

Issuer: Singapore O&G Ltd.

Security: Singapore O&G Ltd.

Meeting details:

Date: 20 April 2018

Time: 9.00 a.m.

Venue: Conrad Centennial Hotel, Level 2, North Ballroom, 2 Temasek Boulevard, Singapore 038982

Company Description

Singapore O&G Ltd., an investment holding company, provides specialized medical services for women. It operates through Obstetrics and Gynaecology, Cancer-Related, and Dermatology segments. The company offers obstetric services, including general obstetrics, labor, and delivery; medical problems in pregnancy; and obstetrical complications and its management. It also provides gynecology, gynecologic surgery, female pelvic medicine, urogynaecology, and reconstructive surgery services, as well as gynaecology services. In addition, the company offers a range of breast care services, such as breast imaging, biopsy, cyst fluids removal, breast cancer surgery, reconstructive surgery, and rehabilitation, as well as general surgery services. Further, it provides dermatology services comprising aesthetic dermatological procedures, dermatologic and laser surgeries, and general skin care services. The company operates 11 clinics in 7 locations in Singapore. Singapore O&G Ltd. was founded in 2011 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=1D8)

1. As shown on page 96 of the annual report (Future plans), the group has a strategic business approach that is centered on a four-pronged strategy, as follows:

- Expansion of new services based on our vision of ‘Caring for women’s and children’s health and wellness’
 - 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
- (i) **What is management’s current thinking for the group’s regional expansion plans? Has management been actively exploring acquisitions in other markets? What are the key markets that the group has evaluated/will been keen to enter?**
 - (ii) **As the group’s services are targeted primarily at women and children, what would be an effective strategy that would allow the group to sign up more corporate clients?**
 - (iii) **How dependent is the group on medical tourist customers across its four segments of O&G, Cancer-related, Dermatology and Paediatrics?**
 - (iv) **What were the reasons for the “slow-down in Singapore’s medical tourism”?**

2. In April 2017, the Singapore Medical Association (SMA) iterated that ethical guidelines for the medical profession prohibit profit guarantees involving healthcare services as the financial imperative they impose is incompatible with the guidelines.

Specifically, to avoid situations where a doctor’s professional judgment is, or is seen to be, influenced by financial considerations, Section H3.1(c) of the 2016 Singapore Medical Council’s “Handbook on Medical Ethics” states that a doctor ought to be careful to:

“Not to allow any financial arrangement that commits you to give a revenue or profit guarantee to a third party to influence how you manage patients. You should avoid such arrangements as a matter of good practice as the pressures on you to meet your financial obligations would be great”.

When the company acquired the JL Laser & Surgery Centre Pte. Ltd., JL Esthetic Research Centre Pte. Ltd. and JL Dermatology Pte. Ltd. on 1 January 2016, it included certain profit guarantees from the target companies.

- (i) **Given the clear stance by the SMA on the ethical guidelines for medical professions, how would this impact the way the group grows its business? Is the growth trajectory of the group affected?**
- (ii) **With a team of 12 Specialist Medical Practitioners, how much organic growth can be achieved?**
- (iii) **Can the board provide better visibility on the group’s growth plans to scale up its O&G, Cancer-related and Dermatology segments?**
- (iv) **Can shareholders understand what are the other specialisations that the group might expand to and how would the group achieve that?**

3. On 27 December 2017, the company announced the resignation of the then-lead independent director, Mr. Christopher Chong Meng Tak. It was also disclosed that the company and Mr. Chong then had an ongoing dispute concerning the company’s claim for \$1.5 million from Mr. Chong in relation to a transaction of the company in which Mr. Chong was involved.

Additional Details

Name Of Person	Christopher Chong Meng Tak ("Mr Chong")
Age	59
Is effective date of cessation known?	Yes
If yes, please provide the date	26/12/2017
Detailed Reason (s) for cessation	For personal reasons. Based on its enquiries, the Company's Sponsor, Hong Leong Finance Limited, is satisfied that, save as disclosed in this announcement, there are no other material reasons for the cessation of Mr Chong as the Lead Independent Director of Singapore O&G Ltd.
Are there any unresolved differences in opinion on material matters between the person and the board of directors, including matters which would have a material impact on the group or its financial reporting?	Yes
If Yes, Please provide full details	Singapore O&G Ltd (the "Company") and Mr Chong have an ongoing 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.

(Source: Company announcement dated 27 December 2017)

Subsequently, on 6 March 2018, it was announced that 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 where the Company will receive a settlement amount of S\$1.25 million".

- (i) **Can the board provide shareholders with more detail on the dispute with the former lead independent director?**
- (ii) **How is it possible that the company's then-lead independent director was directly involved in a transaction which amounted to \$1.5 million? Would the direct involvement of the director in a transaction worth \$1.5 million impair his independence?**
- (iii) **In the acquisition announcement, the company had disclosed that "[n]one of the Directors or the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company". Given what the board knows now, was it factual for the company to have made that statement?**
- (iv) **With the benefit of hindsight, did the company and its directors make the appropriate announcements as required by the Listing Rules and the Companies Act?**
- (v) **Since then, how has the group strengthened its internal controls and framework to avoid such incidents from happening again?**