2 million from the working capital purposes category has been utilised for the working capitals of SOG Dermatology (Gleneagles) and SOG-Clinic for Children (Gleneagles), as disclosed in the Company's Q1 2019 announcement dated 9 May 2019.</p> <p>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.</p> <p>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.</p>
N/A	<u>Others</u>	<p>In addition to the above, the Group also adopted the following internal policies/guidelines during FY 2019:</p> <p><u>Code of Conduct & Practices</u></p> <p>The Group recognises the importance of integrity, professionalism on the conduct of its business activities.</p> <p>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.</p> <p><u>Code of Ethics</u></p> <p>The Group has adopted an ethics policy that clearly states the ethics upon which the Group, its senior management and employees shall operate. The policy describes in detail how the Group is to do business and provides protection for all its 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 2019.</p> <p><u>Personal Data Privacy Policy</u></p> <p>The Group has adopted a privacy policy to better manage the sensitivities around patient records and other data.</p> <p>The policy states that all patient data is sensitive and lists the type of data we can collect, unless a specific circumstance requires other additional data. For instance, the Group is 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 2019.</p>

CORPORATE GOVERNANCE REPORT

TABLE II - COMPLIANCE WITH CATALIST RULES		
Rule	Rule Description	Company's Compliance or Explanation
		<p><u>Corporate Responsibility Statement</u></p> <p>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 the Group is doing about it), paying its fair share towards society and volunteering time and resources to improve the society it operates in. In FY 2019, the Group has complied with all Singapore laws and regulations that applies to it:</p> <ul style="list-style-type: none"> • The Group believes that it has met all reasonable expectations set out under the Code of Corporate Governance. • The Group has paid dividends and made provision of approximately S\$1.8 million for income taxes. • The Group has organised a free public forum and its specialist medical practitioners have given various educational talks to corporates, schools and other organisations to promote health and wellness for women and children. • The Group has supported and made donations to charities.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2019

We are pleased to submit this statement to the members together with the audited consolidated financial statements of Singapore O&G Ltd. (the “**Company**”) and its subsidiaries (collectively the “**Group**”) for the financial year ended 31 December 2019 and the statement of financial position of the Company as at 31 December 2019.

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 2019 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, Chapter 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)
 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, particulars of interests of directors who held office at the end of the financial year (including those of their spouses and infant children) in shares, debentures, warrants and share options in the Company are as follows:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2019	As at 31.12.2019 and 21.1.2020	As at 1.1.2019	As at 31.12.2019 and 21.1.2020
The Company – Singapore O&G Ltd.				
				Number of ordinary shares
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⁾	75,600,356	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 2019

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

By virtue of the provisions of Section 7 of the Act, Dr. Heng Tung Lan is 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 2020.

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 2019

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 SOG PSP 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 2019

Audit Committee

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

Ng Boon Yew (Chairman)
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 2019 as well as the auditor's report thereon;
- (iv) effectiveness of the Group'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 2019

Independent auditor

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

On behalf of the Directors

.....
DR. BEH SUAN TIONG

.....
NG BOON YEW

Dated: 17 March 2020

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 consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and 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, Chapter. 50 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019, 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 (“**ACRA**”) Code 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 carrying amount of goodwill for impairment. This annual impairment test is important to our audit as the balance of S\$12.2 million (2018: S\$24.1 million) as of 31 December 2019 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.	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: 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, including the key assumptions used in determining the recoverable amount of the CGU to which the goodwill is allocated to.

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>The key assumptions used for the VIU calculations include the discount rate, revenue growth rate, gross profit margin and expected changes to the fee charged by the specialist medical practitioners for their medical services 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 revenue growth rate is projected based on historical growth of respective CGUs and other available benchmark.</p> <p>An impairment loss in goodwill of S\$11.9 million (2018: S\$2.8 million) was recognised for Dermatology Clinic CGU based on impairment assessment performed by management's expert as at 31 December 2019.</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 calculation by comparing the key assumptions used against historical information together with market and other externally available information. 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 assumptions used in the impairment analysis, in particular, the discount rate and revenue growth rate used in VIU, and compared 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 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 consolidated financial statements.</p>

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

Management is responsible for the other information. The other information comprises 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.

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 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 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 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 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 subsidiary corporations 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 Chan Ser.

Foo Kon Tan LLP
*Public Accountants and
Chartered Accountants*

Singapore, 17 March 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	The Group		The Company	
		2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
ASSETS					
Non-Current Assets					
Investment in subsidiaries	4	–	–	23,562	34,332
Goodwill	5	12,230	24,130	–	–
Plant and equipment	6	1,595	1,412	132	127
Right-of-use assets	7	3,698	–	248	–
Financial assets, at FVOCI	8	–	–	–	–
Deferred tax assets	18	3	1	–	–
		17,526	25,543	23,942	34,459
Current Assets					
Inventories	9	2,030	1,657	–	–
Trade and other receivables	10	3,517	2,982	6,421	3,946
Cash and cash equivalents	11	25,985	21,546	9,068	8,783
		31,532	26,185	15,489	12,729
Total Assets		49,058	51,728	39,431	47,188
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	12	29,646	29,646	29,646	29,646
Capital reserve	13	1,771	1,771	1,771	1,771
Merger reserve	14	(1,695)	(1,695)	–	–
Retained earnings		6,488	14,868	3,279	13,597
Total Equity		36,210	44,590	34,696	45,014
Non-Current Liabilities					
Lease liabilities	16	2,381	–	180	–
Deferred tax liabilities	18	134	140	9	10
		2,515	140	189	10
Current Liabilities					
Trade and other payables	15	6,412	4,738	4,471	2,094
Lease liabilities	16	1,434	–	75	–
Contract liabilities	17	613	437	–	–
Current tax liabilities		1,874	1,823	–	70
		10,333	6,998	4,546	2,164
Total Liabilities		12,848	7,138	4,735	2,174
Total Equity and Liabilities		49,058	51,728	39,431	47,188

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 2019

	Note	2019 S\$'000	2018 S\$'000
Revenue	3	39,757	34,681
Other operating income	19	449	1,425
Consumables and medical supplies used	20	(6,466)	(4,873)
Employee remuneration expense	21	(16,481)	(13,544)
Depreciation	6,7,28	(2,207)	(554)
Other operating expenses	22	(2,503)	(3,482)
Profit from operations		12,549	13,653
Impairment of goodwill	5	(11,900)	(2,800)
Finance income	23	153	78
Finance expense	23	(183)	–
Net finance (expense)/ income		(30)	78
Profit before income tax		619	10,931
Income tax expense	24	(1,752)	(1,783)
(Loss)/ Profit for the year		(1,133)	9,148
Other comprehensive income, at nil tax		–	–
Total comprehensive (loss)/ income for the year		(1,133)	9,148
(Loss)/ Earnings per share attributable to equity holders of the Company:			
- Basic (Cents)	26	(0.24)	1.92
- Diluted (Cents)	26	(0.24)	1.92

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 2019

	Share capital S\$'000	Capital reserve S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 January 2018	29,646	1,771	(1,695)	13,778	43,500
Total comprehensive income for the year					
Profit for the year	-	-	-	9,148	9,148
Other comprehensive income, at nil tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	9,148	9,148
Transactions with owners of the Company recognised directly in equity					
Contributions by and distributions to owners of the Company					
Dividends paid to shareholders (Note 25)	-	-	-	(8,058)	(8,058)
Total contributions by and distribution to owners	-	-	-	(8,058)	(8,058)
At 31 December 2018	29,646	1,771	(1,695)	14,868	44,590
At 1 January 2019	29,646	1,771	(1,695)	14,868	44,590
Total comprehensive loss for the year					
Loss for the year	-	-	-	(1,133)	(1,133)
Other comprehensive income, at nil tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,133)	(1,133)
Transactions with owners of the Company recognised directly in equity					
Contributions by and distributions to owners of the Company					
Dividends paid to shareholders (Note 25)	-	-	-	(7,247)	(7,247)
Total contributions by and distribution to owners	-	-	-	(7,247)	(7,247)
At 31 December 2019	29,646	1,771	(1,695)	6,488	36,210

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 2019

	Note	2019 S\$'000	2018 S\$'000
Cash Flows from Operating Activities			
Profit before taxation		619	10,931
Adjustments for:			
Depreciation of plant and equipment and right-of-use assets	6,7	2,207	554
Plant and equipment written-off	22	22	1
Loss on disposal of plant and equipment	22	68	–
Gain on termination of leases	19	(3)	–
Impairment of goodwill	5	11,900	2,800
Interest expense	23	183	–
Interest income	23	(153)	(78)
Operating profit before working capital changes		14,843	14,208
Changes in inventories		(373)	(55)
Changes in trade and other receivables		(530)	(456)
Changes in trade and other payables and contract liabilities		1,858	885
Cash generated from operations		15,798	14,582
Income taxes paid		(1,709)	(1,180)
Net cash from operating activities		14,089	13,402
Cash Flows from Investing Activities			
Purchase of plant and equipment (Note A)		(949)	(294)
Interest received		148	70
Net cash used in investing activities		(801)	(224)
Cash Flows from Financing Activities			
Dividends paid to shareholders	25	(7,247)	(8,058)
Principal element of lease payments (Note B)		(1,419)	–
Interest paid (Note B)		(183)	–
Net cash used in financing activities		(8,849)	(8,058)
Net increase in cash and cash equivalents		4,439	5,120
Cash and cash equivalents at beginning of year	11	21,546	16,426
Cash and cash equivalents at end of year	11	25,985	21,546

Notes:

- (A) During the financial year ended 31 December 2019 (“FY 2019”), the Group acquired plant and equipment with an aggregate cost of S\$950,000 (2018: S\$329,000) of which S\$1,000 (2018: S\$35,000) was included in trade payables. Cash payment of S\$949,000 (2018: S\$294,000) was made to purchase plant and equipment.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2019

Notes: (Cont'd)

(B) The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes:

	2019	Note	Cash flows			Non-cash changes			At 31 December S\$'000	
			At 1 January S\$'000	Principal elements of lease payments S\$'000	Interest paid S\$'000	Adoption of SFRS(I) 16 S\$'000	New leases S\$'000	Interest S\$'000		Termination of leases S\$'000
Lease liabilities		2(b), 16	-	(1,419)	(183)	3,808	1,535	183	(109)	3,815

No reconciliation is required for 2018 as the Group's cash flows from financing activities in 2018 arose from dividends payments 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 2019

1 The Company

The financial statements of the Group and of the Company for the year ended 31 December 2019 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 drawn up in accordance with the provisions of the Act and SFRS(I) including related interpretations promulgated by the Accounting Standards Council, and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

This is the first set of the Group's and the Company's financial statements in which SFRS(I) 16 *Leases* has been applied. The related changes are described in Note 2(b).

The financial statements are presented in Singapore dollars ("SGD") which is the Company's functional currency. All financial information presented in SGD have been rounded to the nearest thousand (S\$'000), unless otherwise stated.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2019, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except for the adoption of SFRS(I) 16 *Leases*:

Reference	Description	Effective date (Annual periods beginning on or after)
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* supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases - Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*, and pronounces new or amended requirements with respect to lease accounting. For lessee accounting, SFRS(I) 16 introduces significant changes by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use ("ROU") asset and a lease liability at commencement for all leases, except for short-term leases and leases of low-value assets when such recognition exemptions are adopted. For lessor accounting, the requirements have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's financial statements are discussed below.

The date of initial application of SFRS(I) 16 for the Group is 1 January 2019. The Group has elected the transition to SFRS(I) 16 using the cumulative catch-up approach which requires the Group to recognise lease liabilities at the present value of future lease payments using the Group's incremental borrowing rate ("IBR") for leases of office and clinic premises and to recognise ROU assets equal to their lease liabilities as at 1 January 2019, without restatement of comparatives under SFRS(I) 1-17.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2(b) Adoption of new and revised SFRS(l) effective for the current financial year (Cont'd)

SFRS(l) 16 Leases (Cont'd)

(a) Definition of a lease

The new definition of a lease under SFRS(l) 16 mainly relates to the concept of 'control' that determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration, which is in contrast to the concept of 'risks and rewards' under SFRS(l) 1-17.

The Group has elected to apply the practical expedient available on transition to SFRS(l) 16 not to reassess whether a contract is, or contains, a lease. Accordingly, the superseded definition of a lease under SFRS(l) 1-17 continues to be applied to those leases entered into, or modified, before 1 January 2019, and the Group applies the new definition of a lease and related guidance set out in SFRS(l) 16 only to those lease contracts entered into, or modified, on or after 1 January 2019. After the transition to SFRS(l) 16, the Group shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The new requirements for identifying a lease under SFRS(l) 16 do not change significantly the scope of contracts that will meet the definition of a lease for the Group.

(b) Lessee accounting

Former operating leases

Before the adoption of SFRS(l) 16, the Group's non-cancellable operating lease payments in future reporting periods for its office and clinic premises, were not recognised as liabilities in the statement of financial position but were disclosed as commitments in the notes to the financial statements, and these lease payments were reported as rental expenses in profit or loss over the lease term on a straight-line basis and presented under operating activities in the consolidated statement of cash flows. Under SFRS(l) 16, the Group recognises ROU assets and lease liabilities in the statements of financial position for these outstanding lease payments, reports depreciation of ROU assets and interest expense on lease liabilities in profit or loss, and presents these lease payments as principal repayment and interest paid separately under financing activities in the consolidated statement of cash flows.

Under SFRS(l) 16, lease incentives are recognised as part of the measurement of the ROU assets and lease liabilities whereas under SFRS(l) 1-17, they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expenses on a straight-line basis.

The Group has elected, as a practical expedient of SFRS(l) 16, not to separate non-lease components from lease components for all classes of underlying assets and instead account for each lease component and any associated non-lease components as a single lease component, except if the non-lease component is an embedded derivative according to SFRS(l) 9.

On 1 January 2019, the Group has applied the following SFRS(l) 16 transition provisions under the cumulative catch-up approach for each lease, formerly classified as operating lease under SFRS(l) 1-17:

- recognises a lease liability at the present value of the remaining lease payments using the lessee's IBR for the Group's office and clinic premises;
- recognises a right-of-use asset, on a lease-by-lease basis, at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application, and
- applies SFRS(l) 1-36 *Impairment of Assets* to perform an impairment review of the ROU assets. The Group has tested its ROU assets for impairment on the date of transition and has concluded that there is no indication that the ROU assets are impaired.

The Group used a number of practical expedients under SFRS(l) 16 when applying the cumulative catch-up transition approach to leases formerly classified as operating lease under SFRS(l) 1-17:

- excludes initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- uses hindsight for determining the lease term when the contract contains options to extend or terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2(b) Adoption of new and revised SFRS(l) effective for the current financial year (Cont'd)

SFRS(l) 16 Leases (Cont'd)

(c) Lessor accounting

SFRS(l) 16 has not changed substantially how the Group as lessor accounts for leases, except when it is the intermediate lessor of sublease. The Group did not lease or sublease any assets as a lessor.

(d) Deferred tax effects on adoption of SFRS(l) 16

In Singapore, tax deductions are available only for the lease payments as they are paid, and no tax deduction is allowed for the leased asset depreciation or finance costs. On 1 January 2019, no temporary difference arose from the initial recognition as the tax bases of the ROU assets equal to their carrying amounts. As at 31 December 2019, the abovementioned tax circumstances give rise to temporary difference for ROU assets and lease liabilities. Consequently, deferred tax asset of S\$18,000 (2018: S\$Nil) are recognised on these temporary differences at the financial year end.

(e) Financial impact of initial application of SFRS(l) 16

The weighted average incremental borrowing rate applied to measure the Group's and the Company's lease liabilities recognised in the statement of financial position on 1 January 2019 is 5.33%.

A reconciliation of the differences between the Group's and the Company's operating lease commitments previously disclosed in the financial statements as at 31 December 2018 and its lease liabilities recognised in the statement of financial position on 1 January 2019 is as follows:

	The Group S\$'000	The Company S\$'000
Operating lease commitments disclosed at 31 December 2018	2,381	113
Add/ (Less) effects of:		
Extension options reasonably certain to be exercised	1,760	258
Discounting based on the weighted average incremental borrowing rate	(333)	(36)
Lease liabilities as at 1 January 2019	<u>3,808</u>	<u>335</u>

The effects of adoption of SFRS(l) 16 on the Group's and the Company's financial statements as at 1 January 2019 are as follows:

	Increase/(Decrease)	
	The Group S\$'000	The Company S\$'000
Assets		
Right-of-use assets	3,808	335
Adjusted for accrued lease payments	(9)	-
	<u>3,799</u>	<u>335</u>
Liabilities		
Lease liabilities	3,808	335
Trade and other payables (accrued lease payments)	(9)	-
	<u>3,799</u>	<u>335</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Group has adopted SFRS(I) INT 23 for the first time in the current year. SFRS(I) INT 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings, as follows:
 - if yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; or
 - if no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

The impact of SFRS(I) INT 23 to the consolidated financial statements has been assessed to be insignificant as the Group entities tax status are up to date and there are no contentious tax issues from the tax authorities.

2(c) New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's financial statements in the period of their initial application, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 3	Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	Definition of Material	1 January 2020

Amendments to SFRS(I) 3 Definition of a Business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

The Group is currently assessing the impacts to its consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material

The amendments are intended to make the definition of 'material' in SFRS(I) 1-1 easier to understand and are not intended to alter the underlying concept of materiality in SFRS(I). The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of 'material' in SFRS(I) 1-8 has been replaced by a reference to the definition of 'material' in SFRS(I) 1-1. In addition, the other SFRS(I) and the *Conceptual Framework*, which contain a definition of 'material' or refer to the term 'material', have been updated to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted

The Group is currently assessing the impacts to its consolidated financial statements.

2(d) Critical accounting judgements and key sources of estimation uncertainty

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.

The 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

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(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.

As at 31 December 2019, the carrying amounts of the Group's and the Company's current tax liabilities are S\$1,874,000 (2018: S\$1,823,000) and S\$Nil (2018: S\$70,000) respectively. The carrying amounts of the Group's and the Company's deferred tax assets and liabilities are disclosed in Note 18 to the financial statements.

(b) Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of office and clinic premises, the Group considers factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31 December 2019, potential future cash outflows of S\$1,166,000 (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2(d) Critical accounting judgements and key sources of estimation uncertainty (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.

Key sources of estimation uncertainty

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

The carrying amounts of goodwill attributable to the Group's cash-generating unit (“**CGU**”) comprise of:

- Beh's Clinic for Women Pte. Ltd. (“**Beh's Clinic CGU**”);
- Choo Wan Ling Women's Clinic Pte. Ltd. (“**CWL Clinic CGU**”); and
- SOG Dermatology Pte. Ltd. and SOG Dermatology (Gleneagles) Pte. Ltd. (collectively as “**Dermatology Clinic CGU**”).

	2019	2018
	S\$'000	S\$'000
Beh's Clinic CGU	446	446
CWL Clinic CGU	396	396
Dermatology Clinic CGU	11,388	23,288
	12,230	24,130

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 approved financial budgets prepared by management covering an eight-year period for Beh's Clinic CGU and CWL Clinic CGU and a six-year period with terminal value for Dermatology Clinic CGU. Key assumptions used for VIU calculations are disclosed in Note 5 to the financial statements.

The key assumptions for the value-in-use calculations are those regarding the discount rates, revenue growth rates, terminal growth rate, gross profit margin and expected changes to fee charged by the specialist medical practitioners 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 revenue growth rates are estimated based on historical growth of respective CGUs and the long-term average growth rate of Singapore's Consumer Price Index (“**CPI**”). 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. The above estimates are particularly sensitive in the following parameter in relation to Beh's Clinic CGU and CWL Clinic CGU:

- An increase of one percentage point in the discount rate used would decrease the VIU of Beh's Clinic CGU and CWL Clinic CGU by S\$474,000 (2018: S\$236,000) but no impairment is required.
- A 1% decrease in future revenue growth rate would decrease the VIU of Beh's Clinic CGU and CWL Clinic CGU by S\$722,000 (2018: S\$402,000) but no impairment is required.

Recoverable amount of Dermatology Clinic CGU was determined based on VIU calculations as VIU was estimated to be higher than the FVLCTS. Accordingly, an impairment loss of S\$11.9 million was recognised on goodwill allocated to Dermatology Clinic CGU for FY 2019 (2018: S\$2.8 million). Following the recognition of impairment loss in the Dermatology Clinic CGU, its recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment loss for this CGU.

The carrying amount of goodwill as at 31 December 2019 amounted to S\$12,230,000 (2018: S\$24,130,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(b) Impairment tests for plant and equipment and ROU assets

Plant and equipment and ROU assets 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 other estimates and assumptions such as future market growth, forecast revenue and costs, utilisation period of the assets, discount rates and other factors.

A decrease of 5% (2018: 5%) in the value-in-use of the Group's plant and equipment and ROU assets would have decreased the Group's profit by S\$265,000 (2018: S\$71,000). The carrying amounts of the Group's and the Company's plant and equipment and ROU assets are disclosed in Note 6 and Note 7 to the financial statements respectively.

(c) 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\$23,562,000 (2018: S\$34,332,000). Management has evaluated the recoverability of the investment based on such estimates. If the present value of estimated future cash flows decreases by 10% (2018: 10%) from management's estimates, the Company's allowance for impairment of investments in subsidiaries will increase by S\$2,356,000 (2018: S\$3,433,000).

(d) Estimation of the incremental borrowing rate ("IBR")

For the purpose of calculating the ROU asset and lease liabilities, the Group applies an IBR on transition to SFRS(I). The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as the entity's credit rating). The carrying amount of the Group's ROU assets and lease liabilities are disclosed in Note 7 and 16 respectively. An increase/decrease of 100 basis points in the estimated IBR will decrease/increase the Group's ROU assets and lease liabilities by approximately S\$60,000 respectively.

2(e) Significant accounting policies

Group accounting

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and investees (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company or its subsidiary:

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

The Company or its subsidiary 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

Group accounting (Cont'd)

(a) Basis of consolidation (Cont'd)

When the Company or its subsidiary 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 Company or its subsidiary considers all relevant facts and circumstances in assessing whether or not the Company's or its subsidiary's voting rights in an investee are sufficient to give it power, including:

- size of the Company's or its subsidiary's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company or its subsidiary, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances which indicate that the Company or its subsidiary 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.

Consolidation of a subsidiary begins when the Company or its subsidiary obtains control over the subsidiary or investee and ceases when the Company or its subsidiary loses control of the subsidiary or investee. Specifically, income and expenses of a subsidiary or an investee acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company or its subsidiary gains control until the date when the Company or its subsidiary ceases to control the subsidiary or investee.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

(b) Changes in the Group's ownership interests in existing subsidiaries

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 the owners of the Company.

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 interests. 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 control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date on which the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- disposal groups that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

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 2019

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

Intangible assets (Cont'd)

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal of the entity or the relevant cash generating unit.

Leases (from 1 January 2019)

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(i) *Lease liability*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

Leases (from 1 January 2019) (Cont'd)

The Group as lessee (Cont'd)

(i) Lease liability (Cont'd)

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(ii) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Office and clinic premises: over lease term of 2-6 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

Leases (before 1 January 2019)

The Group as lessee

Operating lease

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in profit or loss when incurred.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

Financial instruments (Cont'd)

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and 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 that are directly attributable to the acquisition of the financial asset. 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 other comprehensive income ("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

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 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) and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Financial assets at fair value through OCI (debt instruments)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI ("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 instrument 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 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.

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 instrument 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.

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. The Group does not hold any financial asset at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

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.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its financial 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-months 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

Financial instruments (Cont'd)

(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 and lease 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.

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

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 Group 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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

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.

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 services 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 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 progress of the completion of the services for antenatal maternity, dermatology and vaccination packages sold.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2(e) 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 2019

2(e) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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 medical services lines.

The Group	2019			2018		
	At a point in time S\$'000	Over time S\$'000	Total S\$'000	At a point in time S\$'000	Over time S\$'000	Total S\$'000
<u>Singapore</u>						
Obstetrics and gynaecology revenue	19,922	1,544	21,466	19,224	1,472	20,696
Dermatology revenue	7,233	146	7,379	7,534	182	7,716
Cancer-related revenue	6,137	104	6,241	5,233	78	5,311
Paediatrics revenue	4,563	108	4,671	921	37	958
	37,855	1,902	39,757	32,912	1,769	34,681

4 Investment in subsidiaries

The Company	2019 S\$'000	2018 S\$'000
Unquoted equity shares, at cost	34,334	34,332
Allowance for impairment losses		
At 1 January	-	-
Impairment loss	(10,772)	-
At 31 December	(10,772)	-
Carrying amounts	23,562	34,332

Impairment test for investment in SOG Dermatology Pte. Ltd. ("DERM")

There was indication of impairment for investment in DERM as an impairment loss of S\$11.90 million (2018: S\$2.80 million) was recognised on goodwill allocated to Dermatology Clinic CGU for FY 2019. The recoverable amount of Dermatology Clinic 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 approved financial budget prepared by management covering a six-year period with terminal value. Based on such assessment, the recoverable amount has been estimated to be lower than the carrying amount of the cost of investment in DERM and thus impairment loss of S\$10.77 million (2018: S\$Nil) has been recognised in the profit or loss of the Company for FY 2019. Refer to Note 5 for details of impairment tests on goodwill for Dermatology Clinic CGU.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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	
			2019 %	2018 %
<u>Held by the Company</u>				
Beh's Clinic for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100
Choo Wan Ling Women's Clinic Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100
Heng Clinic for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100
K W Lee Clinic & Surgery for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100
SOG-Natalie Chua Clinic for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100
SOG-SC Hong Clinic for Women Pte. Ltd.	Provision of obstetrical and gynaecological services	Singapore	100	100
SOG-Clara Ong Clinic for Women Pte. Ltd. #	Provision of obstetrical and gynaecological services	Singapore	100	–
SOG Dermatology Pte. Ltd.	Provision of dermatological services	Singapore	100	100
SOG-Cindy Pang Clinic for Women Pte. Ltd.	Provision of cancer-related and general surgery services	Singapore	100	100
SOG-Radhika Breast and General Surgicare Pte. Ltd.	Provision of cancer-related and general surgery services	Singapore	100	100
SOG-SK Lim Breast & General Surgicare Pte. Ltd.	Provision of cancer-related and general surgery services	Singapore	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	100
SOG Children (Paediatrics - Gleneagles) Pte. Ltd. #	Provision of paediatrics services	Singapore	100	–
<u>Held by SOG Dermatology Pte. Ltd.</u>				
SOG Dermatology (Gleneagles) Pte. Ltd. #	Provision of dermatological services	Singapore	100	–

All entities are audited by Foo Kon Tan LLP.

Entities incorporated in FY 2019

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

5 Goodwill

	2019	2018
The Group	S\$'000	S\$'000
Cost	26,930	26,930
Allowance for impairment losses		
At 1 January	(2,800)	-
Impairment loss	(11,900)	(2,800)
At 31 December	(14,700)	(2,800)
Carrying amounts	12,230	24,130

Impairment tests for goodwill

As at 31 December 2019, 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's Clinic CGU"), Choo Wan Ling Women's Clinic Pte. Ltd. ("CWL Clinic CGU") and SOG Dermatology Pte. Ltd. & SOG Dermatology (Gleneagles) Pte. Ltd. (collectively as the "Dermatology Clinic CGU").

	2019	2018
The Group	S\$'000	S\$'000
Beh's Clinic CGU	446	446
CWL Clinic CGU	396	396
Dermatology Clinic CGU	11,388	23,288
	12,230	24,130

The recoverable amounts of Beh's Clinic CGU and CWL Clinic CGU were determined based on VIU calculations as VIU of these two CGUs were estimated to be higher than their carrying amounts. Recoverable amount of Dermatology Clinic 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 approved financial budget prepared by management covering an eight-year period for Beh's Clinic CGU and CWL Clinic CGU and a six-year period with terminal value for Dermatology Clinic CGU. 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:

31 December 2019	Beh's Clinic CGU	CWL Clinic CGU	Dermatology Clinic CGU
	%	%	%
Gross profit margin ⁽¹⁾	92.0	87.1	70.0
Growth rate ⁽²⁾	2.0	1.9	5.4
Terminal growth rate ⁽³⁾	-	-	1.4
Discount rate ⁽⁴⁾	8.9	8.9	10.5

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

5 Goodwill (Cont'd)

Impairment tests for goodwill (Cont'd)

31 December 2018	Beh's Clinic CGU %	CWL Clinic CGU %	Dermatology Clinic CGU %
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

⁽¹⁾ Budgeted gross profit margin

⁽²⁾ Compound 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 CPI.

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross profit margin and revenue growth rate based on expectation of future outcomes taking into account past experiences. Revenue growth was projected taking into account the average growth level experienced over the past years. The discount rates used were pre-tax and reflected specific risks relating to the relevant CGUs.

FVLCTS for Dermatology Clinic CGU was determined using discounted cash flow method based on the financial forecast used for VIU calculation adjusted to market participants' perspective. Market assumptions including market participants' margins and cash conversion cycle based on the latest publicly available information have been considered to determine the FVLCTS. FVLCTS of Dermatology Clinic CGU has been estimated to be lower than its VIU as at 31 December 2019.

Beh's Clinic CGU and CWL Clinic CGU impairment testing

The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially result in the recoverable amounts to be lower than their carrying amounts for Beh's Clinic CGU and CWL Clinic CGU. 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 date.

Dermatology Clinic CGU impairment testing

The recoverable amount of Dermatology Clinic CGU was determined to be lower than its carrying amount and an impairment loss of S\$11.9 million (2018: S\$2.8 million) was recognised during FY 2019. The impairment loss was fully allocated to goodwill and disclosed separately in the consolidated statement of comprehensive income.

Following the recognition of impairment loss in the Dermatology Clinic CGU, its recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment loss for this CGU.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

6 Plant and equipment

The Group	Office equipment S\$'000	Furniture and fittings S\$'000	Medical equipment S\$'000	Renovation S\$'000	Computer and software S\$'000	Total S\$'000
<u>Cost</u>						
At 1 January 2018	42	54	1,768	894	154	2,912
Additions	7	5	199	85	33	329
Write-off	–	(3)	–	–	(4)	(7)
At 31 December 2018	49	56	1,967	979	183	3,234
Additions	25	3	545	336	41	950
Write-off	(13)	(16)	(152)	(60)	(24)	(265)
Disposal	–	–	–	(84)	–	(84)
At 31 December 2019	61	43	2,360	1,171	200	3,835
<u>Accumulated depreciation</u>						
At 1 January 2018	15	34	681	408	136	1,274
Depreciation for the year	8	7	368	137	34	554
Write-off	–	(2)	–	–	(4)	(6)
At 31 December 2018	23	39	1,049	545	166	1,822
Depreciation for the year	12	6	427	191	41	677
Write-off	(13)	(13)	(138)	(56)	(23)	(243)
Disposal	–	–	–	(16)	–	(16)
At 31 December 2019	22	32	1,338	664	184	2,240
<u>Net book value</u>						
At 31 December 2019	39	11	1,022	507	16	1,595
At 31 December 2018	26	17	918	434	17	1,412

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

6 Plant and equipment (Cont'd)

The Company	Office equipment S\$'000	Furniture and fittings S\$'000	Medical equipment S\$'000	Renovation S\$'000	Computer and software S\$'000	Total S\$'000
<u>Cost</u>						
At 1 January 2018	11	23	133	117	57	341
Additions	1	–	45	–	8	54
Write-off	–	(3)	–	–	(4)	(7)
At 31 December 2018	12	20	178	117	61	388
Additions	1	–	36	–	15	52
Write-off	(3)	(8)	(74)	(55)	(9)	(149)
At 31 December 2019	10	12	140	62	67	291
<u>Accumulated depreciation</u>						
At 1 January 2018	4	17	84	55	52	212
Depreciation for the year	2	3	21	19	10	55
Write-off	–	(2)	–	–	(4)	(6)
At 31 December 2018	6	18	105	74	58	261
Depreciation for the year	2	*	22	12	9	45
Write-off	(2)	(7)	(74)	(55)	(9)	(147)
At 31 December 2019	6	11	53	31	58	159
<u>Net book value</u>						
At 31 December 2019	4	1	87	31	9	132
At 31 December 2018	6	2	73	43	3	127

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

7 Right-of-use assets

	The Group Office and clinic premises S\$'000	The Company Office premise S\$'000
<u>Cost</u>		
Adoption of SFRS(I) 16 - initial recognition	3,799	335
At 1 January 2019	3,799	335
Additions	1,535	-
Termination of leases	(139)	(9)
At 31 December 2019	5,195	326
<u>Accumulated depreciation</u>		
At 1 January 2019	-	-
Depreciation during the year	1,530	87
Termination of leases	(33)	(9)
At 31 December 2019	1,497	78
<u>Net book value</u>		
At 31 December 2019	3,698	248
At 1 January 2019	3,799	335

8 Financial assets, at FVOCI

	2019 S\$'000	2018 S\$'000
The Group and The Company		
<i>Equity instrument designated at fair value through OCI</i>		
Fair value of FVOCI, presented as non-current assets	-	-

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 "NRFTI Scheme"). Under the NRFTI 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 (2018: S\$250,000) to acquire 5% of the ordinary shares of SG Meditech.

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 investee by management as at 31 December 2019. The ANA method was adopted on the basis that SG Meditech has going concern issue after considering the following:

- (i) SG Meditech has been loss making for the last 5 years;
- (ii) SG Meditech does not have any signed customer contracts as at 31 December 2019;
- (iii) SG Meditech has been in a net liability position for the last 5 years;
- (iv) SG Meditech appears not to have sufficient cash to sustain its business operations for the next twelve months.

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, the adjusted net assets value of SG Meditech approximates its fair value at the financial year end. As SG Meditech is in a net liability position as at 31 December 2019, the fair valuation of SG Meditech is determined to be S\$Nil (2018: S\$Nil). No fair value gain or loss was recognised in other comprehensive income for the financial years ended 31 December 2019 and 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

9 Inventories

	The Group		The Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Medical supplies, at cost	2,030	1,657	-	-

There was no write-down in value of inventories and no write-off of inventories during FY 2019 and FY 2018.

10 Trade and other receivables

	The Group		The Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Trade receivables	2,295	1,911	56	17
Impairment losses:				
At 1 January	(28)	(18)	(2)	(3)
Allowance for the year	(48)	(19)	(3)	-
Allowance reversed	5	9	2	1
At 31 December	(71)	(28)	(3)	(2)
Net trade receivables	2,224	1,883	53	15
Amounts due from subsidiaries (non-trade)	-	-	6,178	3,816
Deposits	416	408	46	57
Other receivables	111	31	35	23
	2,751	2,322	6,312	3,911
Prepayments	766	660	109	35
	3,517	2,982	6,421	3,946

Bad debts written off directly in the profit or loss during FY 2019 amounted to S\$6,000 (2018: S\$10,000) for the Group.

Trade receivables have credit terms of 30-90 days (2018: 30-90 days).

Refer to Note 31 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 assessed to be material.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

11 Cash and cash equivalents

	The Group		The Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Cash on hand	9	9	1	1
Cash at bank	17,976	14,537	1,067	3,282
Fixed deposits	8,000	7,000	8,000	5,500
	25,985	21,546	9,068	8,783

The fixed deposits mature within 3-6 months (2018: 4 months) after the end of the reporting date with a weighted average interest rate of 1.85% (2018: 1.76%) per annum.

12 Share capital

	2019 No. of ordinary shares '000	2018	2019 S\$'000	2018 S\$'000
The Group and The Company				
Issued and fully paid with no par value:				
Balance at beginning and end of year	476,803	476,803	29,646	29,646

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

15 Trade and other payables

	The Group		The Company	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Trade payables	1,257	850	942	489
Accrued operating expense	4,377	3,155	473	227
Amounts due to subsidiaries (non-trade)	-	-	3,039	1,361
Amounts due to a director (non-trade)	244	244	-	-
Other payables	534	489	17	17
	6,412	4,738	4,471	2,094

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 (2018: 30 days).

Non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Please refer to Note 31 for details of liquidity risk exposure.

16 Lease liabilities

	The Group	The Company
	2019 S\$'000	2019 S\$'000
Undiscounted lease payments due:		
- Year 1	1,590	86
- Year 2	1,101	190
- Year 3	769	-
- Year 4	552	-
- Year 5	93	-
- More than 5 years	32	-
	4,137	276
Less: Future interest cost	(322)	(21)
Lease liabilities	3,815	255
Presented as:		
- Non-current	2,381	180
- Current	1,434	75
	3,815	255

Interest expense on lease liabilities of S\$183,000 is recognised within "finance expense" in profit or loss.

Total cash outflows for all leases in the year amount to S\$1,602,000.

Information about the Group's leases are disclosed in Note 28.

Further information about the financial risk management are disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

17 Contract liabilities

	The Group		The Company	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Fees received, represented as:				
Current liabilities	613	437	-	-

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 are recognised as revenue when the medical services are rendered to patients.

18 Deferred taxation

	The Group		The Company	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Deferred tax assets	(3)	(1)	-	-
Deferred tax liabilities	134	140	9	10
	131	139	9	10

The movement in the net deferred income tax account is as follows:

	The Group		The Company	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January	139	98	10	1
Recognised in profit or loss (Note 24)	(8)	41	(1)	9
At 31 December	131	139	9	10

Deferred tax (assets) and liabilities comprised the following:

The Group	Assets		Liabilities	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Plant and equipment	1	(1)	142	135
Interest receivables	-	-	6	5
ROU assets and lease liabilities	(4)	-	(14)	-
Deferred tax (assets)/ liabilities	(3)	(1)	134	140

The Company	Assets		Liabilities	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Plant and equipment	-	-	4	6
Interest receivables	-	-	6	4
ROU assets and lease liabilities	-	-	(1)	-
Deferred tax (assets)/ liabilities	-	-	9	10

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

18 Deferred taxation (Cont'd)

The balance comprises tax on the following temporary differences:

Deferred tax assets	Plant and equipment S\$'000	ROU assets and lease liabilities S\$'000	Total S\$'000
The Group			
At 1 January 2018	(12)	–	(12)
Recognised in profit or loss	11	–	11
At 31 December 2018	(1)	–	(1)
Recognised in profit or loss	2	(4)	(2)
At 31 December 2019	1	(4)	(3)

Deferred tax liabilities	Plant and equipment S\$'000	Interest receivable S\$'000	ROU assets and lease liabilities S\$'000	Total S\$'000
The Group				
At 1 January 2018	106	4	–	110
Recognised in profit or loss	29	1	–	30
At 31 December 2018	135	5	–	140
Recognised in profit or loss	7	1	(14)	(6)
At 31 December 2019	142	6	(14)	134
The Company				
At 1 January 2018	(2)	3	–	1
Recognised in profit or loss	8	1	–	9
At 31 December 2018	6	4	–	10
Recognised in profit or loss	(2)	2	(1)	(1)
At 31 December 2019	4	6	(1)	9

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

19 Other operating income

The Group	2019 S\$'000	2018 S\$'000
Government grant	62	57
Rental rebate		
- variable lease incentives not dependant on an index or rate	251	44
Gain on termination of leases		
- derecognition of ROU assets and lease liabilities	3	-
- lease termination compensation receivable	74	-
Sponsorship income	39	68
Sundry income	20	6
Legal consideration [#]	-	1,250
	449	1,425

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 directly in profit or loss.

20 Consumables and medical supplies used

The Group	2019 S\$'000	2018 S\$'000
Changes in inventories	(373)	(55)
Inventories purchased	4,393	3,161
Laboratory test and charges	2,090	1,464
Hospital facility charges	346	291
Others	10	12
	6,466	4,873

21 Employee remuneration expense

The Group	2019 S\$'000	2018 S\$'000
Directors’ remuneration		
- Directors of the Company	2,155	2,241
- Directors of subsidiaries	9,502	7,387
- Central Provident Fund contributions	189	162
Key management personnel (Other than directors)		
- Salaries and other related costs	651	552
- Central Provident Fund contributions	39	37
Other than directors and key management personnel		
- Salaries and other related costs	3,504	2,825
- Central Provident Fund contributions	441	340
	16,481	13,544

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

22 Other operating expenses

The Group	2019 S\$'000	2018 S\$'000
Advertisement	272	149
Audit fees paid/payable to auditor of the Company	177	166
Bad debts written off (trade)	6	10
Credit card charges	393	325
Entertainment expenses	44	40
Insurance	385	347
Rental expenses - minimum lease payments under operating leases	-	1,473
Software subscription fees	76	31
Office supplies	75	46
Plant and equipment written off	22	1
Loss on disposal of plant and equipment	68	-
Professional and legal fees	378	357
Impairment loss on trade receivables, net	43	10
Transportation	87	65
Telecommunication charges	67	49
Administrative charges	69	44
Upkeep of clinics	47	45
Utilities	32	27
Printing and stationary	40	24
Other expenses	222	273
	2,503	3,482

23 Finance income/ expense

The Group	2019 S\$'000	2018 S\$'000
Finance income		
Interest income	153	78
Finance expense		
Interest expense on lease liabilities	183	-

24 Income tax expense

The Group	2019 S\$'000	2018 S\$'000
Current tax expense		
Current year	1,873	1,820
Overprovision of current taxation in respect of prior years	(113)	(78)
	1,760	1,742
Deferred tax expense		
Origination and reversal of temporary differences (Note 18)	(8)	41
	1,752	1,783

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

24 Income tax expense (Cont'd)

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	2019 S\$'000	2018 S\$'000
Profit before taxation	619	10,931
Tax at statutory rate of 17% (2018: 17%)	105	1,858
Tax effect on non-deductible expenses [#]	2,065	520
Effect of partial tax exemption and tax relief	(305)	(517)
Overprovision of current taxation in respect of prior years	(113)	(78)
	1,752	1,783

Includes S\$2,023,000 (2018: S\$476,000) of tax effect on non-deductible expenses which arose from impairment of goodwill attributable to Dermatology Clinic CGU, amounting to S\$11.9 million (2018: S\$2.8 million).

25 Dividends

The Group	2019 S\$'000	2018 S\$'000
Ordinary dividends paid		
- Final tax-exempt (one-tier) dividend paid in respect of the previous financial year of 0.90 cents (2018: 0.89 cents) per share	4,291	4,244
- Interim tax-exempt (one-tier) dividend paid in respect of the current financial year of 0.62 cents (2018: 0.80 cents) per share	2,956	3,814
	7,247	8,058

26 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 (2018: 476,803,002) shares during the financial year.

Fully diluted earnings per share were calculated on the consolidated profits attributable to owners of the parent company divided by 476,803,002 (2018: 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 2019 and FY 2018.

The Group	2019	2018
(Loss)/ Profit attributable to equity holders of the Company (S\$'000)	(1,133)	9,148
Weighted average number of ordinary shares ('000)	476,803	476,803
Basic and diluted (loss)/ earnings per share based on the weighted average number of ordinary shares (cents)	(0.24)	1.92

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

27 Significant related party transactions

- (a) Other than as disclosed elsewhere in the financial information, significant transactions with related parties are as follows:

The Group	2019 S\$'000	2018 S\$'000
Transactions with shareholders cum director		
Rental expenses paid/payable to Lee and Lee Clinic Pte. Ltd. and Avesa Pte. Ltd.#	381	227
Rental expense paid/payable to a director	14	55

This relates to an entity in which a director cum shareholder has financial interest in.

- (b) Key management personnel (including Directors) compensation

The Group	2019 S\$'000	2018 S\$'000
Salary costs	12,308	10,180
Central Provident Fund contributions	228	199
	12,536	10,379

28 Leases

The Group as lessee

- (i) *Office and clinic premises*

The Group leases several office and clinic premises for operation purposes.

- (ii) *Future cash outflows not capitalised in lease liabilities – Extension options*

The leases for certain office and clinic premises provide for optional extension periods, for which the related lease payments have not been included in lease liabilities because the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension options are exercisable only by the Group and not by the lessor. The undiscounted potential future cash outflows for the lease payments during the extension periods amount to S\$1,166,000.

Information regarding the Group's ROU assets and lease liabilities are disclosed in Note 7 and 16 respectively.

Depreciation charge of ROU assets during the year:

The Group	2019 S\$'000
Office and clinic premises	1,530

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

29 Operating lease commitments

The Group and the Company as lessee

The Group leases office and clinic premises from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

As at 31 December 2018, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	The Group	The Company
	2018	2018
	S\$'000	S\$'000
Within one year or less	1,325	95
Within two to five years	1,056	18
	<u>2,381</u>	<u>113</u>

The Group has adopted SFSR(l) 16 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 1 January 2019.

30 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.

No presentation of geographical information has been presented as the Group's operations are only in Singapore.

The CEO (the chief operating decision maker ("CODM")) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

30 Operating segments (Cont'd)

The Group	Obstetrics and Gynaecology		Dermatology		Cancer-related		Paediatrics		Corporate		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	21,466	20,696	7,379	7,716	6,241	5,311	4,671	958	-	-	-	-	39,757	34,681
External	118	91	7	-	7	1	20	9	-	-	(152)	(101)	-	-
Inter-segment	21,584	20,787	7,386	7,716	6,248	5,312	4,691	967	-	-	(152)	(101)	39,757	34,681
Segment Results														
Segment profit/ (loss) from operations	10,954	10,929	887	2,294	2,309	1,630	937	(487)	(2,538)	(713)	-	-	12,549	13,653
Impairment of goodwill	-	-	(11,900)	(2,800)	-	-	-	-	-	-	-	-	(11,900)	(2,800)
Finance income	-	-	8	20	-	-	-	-	145	58	-	-	153	78
Finance expense	(68)	-	(42)	-	(27)	-	(32)	-	(14)	-	-	-	(183)	-
Profit/ (Loss) before income tax	10,886	10,929	(11,047)	(486)	2,282	1,630	905	(487)	(2,407)	(655)	-	-	619	10,931
Income tax (expense)/ credit	(1,539)	(1,414)	(110)	(286)	(271)	(142)	(94)	104	262	(45)	-	-	(1,752)	(1,783)
Profit/ (Loss) for the year	9,347	9,515	(11,157)	(772)	2,011	1,488	811	(383)	(2,145)	(700)	-	-	(1,133)	9,148
Other information														
Segment assets	13,382	10,231	21,269	29,802	4,031	2,532	3,104	937	39,431	47,188	(32,159)	(38,962)	49,058	51,728
Consolidated total assets	7,980	5,452	3,779	1,087	2,568	2,262	3,225	1,636	4,735	2,174	(9,439)	(5,473)	12,848	7,138
Segment liabilities	-	-	11,900	2,800	-	-	-	-	-	-	-	-	11,900	2,800
Consolidated total liabilities	190	21	481	86	89	58	174	110	52	54	(36)	-	950	329
Impairment of goodwill	813	220	636	139	320	114	306	26	132	55	-	-	2,207	554
Additions of plant and equipment	-	-	-	-	68	-	-	-	-	-	-	-	68	-
Depreciation	-	-	12	-	8	-	-	-	2	1	-	-	22	1
Loss on disposal of plant and equipment	19	11	2	-	21	-	-	-	1	(1)	-	-	43	10
Write-off of plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss/ (Reversal of impairment) on trade receivables, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

30 Operating segments (Cont'd)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities:

	2019 S\$'000	2018 S\$'000
<u>Revenue</u>		
Total revenue for reportable segments	39,757	34,681
Consolidated revenue	39,757	34,681
<u>Profit or loss</u>		
Total profit or loss for reportable segments from operations	12,549	13,653
Impairment of goodwill	(11,900)	(2,800)
Finance income	153	78
Finance expense	(183)	–
Consolidated profit before tax	619	10,931
<u>Segment assets</u>		
Total assets for reportable segments	81,217	90,690
Elimination	(32,159)	(38,962)
Consolidated total assets	49,058	51,728
<u>Segment liabilities</u>		
Total liabilities for reportable segments	22,287	12,611
Elimination	(9,439)	(5,473)
Consolidated total liabilities	12,848	7,138

31 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 risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

31 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	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Financial assets designated at fair value through OCI	-	-	-	-
Financial assets at amortised cost				
Trade and other receivables, excluding prepayments	2,751	2,322	6,312	3,911
Cash and cash equivalents	25,985	21,546	9,068	8,783
	28,736	23,868	15,380	12,694
Financial liabilities at amortised cost				
Trade and other payables	6,412	4,738	4,471	2,094
Lease liabilities	3,815	-	255	-
	10,227	4,738	4,726	2,094

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.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as follows:

	2019 S\$'000	2018 S\$'000
The Group		
Financial assets		
Trade and other receivables, excluding prepayments	2,751	2,322
Cash and cash equivalents	25,985	21,546
	28,736	23,868
The Company		
Financial assets		
Trade and other receivables, excluding prepayments	6,312	3,911
Cash and cash equivalents	9,068	8,783
	15,380	12,694

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

31 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

The Group's and the Company's major classes of financial assets are trade and other receivables (excluding prepayments), and cash and cash equivalents.

The tables below detail the credit quality of the Group's and the Company's financial assets, as well as maximum exposure to credit risk:

	12-month/ Lifetime ECL	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000
The Group				
At 31 December 2019				
Trade and other receivables	Lifetime ECL	2,822	(71)	2,751
At 31 December 2018				
Trade and other receivables	Lifetime ECL	2,350	(28)	2,322
The Company				
At 31 December 2019				
Trade and other receivables	Lifetime ECL	137	(3)	134
Amounts due from subsidiaries (non-trade)	12-month ECL	6,178	-	6,178
		6,315	(3)	6,312
At 31 December 2018				
Trade and other receivables	Lifetime ECL	97	(2)	95
Amounts due from subsidiaries (non-trade)	12-month ECL	3,816	-	3,816
		3,913	(2)	3,911

(i) *Trade and other receivables*

The Company and the Group apply 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 outstanding balances 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 2019

31 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk (Cont'd)

(ii) Amounts due from subsidiaries

Amounts due from subsidiaries are considered to have low credit risk as the Company has control over the operating, investing and financing activities of these entities. The use of loans and advances to assist with the subsidiaries' 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 subsidiaries since initial recognition. In determining the ECL, management has taken into account the finances and business performance of the subsidiaries, and a forward-looking analysis of the financial performance of the subsidiaries.

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 subsidiaries.

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 to 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.

An ageing analysis of trade receivables, net of impairment losses 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	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Trade receivables				
Not past due	1,707	1,457	44	1
Past due less than 1 month	147	99	1	–
Past due more than 1 month but less than 2 months	128	138	–	–
Past due more than 2 months	242	189	8	14
	2,224	1,883	53	15

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

31 Financial risk management (Cont'd)

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.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount S\$'000	Contractual cash flows S\$'000	Less than 1 year S\$'000	Between 2 and 5 years S\$'000	Over 5 years S\$'000
The Group					
At 31 December 2019					
Trade and other payables	6,412	6,412	6,412	-	-
Lease liabilities	3,815	4,137	1,590	2,515	32
	10,227	10,549	8,002	2,515	32
At 31 December 2018					
Trade and other payables	4,738	4,738	4,738	-	-
The Company					
At 31 December 2019					
Trade and other payables	4,471	4,471	4,471	-	-
Lease liabilities	255	276	86	190	-
	4,726	4,747	4,557	190	-
At 31 December 2018					
Trade and other payables	2,094	2,094	2,094	-	-

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 2019

31 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.

32 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.

	2019	2018
The Group	S\$'000	S\$'000
Total liabilities	<u>12,848</u>	7,138
Total equity	<u>36,210</u>	44,590
Gearing ratio	<u>35.5%</u>	16.0%

Following the adoption of SFRS(I) 16 Leases, total liabilities to total equity has increased from 16.0% to 35.5%. This is due to the recognition of lease liabilities on 1 January 2019. The comparative information has not been restated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

33 Fair value measurement

Definition of fair value

SFRS(l)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

Management performs valuations of financial instruments 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 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 8 for the basis of using ANA method to estimate the fair values as at 31 December 2019.

There are no transfers between Level 1, 2 and 3 during the year.

Fair value of financial instruments

Fair value of lease liabilities is measured using present value of future lease payments discounted by a risk-adjusted discount rate. The fair value approximates its carrying amounts as at 31 December 2019.

The carrying amounts of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity.

34 Events after the reporting period

An outbreak of Coronavirus Disease 2019 (“**COVID-19**”) had been reported in China on 31 December 2019. At the date of these financial statements, while the outbreak has been most severe in Asia, it has spread to various regions around the world, including Australia, Europe, Middle East and the United States of America. While the full impact to the Group cannot be quantified reliably, the Group's performance subsequent to the balance sheet date is likely to be impacted as a result of regional and global travel restrictions, quarantine and/or illness of employees and other forms of interruptions to business.

SHAREHOLDINGS STATISTICS

As at 27 March 2020

Total number of issued shares (excluding treasury shares)	-	476,803,002
Issued and fully paid up share capital	-	S\$29,645,500
Number of treasury shares	-	Nil
Class of shares	-	Ordinary shares
Voting rights	-	One vote per share
Number of subsidiary holdings	-	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	87	3.30	57,700	0.01
1,001 – 10,000	1,128	42.76	7,383,100	1.55
10,001 – 1,000,000	1,400	53.07	76,807,700	16.11
1,000,001 AND ABOVE	23	0.87	392,554,502	82.33
TOTAL	2,638	100.00	476,803,002	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NO. OF SHARES HELD	%
1	HENG TUNG LAN	140,453,614	29.46
2	CITIBANK NOMINEES SINGAPORE PTE LTD	59,451,502	12.47
3	DBS NOMINEES PTE LTD	41,646,790	8.73
4	CHOO WAN LING	34,899,278	7.32
5	LEE KEEN WHYE	25,600,356	5.37
6	BEH SUAN TIONG	24,008,452	5.04
7	OCBC SECURITIES PRIVATE LTD	22,543,300	4.73
8	MAYBANK NOMINEES (SINGAPORE) PTE LTD	10,000,000	2.10
9	WONG CHUI FONG	6,104,524	1.28
10	RAFFLES NOMINEES (PTE) LIMITED	4,695,200	0.98
11	PHILLIP SECURITIES PTE LTD	4,377,200	0.92
12	HENG TONG BWEE	2,661,886	0.56
13	CHUA WEILYN NATALIE	2,191,800	0.46
14	VSTL INVESTMENT LTD	2,117,000	0.44
15	YEO WEI HUANG	1,700,000	0.36
16	STF INVESTMENT LTD	1,458,400	0.31
17	ZEN PROPERTY MANAGEMENT PTE LTD	1,439,900	0.30
18	OCBC NOMINEES SINGAPORE PTE LTD	1,411,500	0.30
19	IFAST FINANCIAL PTE LTD	1,410,500	0.30
20	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,306,900	0.27
Total		389,478,102	81.70

SHAREHOLDINGS STATISTICS

As at 27 March 2020

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	130,000	0.03	40,923,002 ⁽³⁾	8.58
CHOO WAN LING	34,899,278	7.32	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 the shareholdings of each 22,000,000 shares, 18,000,000 shares and 10,000,000 shares are held in his name under the accounts of OCBC Securities Private Ltd, Citibank Nominees Singapore Pte Ltd and Maybank Nominees (Singapore) Pte Ltd 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 the shareholdings of 24,000,000 shares are 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 27 March 2020, 25.46% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, the Company has complied with 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 Sheraton Hotel (Topaz Ballroom), Sheraton Towers Singapore, 39 Scotts Road, Singapore 228230 on Friday, 22 May 2020 at 10.00 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 2019 and the Directors’ Statement and the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Dr. Heng Tung Lan, a Director who is retiring pursuant to Article 91 of the Company’s Constitution.
Dr. Heng shall, upon re-election as Director of the Company, remain as an Executive Director of the Company.
See Explanatory Note (a) **(Resolution 2)**
3. To re-elect Dr. Beh Suan Tiong, a Director who is retiring pursuant to Article 91 of the Company’s Constitution.
Dr. Beh shall, upon re-election as Director of the Company, remain as the Executive Director and Chairman of the Board of Directors of the Company.
See Explanatory Note (b) **(Resolution 3)**
4. To re-elect Mr. Chooi Yee-Choong, a Director who is retiring pursuant to Article 91 of the Company’s Constitution.
Mr. Chooi shall, upon re-election as Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Nominating Committee of the Company.
See Explanatory Note (c) **(Resolution 4)**
5. To approve the Independent Directors’ fees of S\$168,000 for the financial year ended 31 December 2019 (financial year ended 31 December 2018: S\$138,000). **(Resolution 5)**
6. 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 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without modifications:

7. Authority to allot and issue shares (the “Share Issue Mandate”)

“That pursuant to Section 161 of the Companies Act, Chapter. 50 of Singapore (“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,

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,

NOTICE OF ANNUAL GENERAL MEETING

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 existing 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;
 - (b) new Shares arising from exercising share options or vesting of share awards 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.

Adjustments in accordance with (a) and (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (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 on 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 7)

8. Share Buyback Mandate

“That:

- (1) for the purposes of the Catalist Rules and the Companies Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
 - (a) on-market purchase(s) (each a “**Market Purchase**”) which are transacted on the SGX-ST or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (b) off-market purchase(s) (each an “**Off-Market Purchase**”), which are purchases of Shares effected otherwise than on an approved exchange in Singapore or any securities exchange outside Singapore, in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act and as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Constitution and the Catalist Rules;

NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalyst Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (a) the date on which the next AGM is held or required by law or the Constitution to be held;
 - (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
 - (c) the date on which the authority conferred in the Share Buyback Mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.
- (3) in this Resolution:

“**Maximum Limit**” means that number of issued Shares representing ten per cent (10%) of the total number of issued Shares as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time). Any shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the ten per cent (10%) limit;

“**Relevant Period**” means the period as set out in sub-paragraph (2) above; and

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (a) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) market days, on which transactions in the Shares were recorded, before the day of the Market Purchase of the Company, or as the case may be, before the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) market days period and the day on which the purchases are made;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (4) the Directors of the Company and/or any of the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider necessary, expedient, incidental or in the interests of the Company to give effect to the Share Buyback Mandate and/or this Resolution.”

See Explanatory Note (e)

(Resolution 8)

NOTICE OF ANNUAL GENERAL MEETING

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 (f)

(Resolution 9)

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 (g)

(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

15 April 2020
Singapore

Explanatory Notes:

- (a) In relation to Resolution 2 proposed above, Dr. Heng Tung Lan is an Executive Director and substantial shareholder of the Company. Apart from that, there is no relationship (including immediate family relationships) between Dr. Heng and the other Directors, the Company or its 5% shareholders and the detailed information on Dr. Heng 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 178 to 185 of the Company’s 2019 Annual Report.
- (b) In relation to Resolution 3 proposed above, Dr. Beh Suan Tiong is an Executive Director and substantial shareholder of the Company. Apart from that, there is no relationship (including immediate family relationships) between Dr. Beh and the other Directors, the Company or its 5% shareholders and the detailed information on Dr. Beh 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 178 to 185 of the Company’s 2019 Annual Report.
- (c) In relation to Resolution 4 proposed above, there is no relationship (including immediate family relationships) between Mr. Chooi Yee-Choong and the other Directors, the Company or its 5% shareholders and the detailed information on Mr. Chooi 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 178 to 185 of the Company’s 2019 Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

- (d) The Ordinary Resolution 7 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 on which the next AGM is required by law to be held or when varied or revoked by the Company in a 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 per cent (50%) may be issued other than on a pro-rata basis to existing shareholders.
- (e) The Ordinary Resolution 8 above, if passed, will authorise the Directors of the Company from the date of the Meeting until the next AGM of the Company, or the date on which the next AGM of the Company is required by law or the Constitution to be held or when such authority is varied or revoked by an ordinary resolution of the Shareholders in a general meeting, whichever is the earlier, to purchase up to ten per cent (10%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings). Please refer to the Appendix to the Company's 2019 Annual Report for details.
- (f) 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.
- (g) 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 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 Registrar's 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.

NOTICE OF ANNUAL GENERAL MEETING

Measures to Minimise Risk of COVID-19

In view of the COVID-19 situation, the following steps will be taken for Shareholders and others attending the AGM to minimise the risk of community spread of the COVID-19:

1. All persons attending the AGM will be required to undergo a temperature check and sign a health declaration form prior being allowed to enter the AGM venue. This health declaration form will also be used for the purpose of contact tracing, if required.
2. Any person who had returned from overseas 14 days prior to the date of the AGM (i.e. commencing from and including Friday, 8 May 2020) will not be permitted to attend the AGM.
3. Any person who has fever, cough and shortness of breath will not be permitted to attend the AGM. We may also at our discretion deny entry to persons exhibiting signs and symptoms suggestive of pneumonia or severe respiratory infection with breathlessness.
4. There will not be any food served at the AGM.

We wish to advise Shareholders that it is not essential for you to attend the AGM in person and Shareholders who are feeling unwell on the date of the AGM should not attend the AGM.

To vote on any or all of the resolutions at the AGM, Shareholders are encouraged to send in your votes in advance by proxy. You are advised to appoint the Chairman of the AGM as your proxy and indicate your voting directions. The proxy form is attached to the Notice of AGM.

Due to the evolving COVID-19 situation in Singapore, the conduct of the Company's AGM is subject to change in accordance with the guidance on the general meetings issued by the Singapore Exchange Regulation and the Accounting and Corporate Regulatory Authority.

We may be required to change our AGM arrangement at short notice. Shareholders are advised to check the Company's announcement(s) for updates on our AGM.

If Shareholders have any questions in relation to any item of the Agenda of the AGM, you may send them in advance via e-mail to our IR e-mail at ir@sog.com.sg.

All Shareholders are also advised to arrive at the AGM venue early given that the above-mentioned measures may cause delay in the registration process. As the COVID-19 situation continues to evolve, SOG will closely monitor the situation and reserves the right to take further measures as appropriate in order to minimise any risk to Shareholders and others attending the AGM. We seek the understanding and cooperation of all Shareholders to minimise the risk of community spread of the COVID-19.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Dr. Heng Tung Lan, Dr. Beh Suan Tiong and Mr. Chooi Yee-Choong are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 22 May 2020 (“AGM”) (collectively, the “Retiring Directors”).

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating the retiring Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST is disclosed below:

	Dr. Heng Tung Lan	Dr. Beh Suan Tiong	Mr. Chooi Yee-Choong
Designation	Executive Director	Executive Director and Chairman of the Board of Directors	Independent Director, Chairman of the Remuneration Committee and member of the Nominating Committee
Date of appointment	18 October 2011	14 May 2015	14 May 2015
Date of last re-appointment	21 April 2017	20 April 2018	20 April 2018
Age	63	58	58
Country of principal residence	Singapore	Singapore	Singapore
Academic qualifications	<ul style="list-style-type: none"> Bachelor of Medicine and Bachelor of Surgery (“MBBS”), National University of Singapore Master of Medicine (Obstetrics and Gynaecology), National University of Singapore 	<ul style="list-style-type: none"> Bachelor of Medicine and Bachelor of Surgery (“MBBS”), National University of Singapore 	<ul style="list-style-type: none"> Bachelor of Industrial and Systems Engineering, Ohio State University, United States
Professional memberships/ qualifications	<ul style="list-style-type: none"> Fellow of the Academy of Medicine of Singapore (“FAMS”) 	<ul style="list-style-type: none"> Member of the Royal College of Obstetrician and Gynaecologists (“MRCOG”), United Kingdom Fellow of the Academy of Medicine of Singapore (“FAMS”) 	Nil
Current directorships			
Public companies	Nil	Nil	Nil

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Dr. Heng Tung Lan	Dr. Beh Suan Tiong	Mr. Chooi Yee-Choong
Private companies	<ul style="list-style-type: none"> Beh's Clinic for Women Pte. Ltd. Heng Clinic for Women Pte. Ltd. K W Lee Clinic & Surgery for Women Pte. Ltd. SOG Children (Paediatrics – Central) Pte. Ltd. SOG Children (Paediatrics – East) Pte. Ltd. SOG Children (Paediatrics – Gastroenterology Liver) Pte. Ltd. SOG Children (Paediatrics – Gleneagles) Pte. Ltd. SOG Dermatology (Gleneagles) Pte. Ltd. SOG Dermatology Pte. Ltd. SOG-Clara Ong Clinic for Women Pte. Ltd. SOG-Natalie Chua Clinic for Women Pte. Ltd. SOG-Radhika Breast and General Surgicare Pte. Ltd. SOG-SC Hong Clinic for Women Pte. Ltd. SOG-SK Lim Breast & General Surgicare Pte. Ltd. 	<ul style="list-style-type: none"> 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 Children (Paediatrics – Central) Pte. Ltd. SOG Children (Paediatrics – East) Pte. Ltd. SOG Children (Paediatrics – Gastroenterology Liver) Pte. Ltd. SOG Children (Paediatrics – Gleneagles) Pte. Ltd. SOG Dermatology (Gleneagles) Pte. Ltd. SOG Dermatology Pte. Ltd. SOG-Cindy Pang Clinic for Women Pte. Ltd. SOG-Clara Ong Clinic for Women Pte. Ltd. SOG-Natalie Chua Clinic for Women Pte. Ltd. SOG-Radhika Breast and General Surgicare Pte. Ltd. SOG-SC Hong Clinic for Women Pte. Ltd. SOG-SK Lim Breast & General Surgicare Pte. Ltd. 	<ul style="list-style-type: none"> Taiwan Sky Ground Services Private Limited
Past directorships (in the last 5 years)			
Public companies	Nil	Nil	Nil
Private companies	Nil	Nil	Nil
Principal commitments ¹	Dr. Heng currently operates SOG – Heng Clinic for Women in Parkway East Hospital.	Dr. Beh currently operates SOG - Beh's Clinic for Women in Thomson Medical Centre.	Mr. Chooi was the CEO of Myanmar Airways International up to February 2020. Currently, he is the adviser for Taiwan Sky Ground Services Private Limited.

¹ Include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Dr. Heng Tung Lan	Dr. Beh Suan Tiong	Mr. Chooi Yee-Choong
Shareholding interest in the Company and its subsidiaries	140,453,614 (29.46% of total no. of ordinary shares)	Direct interest - 24,008,452 (5.04% of total no. of ordinary shares) Deemed interest - 24,472,000 (5.13% of total no. of ordinary shares)	600,000 (0.13% of total no. of ordinary shares)
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Dr. Heng as an Executive 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 an Executive Director of the Company.	The re-election of Dr. Beh as an 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 experience and overall contribution since he was appointed as an Executive Director of the Company.	The re-election of Mr. Chooi as an 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 an Independent Director of the Company.
Whether the appointment has changed from non-executive to executive. If so, please state the area of responsibility	N.A	N.A	N.A
Working experience and occupation(s) during the past 10 years	1993 to Present: Dr. Heng currently operates SOG – Heng Clinic for Women in Parkway East Hospital.	2004 to Present: Dr. Beh currently operates SOG - Beh's Clinic for Women in Thomson Medical Centre.	2006 – 2012: Mr. Chooi was the Regional Director for Oceania, Asean for Singapore Tourism Board. During 2012, Mr. Chooi was also the Chief Planning Officer of Jetstar Asia, Singapore. 2012 – 2014: Mr. Chooi was the CEO of TransAsia Airways, Taiwan. 2015 – 2020: Mr. Chooi was the CEO of Myanmar Airways International.
Any relationship (including immediate family member relationships) with any existing Director, existing executive officer, the Company and/or substantial shareholder of the Company or 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) submitted to the Company?	Yes	Yes	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Dr. Heng Tung Lan	Dr. Beh Suan Tiong	Mr. Chooi Yee-Choong
<i>The general statutory disclosures of the Directors are as follows:</i>			
(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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Dr. Heng Tung Lan	Dr. Beh Suan Tiong	Mr. Chooi Yee-Choong
(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
(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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Dr. Heng Tung Lan	Dr. Beh Suan Tiong	Mr. Chooi Yee-Choong
(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
(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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Dr. Heng Tung Lan	Dr. Beh Suan Tiong	Mr. Chooi Yee-Choong
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
(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 OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Dr. Heng Tung Lan	Dr. Beh Suan Tiong	Mr. Chooi Yee-Choong
Prior Experience as a Director of a Listed Company on the Exchange			
Any prior experience as a Director of an issuer listed on the Exchange?	Not applicable. This relates to the re-appointment of Dr. Heng Tung Lan as an Executive Director of the Company.	Not applicable. This relates to the re-appointment of Dr. Beh Suan Tiong as an Executive Director of the Company.	Not applicable. This relates to the re-appointment of Mr. Chooi Yee-Choong as an Independent Director of the Company.
Attended or will be attending training on the roles and responsibilities of a Director of a listed issuer as prescribed by the Exchange?	N.A	N.A	N.A
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).	N.A	N.A	N.A

N.A – Not Applicable

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.

PERSONAL DATA PRIVACY

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./ Company Registration 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 Sheraton Hotel (Topaz Ballroom), Sheraton Towers Singapore, 39 Scotts Road, Singapore 228230 on 22 May 2020 at 10.00 a.m. and at any adjournment thereof.

*Due to the COVID-19 situation, you are advised to appoint Chairman of the AGM as your proxy and indicate your voting directions.

*I/We have directed *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 may vote or abstain from voting at *his/their discretion, as he/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**	Abstained**
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2019 and the Independent Auditor's Report thereon.			
2.	Re-election of Director pursuant to Article 91 - Dr. Heng Tung Lan			
3.	Re-election of Director pursuant to Article 91 - Dr. Beh Suan Tiong			
4.	Re-election of Director pursuant to Article 91 - Mr. Chooi Yee-Choong			
5.	Approval of the Independent Directors' fees of not exceeding S\$168,000 for the financial year ended 31 December 2019			
6.	Re-appointment of Messrs Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration			
7.	Authority to allot and issue shares pursuant to the Share Issue Mandate			
8.	Share Buyback Mandate			
9.	Authority to grant options and issue shares under SOG Employee Share Option Scheme			
10.	Authority to grant awards and to issue shares under SOG Performance Share Plan			

Notes:

* Please delete accordingly.

** Please indicate your vote "For" or "Against" or "Abstained" with a "√" within the boxes provided.

Dated this _____ day of _____ 2020

Total No. of Shares held	No. of Shares
In Depository Register	
In Register of Members	

*Signature(s) of Member(s)/ Common Seal of Corporate member

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 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 Registrar's 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 member is not shown to have shares entered against his name 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. 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.
CARING FOR WOMEN'S & CHILDREN'S HEALTH

(Company Registration No: 201100687M)
229 Mountbatten Road
#02-02 Mountbatten Square
Singapore 398007

 (65) 6440 4123

 (65) 6440 8240

 www.sog.com.sg

 @SingaporeOBYN