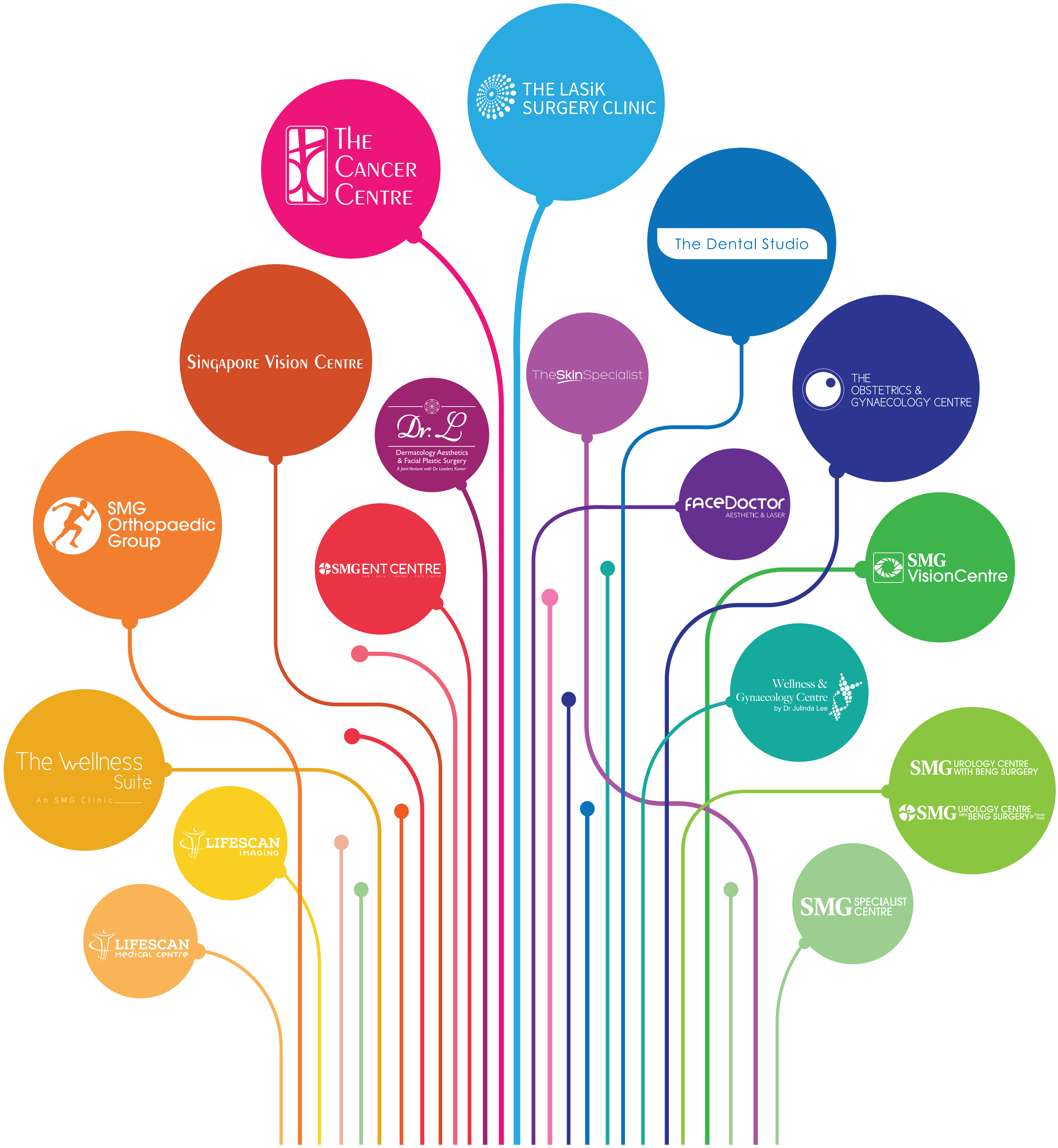

SMG
SINGAPORE MEDICAL GROUP

Specialist & Primary Healthcare Provider

ANNUAL REPORT 2015

OUR CLINICS

HEALTH

Singapore Vision Centre

290 Orchard Road #13-01 to 06 Paragon Singapore 238859
W. www.lsc.sg/svc **T.** (65) 6836 1000

The Dental Studio

290 Orchard Road #13-01 to 06 Paragon Singapore 238859
W. www.dentalstudio.sg **T.** (65) 6836 0050

11 Collyer Quay, The Arcade #03-28 Singapore 049317
W. www.dentalstudio.sg **T.** (65) 6221 1395

SMG Orthopaedic Group

3 Mount Elizabeth #14-14 Mt Elizabeth Medical Centre
Singapore 228510
W. www.orthopaedic.smg.sg **T.** (65) 6836 8000

SMG Urology Centre with Beng Surgery

6 Napier Road #08-19 Gleneagles Medical Centre Singapore 258499
W. www.smg.sg/sugc **T.** (65) 6838 1000

SMG Urology Centre with Beng Surgery @ Farrer Park

1 Farrer Park Station Road #08-10 Connexion Singapore 217562
W. www.smg.sg/sugc **T.** (65) 6737 8855

SMG ENT Centre
EAR I NOSE I THROAT I FACE I NECK

290 Orchard Road #13-01 to 06 Paragon Singapore 238859
W. www.entcentre.sg **T.** (65) 6235 2509

TheSkinSpecialist

290 Orchard Road #13-01 to 06 Paragon Singapore 238859
W. www.skinspecialist.sg **T.** (65) 6235 2633

Wellness & Gynaecology Centre by Dr Julinda Lee

290 Orchard Road #16-12 Paragon Singapore 238859
W. www.agemanagement.com.sg **T.** (65) 6235 2152

The Cancer Centre

290 Orchard Road #17-05/06 Paragon Singapore 238859
W. www.tcc.sg **T.** (65) 6835 1000

The Obstetrics & Gynaecology Centre

290 Orchard Road #16-07/08 Paragon Singapore 238859
W. www.togc.sg **T.** (65) 6238 1000

SMG Specialist Centre

290 Orchard Road #16-12 Paragon Singapore 238859
W. www.smg.sg/sspc **T.** (65) 6235 2152

38 Irrawaddy Road #05-34/35
Mount Elizabeth Novena Specialist Centre Singapore 329563
W. www.smg.sg/sspc **T.** (65) 6735 1000

319 Joo Chiat Place #02-06 Parkway East Medical Centre
Singapore 427989
W. www.smg.sg/sspc **T.** (65) 6346 3000

SMG VisionCentre

6 Napier Road #08-19 Gleneagles Medical Centre Singapore 258499
W. www.svc.com.sg **T.** (65) 6475 1158

Lifescan Medical Centre

290 Orchard Road #07-18 to 20 (Lobby C) Paragon
Singapore 238859
W. www.lifescanmedical.sg **T.** (65) 6235 3253

11 Collyer Quay, The Arcade #03-28 Singapore 049317
W. www.lifescanmedical.sg **T.** (65) 6221 1358

3 Pickering Street #01-01 Nankin Row Singapore 048660
W. www.lifescanmedical.sg **T.** (65) 6221 1651

Lifescan Imaging

290 Orchard Road #07-18 to 20 (Lobby C) Paragon
Singapore 238859
W. www.lifescanimaging.sg **T.** (65) 6235 3230

OUR CLINICS *(cont'd)*

AESTHETICS

THE LASiK SURGERY CLINIC

290 Orchard Road #13-01 to 06 Paragon Singapore 238859
W. www.lsc.sg **T.** (65) 6836 1000

The Wellness Suite
An SMG Clinic

290 Orchard Road #13-01 to 06 Paragon Singapore 238859
W. www.tws.sg **T.** (65) 6235 2582

FaceDoctor
AESTHETIC & LASER

3 Pickering Street #01-01 Nankin Row Singapore 048660
W. www.facedoctor.sg **T.** (65) 6221 1651

The Dental Studio

290 Orchard Road #13-01 to 06 Paragon Singapore 238859
W. www.dentalstudio.sg **T.** (65) 6836 0050

11 Collyer Quay, The Arcade #03-28 Singapore 049317
W. www.dentalstudio.sg **T.** (65) 6221 1395

Dr. L
Dermatology Aesthetics
& Facial Plastic Surgery
A Joint Venture with Dr. Leaders Korea™

290 Orchard Road #09-09/10 Paragon Singapore 238859
W. www.drl.sg **T.** (65) 6235 2269

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MESSAGE TO THE SHAREHOLDERS

Dear Shareholders,

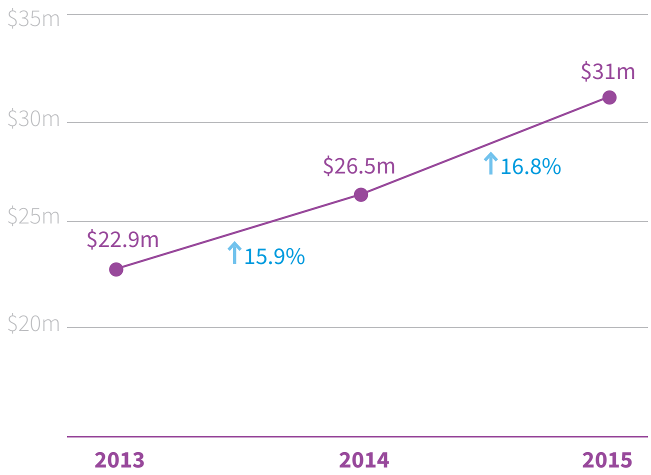
Thank you for your continued support of our Group.

OVERVIEW

2015 was an exciting growth year for SMG.

Amidst the uncertain macro environment caused by China's economic slowdown, Singapore's private healthcare competition, a sharp decline in medical tourism (due to higher medical costs) and strong Singapore Dollar, SMG remains relentless in our efforts to strengthen, grow and expand our businesses.

The Group's revenue grew by 16.8% from $26.5m in FY 2014 to $31.0m in FY 2015, sustaining the growth trajectory we started in FY 2014 where 15.9% growth was delivered.



Group Revenue

Revenue for the Health and Aesthetics business segments increased by 13.1% and 27.2% respectively in FY 2015. The growth is attributed primarily to our Oncology practice with an observed increase in local and foreign patients seen despite the retracted medical tourism sector. Our Ophthalmology practice instilled renewed demand with the introduction of new medical technologies in August 2014, resulting in revenue growth for the first time in 5 years.

Health Segment
↑13.1%

Aesthetics Segment
↑27.2%

EXPANSION AND GROWTH

SMG expanded into new medical businesses in 2015 and saw the number of medical doctors in the Group increase by 47%. These new clinics and start-ups spanned across the following medical areas:

- Facial Plastic Surgery
- Dermatology
- Family Medicine
- General Aesthetics
- Otorhinolaryngology
- Age Management & Wellness
- Health Screening
- Psychology

The expansion broadened and enhanced our medical network and services offered.

In addition, the Group entered into two new joint ventures in 2015 that encompassed Aesthetic and Diagnostic services. SMG also launched its first overseas General Ophthalmology and Refractive clinic, through its joint venture, PT Ciputra SMG, in Jakarta, Indonesia, in March 2015.

2015 marked the Group's entry into Diagnostic services with its joint venture entity, Lifescan Imaging Pte. Ltd. This generates synergies among our existing businesses to enhance the services we provide to our patients. SMG is set to further strengthen its Diagnostic services in 2016 with investment plans in a new cardiac monitoring business with our Australian joint venture partner, Cardioscan Pty Ltd.

The above expansions are not without their own set of challenges. Ramp-up periods, delayed launches and other unforeseen circumstances for our new clinics have contributed to the higher costs in FY 2015. This partly resulted in the share of joint venture losses. Excluding the share of loss from our joint ventures of $0.3m, the Group made a profit before tax of $0.4m in FY 2015, compared to $0.1m in FY 2014.

MESSAGE TO THE SHAREHOLDERS *(cont'd)*

MOVING FORWARD

Private healthcare sector in Singapore, despite the challenges, continues to provide pockets of opportunity for growth and expansion.

The Group intends to persist in driving revenue growth in existing businesses through combining the use of innovative technology for greater patient-centric workflow efficiency, along with targeted branding and marketing efforts to appeal to the appropriate customer base.

For new businesses, particularly our new joint venture businesses, we will continue to work with our joint venture partners to strengthen our patient base and deliver positive results to the Group in the shortest possible time.

Asia continues to present opportunities for the Group due to the growing demand for premium quality healthcare and specialist services. We will continue to carefully evaluate each opportunity as they present.

The SMG of 2015 has a stable and broad portfolio of businesses in unique healthcare specialist sectors. We are uniquely positioned to leverage our existing core businesses, diversify our expertise and enhance our medical network. The Group will continue to bolster the SMG brand and is poised for continued future growth.

IN APPRECIATION

On behalf of the Board, we would like to thank the SMG Management team, our doctors and staff for their hard work and contributions during the year.

Thank you.

Mr Tony Tan Choon Keat
Non-Executive Chairman

Dr Beng Teck Liang
Chief Executive Officer

Mr Tony Tan Choon Keat

Dr Beng Teck Liang

BOARD OF DIRECTORS

Mr Tony Tan Choon Keat
Non-Executive Chairman

Mr Tan is the Non-Executive Chairman of Singapore Medical Group and is responsible for providing leadership to the Board of Directors of the Group and overall strategic guidance.

Mr Tan is also a Non-Independent Non-Executive Director of IGB Corporation Bhd since 15 July 2003.

Mr Tan has vast experience in the healthcare industry. He was the founder and Managing Director of Parkway Holdings Limited, Singapore until 2000 and Deputy Chairman until his retirement in 2005. During his service, he initiated acquisitions and developments by Parkway Holdings Limited both in Singapore and overseas to build its healthcare franchise from initially a property developer to one of the largest private healthcare providers in Asia.

He holds a Bachelor of Chemical Engineering from the University of Surrey, England and a Masters in Business Administration from the University of California, Berkeley, United States.

Dr Beng Teck Liang
Executive Director & Chief Executive Officer

Dr Beng has previously led multi-billion dollar businesses and large teams in the information technology and healthcare sectors across Asia Pacific and Japan over the last decade as a senior manager.

His previous appointments include:

- Managing Director for Hewlett Packard (HP) Thailand
- General Manager for HP Enterprise Services segment across Southeast Asia
- General Manager for Asia-Pacific, HP Public Sector Enterprise Sales
- Marketing Manager for the Imaging Information Systems of General Electric (GE) Medical Systems in Asia
- Chief Medical Officer, Novahealth

Dr Beng is a believer, builder and user of meaningful technology innovations in healthcare.

Dr Beng demonstrated his entrepreneurship at a young age when he co-founded a successful and innovative medical dotcom, a patient centric portal with chronic illness management tools. The portal was then acquired by regional systems integrator, Novahealth and Dr Beng helped built it further to a total hospital information system used in various Singapore institutions including National Skin Centre.

Dr Beng started his professional career as a Medical Officer with the Singapore Ministry of Health after graduating from the University of Manchester Medical School in the United Kingdom.

He also holds a Masters in Business Administration from the Booth School of Business, University of Chicago and is an alumni of Harvard Business School.

Mr Ho Lon Gee
Independent Director

Mr Ho Lon Gee is an Independent Director of the Singapore Medical Group's Board and the Chairman of the Audit Committee since June 2009.

Lon Gee is currently the Chief Executive Officer of Tricor Singapore Pte. Ltd., where he oversees the management of Tricor group of companies in Singapore.

From 1982 to 2004, he served as an Auditor and later as a Partner at PricewaterhouseCoopers Singapore where he headed the SME Enterprise Audit Group and the Corporate Services Practice.

Lon Gee is a qualified Chartered Accountant with the Institute of Chartered Accountants in England and Wales. He is also a member of the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors.

In addition, Lon Gee also serves as Honorary Treasurer to the Singapore Children Society as well as Chairman to its Investment Committee and is a member of its Remuneration Committee.

BOARD OF DIRECTORS *(cont'd)*

Mr Jimmy Yim Wing Kuen
Independent Director

Mr Jimmy Yim is an Independent Director and chairs the Nominating and Remuneration Committees. He has been a member of the Board of Singapore Medical Group since June 2009.

Jimmy is currently the Managing Director of the Litigation & Dispute Resolution Department of Drew & Napier LLC, a leading all-service legal practice in Singapore, established since 1889. He was admitted to the Singapore Bar in 1983 and is one of the earliest batches of Senior Counsel being appointed in January 1998. His practice covers a range of civil and commercial law, corporate law and international commercial arbitrations.

Amongst his several appointments include being Fellow of the Singapore Institute of Arbitrators and Regional Arbitrator with the Singapore International Arbitration Centre (SIAC).

Apart from Singapore Medical Group Limited, Jimmy also sits on the board of CWT Limited, Low Keng Huat (Singapore) Limited and ARA-CWT Trust Management (CACHE) Limited.

He is recommended by name in leading and professional ranking agencies and publications such as Asia Pacific Legal 500, Asia Law Profiles and Chambers Global.

Dr Wong Seng Weng
Executive Director

Dr Wong Seng Weng is currently the Medical Director and Consultant Medical Oncologist of The Cancer Centre (Singapore Medical Group) at the Paragon and Mount Elizabeth Novena Specialists' Centres. He holds the appointments of executive director of the board of directors and chairman of the Medical Board of the Singapore Medical Group.

Dr Wong obtained his basic medical degree from the National University of Singapore (NUS) under the Lim Boon Keng and Tan Siak Kew Scholarships and graduated on the Dean's List for outstanding academic achievement. He completed his post-graduate training in Internal Medicine and obtained his Membership of the Royal College of Physicians of the United Kingdom (MRCP UK).

Thereafter, he achieved Specialist Accreditation with the Ministry of Health Singapore and was admitted as Fellow of the Academy of Medicine of Singapore (FAMS) and College of Physicians of Singapore. He previously held the posts of Consultant Medical Oncologist and Senior Partner of the Raffles Cancer Centre in charge of all oncology services at the Raffles Hospital.

In the area of research, he holds the appointment of Adjunct Clinician Scientist of the Institute of Bioengineering and Nanotechnology (IBN) in the Agency for Science, Technology and Research (A*STAR).

Dr Wong is part of the editorial advisory board of the oncology newspaper Oncology Tribune.

Dr Wong is a member of the American Society of Clinical Oncology (ASCO) as well as the European Society for Medical Oncology (ESMO) and Singapore Society of Oncology. He lectured widely at international cancer conferences in Vietnam, the Philippines, Thailand, Myanmar, China, India, Bangladesh, Malaysia and Indonesia.

In 2013, Dr Wong published a bilingual (English/Chinese) education book for the general readership entitled Cancel Cancer. It was named the top bestselling book in Singapore by the Asiaweek magazine in February 2014.

MANAGEMENT TEAM

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1. **Dr Beng Teck Liang**
   Chief Executive Officer
2. **Ms Wong Sian Jing**
   Chief Financial Officer
3. **Mr Manfred Tee**
   Financial Controller
4. **Mr Arifin Ng**
   General Manager & Senior Vice President,
   SMG International Partners
5. **Ms Samantha Quek**
   Director - Marketing
   General Manager - Aesthetic Cluster
6. **Ms Amara See-Toh**
   Director - Regulatory & Operations
7. **Mr Mahathir Jamah**
   Director - Procurement/Projects/IT
8. **Ms Karen Chua**
   General Manager - Eye Cluster

Please visit *www.smg.sg/corporate/management-team/*
for SMG Management Team's full biographies.

MEDICAL DIRECTORS, DOCTORS & SPECIALISTS

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1. **Dr Andrew Dutton**
   SMG Orthopaedic Group
2. **Dr Beng Teck Liang**
   The Wellness Suite An SMG Clinic
   Lifescan Medical Centre
3. **Dr Chee Jing Jye**
   The Obstetrics & Gynaecology Centre
4. **Dr Christina Low**
   Lifescan Medical Centre
5. **Dr Daphne Han**
   SMG Vision Centre
   The Lasik Surgery Clinic
   Singapore Vision Centre
6. **Dr Eugene Tay**
   Singapore Vision Centre
   The Lasik Surgery Clinic

MEDICAL DIRECTORS, DOCTORS & SPECIALISTS *(cont'd)*

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7. **Dr Fu-Gui Chang**
The Dental Studio
8. **Dr Gavin Ong**
The Skin Specialist
Dr. L Dermatology Aesthetics & Facial Plastic Surgery
9. **Dr Jimmy Beng**
SMG Urology Centre with Beng Surgery
SMG Urology Centre with Beng Surgery @ Farrer Park
10. **Dr John Huang**
Lifescan Imaging
11. **Dr Jonathan Yong**
The Wellness Suite An SMG Clinic
Facedoctor Aesthetic & Laser
12. **Dr Julinda Lee**
Wellness & Gynaecology Centre by Dr Julinda Lee
13. **Dr Kenneth Sheah**
Lifescan Imaging
14. **Dr Lim Kai Hung**
Lifescan Medical Centre
15. **Dr Lynette Ng**
The Dental Studio
16. **Dr Marc Tay**
The Lasik Surgery Clinic
Singapore Vision Centre
17. **Natalie Lim**
Registered Psychologist, SMG Specialist Centre
18. **Dr Stephanie Yap**
The Dental Studio
19. **Dr Tan Wah Ching**
The Dental Studio
20. **Dr Terry Teo**
The Dental Studio
21. **Dr Ting Hua Sieng**
The Obstetrics & Gynaecology Centre
SMG Specialist Centre
22. **Dr Valerie Tay**
SMG ENT Centre Ear Nose Throat Face Neck
Dr. L Dermatology Aesthetics & Facial Plastic Surgery
23. **Dr Wong Chiung Ing**
The Cancer Centre
SMG Specialist Centre
24. **Dr Wong Seng Weng**
The Cancer Centre
SMG Specialist Centre
25. **Dr Woo Mei Yee**
The Dental Studio
26. **Dr Yong Lok Sze**
FACEDOCTOR Aesthetic & Laser
Lifescan Medical Centre

VISITING CONSULTANTS

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1. **Dr Arthur Lim**
   Visiting Orthodontist
   The Dental Studio
2. **Dr Charles Tan**
   Visiting General Surgeon
   SMG Specialist Centre
3. **Dr Goh Bee Tin**
   Visiting Oral & Maxillofacial Surgeon
   The Dental Studio

SMG ASSOCIATE DOCTORS & PHYSICIANS

1. **Dr Arthur Tseng**
   Arthur Tseng Women's Health Services
2. **Dr Au Eong Kah Guan**
   Singapore International Eye Cataract Retina Centre
3. **Dr Audra Fong Mei Yee**
   Audra Fong Eye Clinic & Surgery
4. **Dr Ben Ng Jen Min**
   Arden Endocrinology Clinic
5. **Dr Chan Hsiang Sui**
   H S Chan Surgery
6. **Dr Charles Chan**
   Charles Chan Heart Clinic
7. **Dr Chia Yin Nin**
   Gynaecology & Oncology Specialists
8. **Dr Daniel Wai Chun Hang**
   Daniel Wai Diabetes, Thyroid and Hormone Clinic Pte. Ltd.
9. **Dr Eugene Sim**
   Cardiothoracic Surgical Centre Singapore
10. **Dr Gerald Tan**
    Gerald Tan Urology + Robotics
11. **Dr Ho Choon Kiat**
    Nexus Surgical Associates
12. **Dr Jane Tan**
    Nexus Surgical Associates
13. **Physician Jia Hong Lu**
    IAG Healthsciences
14. **Assoc. Professor (Dr) John Thomas**
    Immanuel Centre For Neurosurgery
15. **Dr Kelvin Thia**
    Hope Gastroenterology and Liver Clinic

15\. **Dr Lee Chee Wei**
    Nexus Surgical Associates

17. **Dr Leong Hoe Nam**
    Rophi Clinic
18. **Prof Li Fu Min**
    IAG Healthsciences
19. **Dr Liau Kui Hin**
    Nexus Surgical Associates
20. **Dr Lim Ing Haan**
    Lim Inh Haan Cardiology Clinic
21. **Dr Lim Ing Ruen**
    Lim Ing Ruen ENT Clinic
22. **Dr Lim Kay Kiat**
    Synergy Orthopaedic Group
23. **Dr Lim Khong Hee**
    Nexus Surgical Associates
24. **Dr Ng Puay Yong**
    Spine and Brain Surgery
25. **Dr Nicholas Chua**
    Specialist Pain International Clinic
26. **Dr Paul Chiam**
    The Heart and Vascular Centre
27. **Dr Seng Shay Way**
    K.M. Seng OG Practice/Fertility Solutions
28. **Dr Tan Yah Yuen**
    BreastCare Surgery
29. **Dr Tay Hin Hgan**
    HN Tay ENT | Head | Neck | Thyroid | Sleep | Robotic Surgery
30. **Dr Teo Yee Hong**
    Synergy Orthopaedic Group
31. **Dr Teo Yee Sze**
    Synergy Orthopaedic Group
32. **Dr Vincent Yeow**
    Dream Plastic Surgery
33. **Physician Yan Jing Ru**
    IAG Healthsciences
34. **Dr Yim Heng Boon**
    Yim Gastroenterology Liver and Endoscopy Centre

OPERATIONS REVIEW

The Group currently has a total of 23 clinics strategically located in Paragon, Mount Elizabeth Novena Specialist Centre, Parkway East Medical Centre, Raffles Place, Connexion at Farrer Park and Gleneagles Medical Centre. Additionally, the Group also comprises an extensive network of 34 SMG Associate doctors across the island.

As a team, our medical doctors and staff are committed to deliver our promise of providing patient-centric medical care and a positive experience to every individual.

In 2015, the Group saw the fruition of several significant milestones, including the addition of our range of specialist and aesthetic services, such as Age Management, Dermatology, Otorhinolaryngology (ENT), Facial Plastic Surgery, and the expansion to the Diagnostics sector together with our joint venture partners, leading to the inauguration of our radiology centre, Lifescan Imaging.

AESTHETICS BUSINESS

The aesthetics business consisting of refractive surgery, aesthetic dentistry, facial and body aesthetics, and facial plastic surgery, has seen an increase in revenue by 27.2% alongside 2 joint ventures in 2015.

Capitalising on the renewed demand of laser vision corrections resulted from the introduction of ReLEx SMILE by ZEISS in late 2014, the Group proceeded to enter a joint venture in Jakarta, Indonesia. Ciputra SMG Eye Clinic was launched in March 2015. The Lasik Surgery Clinic (LSC) and Ciputra SMG Eye Clinic each prevailed as one of the largest and most established private laser vision correction centres in Singapore and Jakarta to offer a comprehensive suite of services (ReLEx® SMILE, LASIK, Epi-LASIK and LASEK etc).

Recognising the importance of convenience, FACEDOCTOR Aesthetic & Laser (launched in July 2015) is located in the Central Business District (CBD) along Pickering Street. Led by Dr Yong Lok Sze, FACEDOCTOR prides itself with effective, affordable and fuss-free solutions tailored for busy professionals. Its signature treatment, the combination laser, targets different layers of the skin and utilises a unique blend of high quality lasers to deliver precise results with minimal downtime.

Leveraging on the expanding footprint of the aesthetics cluster, Dr. L Dermatology Aesthetics & Facial Plastic Surgery (Dr. L) was launched in October 2015. Dr. L is a joint venture of the Group with Leaders, a cosmetic division of Sansung Life & Sciences Co., Ltd, and is one of the largest aesthetic skin & laser Korean joint venture clinics in Singapore.

Dr. L is equipped with unique Korean protocols and experience in one of the most advanced laser technologies, products and surgical techniques that allow for customised treatments. The clinic also carries exclusive Dr. Leaders skincare products that are manufactured in Korea. With years of bio-technology research, Dr. Leaders skincare products are non-comedogenic, not tested on animals, and free from parabens, phenoxyethanols and chemical preservatives.

1. *Dr. L Clinic Waiting Area* ***2.&3.*** *Dr. L Media Launch* ***4.&5.*** *Dr. L Grand Opening* ***6.*** *FACEDOCTOR and LSM at Pickering Street* ***7 & 8.*** *Grand opening of Ciputra SMG Eye Clinic (Jakarta, Indonesia)*

OPERATIONS REVIEW *(cont'd)*

HEALTH BUSINESS

Encompassing both specialist and primary healthcare, the Group's expertise includes Executive & Corporate Health Screening, General Medicine, Dermatology, General Surgery, Obstetrics & Gynaecology, Oncology, Ophthalmology, Orthopaedics, Otorhinolaryngology (ENT), Dentistry and Urology.

The Group saw continued growth in the health business with an increase of 13.1% in revenue from existing and new clinics. Building on our focus to provide patient-centric medical care, both our existing Oncology and Ophthalmology practices successfully increased their patient loads during the year.

The Group also welcomed several new specialists from diverse medical specialities, and launched 4 other clinics in 2015 - SMG ENT Centre Ear Nose Throat Face Neck (SMG ENT Centre), SMG Vision Centre (SMGVC), The Skin Specialist (TSS) and Wellness & Gynaecology Centre by Dr Julinda Lee. Spearheaded by specialist doctors, the Group is pleased to grow its trusted network to ensure that every aspect of patient care is thoroughly attended to.

Launched in April 2015, TSS was founded to cover medical, surgical and cosmetic dermatology catering to both adults and children. Fronted by experienced dermatologist Dr Gavin Ong, the clinic specialises in the management of screening, diagnosis and treatment of skin, hair and nail conditions.

SMG ENT Centre was established in June 2015 with Dr Valerie Tay as the otorhinolaryngologist leading the clinic. With adept understanding in the facial anatomy, Dr Tay is one of the few ENT surgeons in Singapore who is able to perform the Scarless Rhinoplasty procedure.

With more than 15 years of clinical experience, ophthalmologist Dr Daphne Han joined SMGVC in September 2015. Dr Han is skilled in an extensive range of subspecialty cataract, lens implant and refractive procedures. She recently performed the innovative artificial iris implant surgery in January 2016 and remains as one of the few surgeons in Singapore to date who has executed this procedure with remarkable results.

The Wellness & Gynaecology Centre by Dr Julinda Lee was introduced in November 2015. With a strong interest in Age Management, Dr Julinda Lee aims to achieve vitality and prevent disease through nutrition, lifestyle modification, bioidentical hormonal therapy and medication.

Expanding the Group's services to psychology, SMG Specialist Centre has also welcomed Natalie Lim, a registered psychologist, in December 2015. Natalie is one of the few psychologists in Singapore who is specialised in Cognitive Behaviour Therapy. Trained in the United States of America and Canada, Natalie is skilled in hypnosis, mindfulness and meditation.

Acutely discerning of the synergy between specialist and primary healthcare, the Group persisted in bolstering its primary healthcare network with the introduction of experienced doctors to The Dental Studio (TDS) and Lifescan Medical Centre (LSM).

To provide general and aesthetic dentistry for working professionals in the CBD, TDS opened its doors at a second location in The Arcade, Raffles Place in March 2015. General dentists Dr Stephanie Yap and Dr Chang Fu-Gui joined the Group's panel of dental surgeons in 2015 and 2016 respectively.

LSM was launched in 3 locations in 2015: Paragon, The Arcade and Pickering Street. Catering to working professionals and corporate clientele requirements, LSM specialises in General Medicine and Executive & Corporate Health Screening services. Dr Lim Kai Hung and Dr Yong Lok Sze joined LSM's team of family physicians in 2015.

DIAGNOSTIC BUSINESS

2015 was a year of accelerated expansion for the Group. Expanding on our range of services, the Group entered into a joint venture and launched Lifescan Imaging in November 2015. Lifescan Imaging boasts an extensive area close to 7,000 square feet of medical space in Paragon, with a comprehensive range of cross-disciplinary radiology services.

Aligned with the commitment to enhance patient experience, the Group will continue to improve the quality and broaden the capacity of its existing services and healthcare team.

1, 2 & 3 *LSM and TDS at The Arcade, Raffles Place* ***4, 5 & 6.*** *LSM and Lifescan Imaging at Paragon, Orchard Road*

FINANCIAL REVIEW

CONSOLIDATED INCOME STATEMENT

The Group reported total revenue of $31.0 million for the financial year ended 31 December 2015 (“FY2015”) as compared to $26.5 million for the financial year ended 31 December 2014 (“FY2014”). The increase in revenue of 16.8% was mainly attributed to the revenue growth of $2.6 million and $1.8 million in the Health and Aesthetics Business segments respectively.

Gross profit increased by 9.7% from $8.8 million for FY2014 to $9.7 million for FY2015 due to higher revenue achieved.

Distribution & selling expenses and administrative expenses increased by 18.6% and 1.4% respectively due mainly to the setting up of new clinics and introduction of new services during FY2015.

The Group shared a net loss of $0.4 million from its investments in joint venture entities, PT Ciputra SMG, SMG Leaders Pte. Ltd. and Lifescan Imaging Pte. Ltd.

Excluding the share of results of joint venture entities of net loss of $0.4 million, the Group made a profit before tax of $0.4 million in FY2015 compared to $0.1 million in FY2014. After recognising the Group’s share of results of joint venture entities, the profit before tax of the Group for FY2015 and FY2014 was $43,000 and $112,000 respectively. Overall, the Group’s net profit for FY2015 was approximately $0.2 million, as compared to a net profit of approximately $0.5 million for FY2014.

CONSOLIDATED BALANCE SHEET

Assets

Total assets of the Group increased to $16.2 million as at 31 December 2015 from $13.6 million as at 31 December 2014 due to increase in property, plant and equipment, investments in joint venture entities and increase in trade and other receivables and deferred tax assets, offset by decrease in cash and bank balances.

Net asset value per ordinary share was 4.0 cents as at 31 December 2015 compared to 2.9 cents as at 31 December 2014.

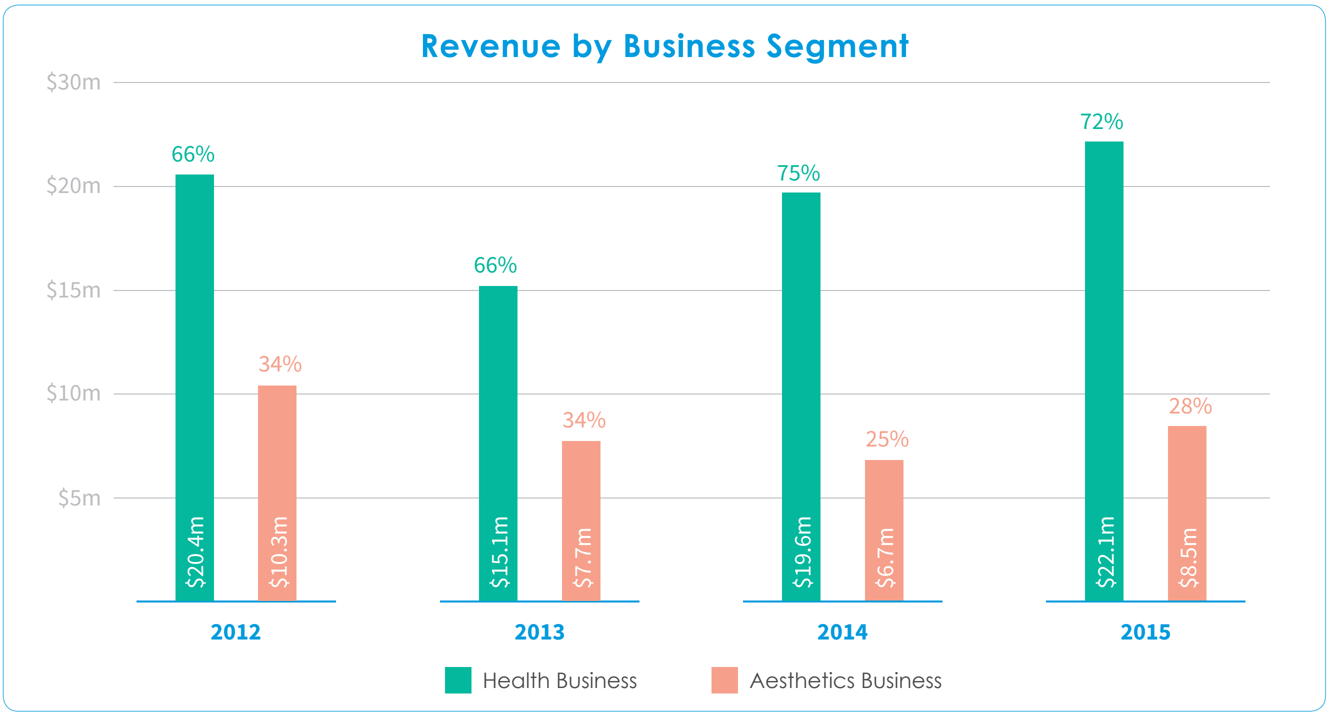
Net working capital increased from $4.2 million as at 31 December 2014 to $5.4 million as at 31 December 2015, mainly due to the decrease in the current portion of the loans and borrowings of $0.8 million arising from repayment of bank loans and the reclassification of a portion of the bank loans from current to non-current in FY2015 and a decrease in trade and other payables of $0.4 million.

Liabilities

Total liabilities decreased from $6.3 million as at 31 December 2014 to $5.2 million as at 31 December 2015 mainly due to repayment of bank loans and finance lease liabilities, and lower trade and other payables balances in FY2015.

Shareholders’ Equity

Shareholders’ equity increased from $7.4 million as at 31 December 2014 to $11.0 million as at 31 December 2015 due to the increase in share capital of the Company upon completion of the Rights Issues in FY2015.



CORPORATE INFORMATION

Board of Directors

Mr Tony Tan Choon Keat (Non-Executive Chairman)
Dr Beng Teck Liang (Executive Director and Chief Executive Officer)
Mr Ho Lon Gee (Independent Director)
Mr Jimmy Yim Wing Kuen (Independent Director)
Dr Wong Seng Weng (Executive Director)

Audit Committee

Mr Ho Lon Gee (Chairman)
Mr Jimmy Yim Wing Kuen (Member)
Mr Tony Tan Choon Keat (Member)

Remuneration Committee

Mr Jimmy Yim Wing Kuen (Chairman)
Mr Ho Lon Gee (Member)
Mr Tony Tan Choon Keat (Member)

Nominating Committee

Mr Jimmy Yim Wing Kuen (Chairman)
Mr Ho Lon Gee (Member)
Mr Tony Tan Choon Keat (Member)

Company Secretaries

Chan Wan Mei
Lee Pay Lee

Registered Office

290 Orchard Road
#13-01 Paragon
Singapore 238859
T. (65) 6836 1000
F. (65) 6836 8385
W. www.smg.sg

Share Registrar

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

Auditors

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Audit Partner in charge: Tan Swee Ho
(since financial year ended 31 December 2011)

Principal Bankers

CIMB Bank Berhad, Singapore Branch
United Overseas Bank Limited

Catalist Sponsor

CIMB Bank Berhad, Singapore Branch
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

CORPORATE GOVERNANCE REPORT

Singapore Medical Group Limited (the "**Company**") is committed to achieving a high standard of corporate governance within the Group. The Company continues to evaluate and put in place effective self-regulatory corporate practices to protect its shareholders' interests and enhance long-term shareholders' value.

This report outlines the Company's corporate governance practices for the financial year ended 31 December 2015 ("**FY2015**") with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**") issued in May 2012, which forms part of the continuing obligations of the Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Rules of Catalist**"). The Company has adhered to comply with the principles and guidelines as set out in the Code where appropriate.

Board Matters

Principle 1: Board's Conduct of its Affairs

The Board oversees the Group's overall policies, strategies and objectives, key operational initiatives, performance and measurement, internal control and risk management, major funding and investment proposals, financial performance reviews and corporate governance practices.

Apart from its statutory duties and responsibilities, the Board performs the following functions:–

(a) provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;

(c) review management performance;

(d) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(e) set the Group's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;

(f) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;

(g) nomination of Directors to the Board;

(h) appointment of key personnel;

(i) review the financial performance of the Group and implementing policies relating to financial matters, which include risk management and internal controls and compliance; and

(j) assuming responsibility for corporate governance.

The Board objectively discharges their duties and responsibilities at all times as fiduciaries in the interests of the Group. The Board has delegated specific responsibilities to three committees whose action are monitored and endorsed by the Board. These committees include the Audit Committee, the Nominating Committee and the Remuneration Committee, all of which operate within clearly defined terms of reference and functional procedures and are reviewed on a regular basis. Each of these committees reports its activities regularly to the Board.

Matters which are specifically reserved to the full Board for decision are those involving a conflict of interest for a substantial shareholder or a Director, material acquisitions and disposal of assets, corporate or financial restructuring, share issuance and dividends, and financial results and corporate strategies. The Board will provide directions to the Management team of the Group's business divisions through presentations at Board and Board Committee meetings.

Formal Board meetings are held at least once every quarter to oversee the business affairs of the Group, and to approve, if applicable, any financial or business objectives and strategies. Ad-hoc meetings are convened when the circumstances require. The Company's Constitution allows a Board meeting to be conducted by way of tele-conference and video-conference.

CORPORATE GOVERNANCE REPORT *(cont'd)*

During the financial year under review, the Board held four meetings and the attendance of each Director at every Board and Board Committee meeting is as follows:–

		Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held		**4**	**4**	**1**	**1**
Name	**Designation**	**No. of meetings attended**			
Mr Tony Tan Choon Keat	Non-Executive Chairman	2	2	1	1
Mr Ho Lon Gee	Independent Director	4	4	1	1
Mr Jimmy Yim Wing Kuen	Independent Director	4	4	1	1
Dr Beng Teck Liang	Executive Director/ Chief Executive Officer	4	4	N.A.	N.A.
Dr Wong Seng Weng[1]	Executive Director	1	1	N.A.	N.A.

1 Appointed with effect on 14 August 2015

All Directors are provided with regular updates on changes in the relevant laws, regulations and changing commercial risks to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities.

Management would conduct briefings and orientation programmes to familiarise newly appointed Directors with the various businesses, operations and processes of the Group. Upon appointment, the newly appointed Directors will be provided a formal letter setting out their duties and obligations.

Principle 2: Board Composition and Guidance

The Board comprises five Directors, of whom two are Executive Directors, one is a Non-Executive Director and two are Independent Directors. While Independent Directors make up less than half of the Board given the chairman is not independent, the Company is allowed a transitional period of up to 30 April 2018 (the "**Transitional Period**") to comply with the guideline as set out in Paragraph 2.2 of the Code. The Board is in the process of considering the appointment of a new Independent Director in order to comply with Paragraph 2.2 of the Code before the end of the Transitional Period.

The Board and its board committees comprise directors who as a group provide an appropriate balance and diversity of skills, experience, and knowledge of the Company. They also provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

The independence of each Director has been and will be reviewed annually by the Nominating Committee. The Nominating Committee adopts the Code's definition of what constitutes an Independent Director in its review. The Board considers an Independent Director as one who has no relationship with the Group, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interest of the Company and Group's affairs.

The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, its 10% substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment in the best interests of the Company. The Nominating Committee has reviewed and determined that the said Directors are independent in character and judgement.

Currently, there is no Independent Director who has served on the Board beyond nine (9) years from the date of appointment.

CORPORATE GOVERNANCE REPORT *(cont'd)*

The Board will constantly examine its size and, with a view to determining the impact of the number upon effectiveness, decide on what it considers an appropriate size for the Board, which facilitates effective decision-making. The composition of the Board is reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience.

The Board, taking into account the nature of operations of the Group, the requirement of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board committees, considers its current size to be adequate for effective decision-making. No individual or small group of individuals dominate the board's decision making process.

Non-Executive Directors constructively challenge and help develop proposals on strategy, and review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. The Non-Executive Directors are encouraged to meet regularly without the presence of the management.

The Nominating Committee is of the view that the current Board comprises persons who as a group provide capabilities required for the Board to be effective. Key information regarding the Directors is set out on pages 6 and 7 of the Annual Report.

Principle 3: Chairman and Chief Executive Officer

The Board recognises the Code's recommendation that the Chairman and the Chief Executive Officer ("**CEO**") should be separate persons to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Non-Executive Chairman of the Company is Mr Tony Tan Choon Keat and the CEO is Dr Beng Teck Liang. The Chairman bears the responsibility for the effective conduct of the Board whilst the CEO bears the executive responsibility for the operation of the Group's business. The Chairman and the CEO are not related to each other.

The Chairman schedules Board meetings as and when required and sets the agenda for the Board meetings. He sets guidelines on and ensures quality, quantity, complete, adequate, and timeliness of information flow between the Board and Management of the Company. The Chairman also builds constructive relations within the Board and between the Board and Management, and facilitates the effective participation of non-executive directors by promoting a culture of openness and debate at the Board. The Chairman further ensures effective communication with shareholders and promotes high standards of corporate governance.

All the Board committees are chaired by Independent Directors and at least one-third of the Board consist of Independent Directors. Currently, there is no appointment of Lead Independent Director in the Company. The Board is in the process of considering the appointment of Lead Independent Director in order to comply with the Code.

Board Committees

Nominating Committee ("NC")

Principle 4: Board Membership
Principle 5: Board Performance

The current NC comprises the following 3 members, majority of whom (including the Chairman), are Independent Directors:

(a) Mr Jimmy Yim Wing Kuen (Chairman);

(b) Mr Tony Tan Choon Keat; and

(c) Mr Ho Lon Gee.

The Board has approved the written terms of reference of the NC. Its functions are as follows:–

(a) review and assess candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment of directors;

CORPORATE GOVERNANCE REPORT *(cont'd)*

(b) re-nominate directors for re-election in accordance with the Constitution at each annual general meeting and having regard to the director's contribution and performance;

(c) determine annually whether or not a director of the Company is independent;

(d) decide whether or not a director is able to and has been adequately carrying out his duties as a director; and

(e) assess the performance of the Board as a whole and contribution of each director to the effectiveness of the Board.

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position.

A formal assessment process is in place to assess the effectiveness of the Board as a whole. Assessment parameters include evaluation of the Board's access to information, accountability, the quality of Board processes, Board's performance in relation to discharging its principal responsibilities, and the business performance of the Group in terms of the financial indicators as set out in the Code. The Board assessment also takes into consideration both qualitative and quantitative criteria, such as return on equity, success of the strategic and long-term objectives set by the Board.

The evaluation of the Board is conducted annually. As part of the process, the Directors will complete the evaluation forms which are collated by the Company Secretary. The Company Secretary will then summarise the results of the evaluation and present it to the NC for review. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement are then submitted to the Board for discussion and for implementation. The Chairman, in consultation with the NC, proposes when appropriate, new members to be appointed or seek the resignation of Directors.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole was satisfactory. Although some of the Board members have multiple board representations, the multiple board representations do not hinder them from carrying out their duties as directors. The NC is satisfied that sufficient time and attention has been given by the Directors to the Group. The Company's current policy stipulated that a director should not hold more than 5 listed board representations concurrently. The Board believes that the prescribed amount is reasonable in order to ensure the directors are able to dedicate sufficient time and effort to discharge their duties and perform their roles in the best interests to the Company.

With regard to the responsibility of determining annually, and as and when circumstances require, if a director is independent, each NC member will not take part in determining his own re-nomination or independence. Each director is required to submit a return of independence to the Company Secretary as to his independence, who will submit the returns to the NC. The NC shall review the returns and determine the independence of each of the Directors and recommend to the Board. An Independent Director shall notify the NC immediately, if as a result of a change in circumstances, he no longer meets the criteria for independence. The NC shall review the change in circumstances and make its recommendations to the Board. During the year, the NC has reviewed and determined that Mr Ho Lon Gee and Mr Jimmy Yim Wing Kuen are independent directors of the Company.

All Directors are subject to the provisions of Article 94 of the Company's Constitution whereby one-third of the Directors are required to retire and subject themselves to re-election by shareholders at every annual general meeting of the Company.

The NC recommended to the Board that Mr Tony Tan Choon Keat be nominated for re-election at the forthcoming annual general meeting ("**AGM**"). The retiring Director has offered himself for re-election. The Board has accepted the recommendation of the NC. Mr Tony Tan Choon Keat will, upon re-election as a Director, remain as the Member of Nominating Committee, Remuneration Committee and Audit Committee and he will continue in office as Non-Executive Director and Chairman of the Company.

All the newly appointed Directors are subject to the provisions of Article 99 of the Company's Constitution whereby the appointed Directors shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the numbers of Directors who are retire by rotation at such meeting.

The NC recommended to the Board that Dr Wong Seng Weng be nominated for re-election at the forthcoming AGM. The retiring Director has offered himself for re-election. The Board has accepted the recommendation of the NC. Dr Wong Seng Weng will, upon re-election as a Director, continue in office as Executive Director.

CORPORATE GOVERNANCE REPORT *(cont'd)*

In making the recommendation, the NC had considered the Directors' overall contributions and performance.

The details of the Board member's directorship are disclosed as follows:

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee
Tony Tan Choon Keat	2 December 2013	N/A	Non-Executive Chairman	Chairman of the Board of Directors; Member of Nominating Committee, Member of Remuneration Committee and Member of Audit Committee.
Dr Beng Teck Liang	2 December 2013	N/A	Executive Director and Chief Executive Officer	N/A
Ho Lon Gee	22 June 2009	30 April 2014	Independent Director	Chairman of Audit Committee; Member of Nominating Committee and Member Remuneration Committee
Jimmy Yim Wing Kuen	22 June 2009	21 April 2015	Independent Director	Chairman of Nominating Committee; Chairman of Remuneration Committee and Member of Audit Committee
Wong Seng Weng	14 August 2015	N/A	Executive Director	N/A

The Board member's shareholding in the Company and its related companies are set out on page 28 of the Annual Report.

Principle 6: Access to Information

To assist the Board in fulfilling its responsibilities, the Board is provided with management reports which include board papers and related materials containing relevant background or explanatory information required to support the decision-making process. The Management will continue to improve its process in providing complete, adequate and timely information to the Directors prior to each Board meeting so as to enable them to make decisions to discharge their duties and responsibilities. The Board is also provided with management accounts of the Group's performance, position and prospects on a quarterly basis.

The Directors are entitled to request from Management and should be provided with additional information as needed to make informed choices. The Board has separate and independent access to senior management and the Company Secretary at all times. The Company Secretary or its representative attends all Board and Board Committees meetings and ensures that all Board procedures are followed. The Company Secretary also ensures that the Company complies with the requirements of the Companies Act and the Rules of Catalist. The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Company Secretary's responsibility include ensuring good information flows within the Board and its board committees and between Management and Non-Executive Directors and advising the Board on corporate governance matters.

If any of the Directors require independent professional advice in the furtherance of their duties, the cost of such professional advice will be borne by the Company.

Remuneration Committee ("RC")

Principle 7: Procedures for Developing Remuneration Policies
Principle 8: Level and Mix of Remuneration
Principle 9: Disclosure of Remuneration

The current RC comprises the following 3 members, majority of whom (including the Chairman) are Independent Directors:

(i) Mr Jimmy Yim Wing Kuen (Chairman);

(ii) Mr Tony Tan Choon Keat; and

(iii) Mr Ho Lon Gee.

CORPORATE GOVERNANCE REPORT *(cont'd)*

The Board has approved the written terms of reference of the RC. Its functions are as follows:–

(a) recommend to the Board a framework of remuneration for the directors and executive officers;

(b) determine specific remuneration packages for each executive director;

(c) review annually the remuneration of employees related to the directors 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;

(d) review and approve any bonuses, pay increases and/or promotions for the senior management; and

(e) other acts as may be required by the SGX-ST and the Code from time to time;

In addition, the RC has been tasked to administer the SMG Share Option Scheme and SMG Performance Share Plan.

In carrying out the above, the RC may obtain independent external legal and other professional advice as it deems necessary. The expenses of such advice shall be borne by the Company.

The RC reviews the Company's obligations arising in the event of termination of Executive Directors and key executives' contracts of service to ensure such contracts of service contain fair and reasonable termination clauses.

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the Company successfully but the Company should avoid paying more for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

The Company sets remuneration packages which:

(a) align interests of Executive Directors with those of shareholders and promote long-term success of the Company;

(b) link rewards to corporate and individual performance;

(c) are competitive and sufficient to attract, retain and motivate Directors and senior management with adequate experience and expertise to manage the business and operations of the Group; and

(d) take into account of the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks.

The remuneration paid and payable to the Directors and Executive Officers during the financial year under review are as follows:

Remuneration Bands	**Salary**	**Performance Bonus**	**Director's fee**	**Others**	**Fair value of share options**	**Total**
Directors						
Above S$500,000*						
Dr Wong Seng Weng	100%	–	–	–	–	100%
S$250,000 – S$500,000						
Dr Beng Teck Liang	74%	–	–	12%	14%	100%
Below S$250,000						
Mr Ho Lon Gee	–	–	100%	–	–	100%
Mr Jimmy Yim Wing Kuen	–	–	100%	–	–	100%
Mr Tony Tan Choon Keat	–	–	–	–	–	–

* For competitive reasons, remuneration above S$500,000 is not disclosed in bands of S$250,000.

CORPORATE GOVERNANCE REPORT *(cont'd)*

Remuneration Bands	Salary	Performance Bonus	Others	Fair value of share options	Total
Executive Officers					
Below S$250,000					
Arifin Ng	83%	–	12%	5%	100%
Mahathir Jamah	96%	–	–	4%	100%
Manfred Tee	100%	–	–	–	100%
Pierre-Alain Guillon	94%	–	–	6%	100%
Quek YingShan, Samantha	88%	–	8%	4%	100%
See-Toh Zhiping, Amara	95%	–	–	5%	100%
Wong Sian Jing	73%	–	–	27%	100%

For competitive reasons, the Company is not disclosing each individual Director's and Executive Officer's remuneration. Instead, the Company is disclosing the remuneration of each Director and Executive Officers in bands of S$250,000.00.

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors and Executive Officers. No Director is involved in determining his own remuneration. The remuneration of the Non-Executive and Independent Directors is appropriate to their individual contribution and is in the form of a fixed fee.

The Executive Directors have service agreements with the Company. Their compensation consists of salary, bonus and performance award that is dependent on the Group's performance. The service agreements allow termination by either party giving three to six months' notice in writing to the other. The RC is responsible for the review of compensation commitments, if any, in the event of early termination.

Additionally, in setting remuneration packages, the Company has taken into account the remuneration and employment conditions within the industry.

The Directors' fees, as a lump sum, will be subject to the approval by shareholders at the forthcoming AGM.

Saved as disclosed below, no other employee whose remuneration exceeded S$50,000 during the financial year under review is an immediate family member of a Director or CEO.

Remuneration Bands	Salary/ Professional Fees	Performance Bonus	Director's fee	Others	Fair value of share options	Total
Immediate family members of Director or CEO						
S$300,000 – S$350,000						
Dr Jimmy Beng Keng Siew*	100%	–	–	–	–	100%

* Dr Jimmy Beng Keng Siew is the father of Executive Director and CEO, Dr Beng Teck Liang.

The Company has a share option scheme known as SMG Share Option Scheme (the "**SSOS**") which was approved by shareholders of the Company on 30 April 2014. The SSOS comply with the relevant rules as set out in Chapter 8 of the Rules of Catalist. The SSOS will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The scheme is administered by the RC. Further information on the SSOS can be found on pages 29 and 30 of the Annual Report.

CORPORATE GOVERNANCE REPORT *(cont'd)*

The Company also implements a performance share plan known as SMG Performance Share Plan (the "**Share Plan**") to complement the SSOS which was approved by shareholders of the Company on 30 April 2014. The Share Plan comply with the relevant rules as set out in Chapter 8 of the Rules of Catalist. With both SSOS and Share Plan in place, the Company will have a more comprehensive and flexible set of remuneration tools to better motivate, retain and recruit talent. The Share Plan will provide an opportunity for employees (including Executive Directors) to participate in the equity of the Company.

Accountability and Audit

Principle 10: Accountability and Audit

The Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the listing rules of the securities exchange, for instance, by establishing written policies where appropriate.

In presenting the annual financial statements, half-year results and full-year results announcements to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and balance and understandable assessment of the Group's financial position and prospects. The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information in compliance with statutory requirements and the Rules of Catalist. The management currently provides the Board with management accounts of the Group's performance, position and prospects at least on a quarterly basis.

Principle 11: Risk Management and Internal Controls

The Board, assisted by the AC, has oversight of the internal controls and risk management system in the Group.

The Company does not have a Risk Management Committee. However, the management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC. The details of the Group's financial and business risks can be found on pages 72 to 74 of this Annual Report.

The Group's internal controls and systems are designed to provide reasonable, but not absolute assurance to the integrity and reliability of the financial information and to safeguard and maintain the accountability of the assets.

The AC examines the effectiveness of the Group's internal control systems. The numbers of assurance mechanisms currently operating are supplemented by the Company's internal and external auditors' annual reviews of the effectiveness of the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management systems. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC in a timely fashion. The Board received assurance in writing from CEO and Chief Financial Officer ("**CFO**") that financial records have been properly maintained and financial statements of the Company give a true and fair view of the Company's operations and finance. The assurance from CEO and CFO also includes effectiveness of the Company's risk management and internal control systems. The AC also reviews the effectiveness of the actions taken by the management on the recommendations made by the internal and external auditors in this respect.

The Board is of the opinion that the system of internal controls maintained by the Group's management, and that was in place throughout FY2015 and up to the date of this Report, is adequate to meet the needs of the Group in its current business environment.

The Board of Directors and the AC review annually, the adequacy of the Group's internal controls, including financial, operational, compliance and information technology controls and the Board, with the concurrence of the AC is of the opinion that the system of internal controls are in place and adequate to meet its needs in addressing the financial, operational, compliance risks and information technology controls. The Board is also of the view that the Company maintains a robust and effective system of internal controls in addressing financial, operational and compliance risks.

CORPORATE GOVERNANCE REPORT *(cont'd)*

Audit Committee ("AC")

Principle 12: Audit Committee

The current AC comprises the following 3 members, majority of whom (including Chairman) are Independent Directors:

(i) Mr Ho Lon Gee (Chairman);

(ii) Mr Tony Tan Choon Keat; and

(iii) Mr Jimmy Yim Wing Kuen.

The members of the AC are appropriately qualified to discharge their responsibilities and have recent and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgment.

The Board has approved the written terms of reference of the AC. Its functions are as follows:–

(a) assist the Board in fulfilling its responsibilities in respect of the Company's accounting policies, internal controls and financial reporting practices;

(b) monitor management's commitment to the establishment and maintenance of a satisfactory control environment an effective system of internal control and review the effectiveness of the internal audit function (including any arrangements for internal audit);

(c) maintain a channel of communication among members of the Board, the financial management team, and the internal and external auditors on matters arising out of the internal and external audits and to consider the adequacy of arrangements for audit;

(d) monitor and review the scope and results of external audit and its cost effectiveness and the independence and objectivity of the external auditors;

(e) review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response;

(f) review the quarterly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major financial risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Rules of Catalist and any other relevant statutory or regulatory requirements;

(g) review the internal control procedures and ensure co-ordination between the external auditors and the management, and review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the management, where necessary);

(h) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

(i) consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;

(j) review interested person transactions (if any) falling within the scope of Chapter 9 of the Rules of Catalist;

(k) review potential conflicts of interest (if any);

(l) review the integrity of any financial information presented to the Company's shareholders;

(m) review all hedging policies and instruments to be implemented by the Company, if any;

(n) review and evaluate the Group's administrative, operating and internal accounting controls and procedures;

(o) review the Group's financial risk and any oversight of the Group's financial risk management processes and activities to mitigate and manage financial risk at acceptable levels determined by the Board;

CORPORATE GOVERNANCE REPORT *(cont'd)*

(p) review the Group's key financial risk areas, with a view to provide an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or where the findings are material, immediately announced via SGXNET;

(q) 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; and

(r) generally undertake such other functions and duties as may be required by statute or the Rule of Catalist, or by such amendments as may be made thereto from time to time.

The AC meets regularly and also holds informal meetings and discussions with the management from time to time. The AC has full discretion to invite any Director or Executive Officer to attend its meetings.

The AC has been given full access to and is provided with the cooperation of the Company's management. In addition, the AC has independent access to the external auditors of the Company, Ernst & Young LLP (the "**External Auditors**") and the internal auditor of the Company, RSM Risk Advisory Pte Ltd (the "**Internal Auditors**"). The AC meets with the External Auditors on an annual basis without the presence of management to review matters that might be raised privately. The AC has reasonable resources to enable it to discharge its functions properly.

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

Audit and Non-Audit Fees

The audit and non-audit services that were rendered by the Company's auditors, Ernst & Young LLP, to the Group and their related fees for FY2015 are as follows:

	S$'000
Audit fees	146
Tax fees	57
Total	203

The AC has reviewed the volume of non-audit services to the Group by the External Auditors and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors, is pleased to recommend their re-appointment at the forthcoming AGM.

The Company is in compliance with Rules 712 and 715 of the Rules of Catalist in relation to the proposed re-appointment of the External Auditors.

Whistle-blowing Policy

The AC has established and put in place a whistle-blowing policy and procedures to provide employees with well-defined and accessible channels within the Group for reporting suspected fraud, corruption, dishonest practices or other similar matters or raise serious concerns about possible incorrect financial reporting or other matters that could have an adverse impact on the Company. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisal. In promoting and creating awareness, the whistle-blowing policy and procedures are circulated to all existing and newly recruited employees.

The AC exercises the overseeing function over the administration of the policy. Quarterly reports will be submitted to the AC stating the number and nature of complaints received, the results of the investigation, follow-up actions and the unresolved complaints.

CORPORATE GOVERNANCE REPORT *(cont'd)*

Principle 13: Internal Audit

RSM Risk Advisory Pte Ltd is currently engaged as the internal auditors of the Group and report directly to the Chairman of AC on audit matters and to the CEO on administrative matters. The internal auditor has full access to all the Company's documents, records, properties and personnel, including access to the AC. The internal auditor is guided by the Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors. The AC review the adequacy and effectiveness of the internal audit function annually.

The objective of the internal audit function is to provide an independent review of the effectiveness of the Group's internal controls and provide reasonable assurance to the AC and the management that the Group's risk management, controls and governance processes are adequate and effective. The AC has reviewed the annual internal audit plan for FY2015. The AC is satisfied that the internal audit is adequately resourced and has the appropriate standing within the Group.

Shareholder Rights and Responsibility
Principle 14: Shareholders Rights
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholder Meetings

The Board is accountable to the shareholders and is mindful of its obligation to provide timely and fair disclosure of material information to shareholders, investors and public. The Board treats all shareholders fairly and equitably and seeks to protect and facilitate exercise of shareholder's rights.

The Company provides updated information including changes (if any) in the Company or its businesses which are likely to materially affect the price or value of its shares, in a timely and consistent manner to its shareholders via SGXNET announcements, news releases and the Company's website. Price-sensitive information is publicly released on an immediate basis where required under the Rules of Catalist. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that shareholders and the public have a fair access to the information.

The Group does not have a concrete dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. There is no dividend payment to shareholders for the financial year ended 31 December 2015 in view of funding needs for future business developments and expansion.

The Company recognises that effective communication can highlight transparency and enhance accountability to its shareholders. The annual general meeting of the Company is a principal forum for dialogue and interaction with all shareholders. All shareholders will receive the annual report and the notice of annual general meeting. At the annual general meeting, shareholders will be given the opportunity to voice their views and to direct questions regarding the Group to the Directors including the Chairman of the Board and respective Chairman for each of the Board Committees. The External Auditors are also present to assist the Directors in addressing any relevant queries from the shareholders. Additionally, the Company prepare minutes of general meetings, which are made available to shareholders upon their request. Shareholders are encouraged to attend the AGM of the Company to ensure a high level of accountability and to stay informed of the Company's strategy and goals. The Board allows all shareholders to exercise its voting rights by participation and voting at general meetings.

The Company ensures that there are separate resolutions at general meetings on each distinct issue.

The Company's Constitution allows a member of the Company to appoint one or two proxies to attend and vote at its general meetings.

CORPORATE GOVERNANCE REPORT *(cont'd)*

Securities Transactions

In line with Rule 1204(19) of the Rules of Catalist, the Group has adopted a policy with respect to dealings in securities by the Directors and its Executive Officers. Directors, management and officers of the Group who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's shares during the periods commencing one month before the announcement of the Group's half-year or full-year results and ending on the date of announcement of such results, or when they are in possession of unpublished price-sensitive information on the Group. In addition, Directors, management and officers of the Group are not allowed to deal in the Company's shares on short-term considerations. To provide further guidance to employees on dealings in the Company's shares, the Company has adopted a code of conduct on transactions in the Company's shares.

Material Contracts

Save for the service agreements between the Executive Directors and the Company, there were no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder, which are either still subsisting at the end of FY2015 or if not then subsisting, entered into since the end of the previous financial year.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC for review and approval. The AC has reviewed the interested person transactions for FY2015 conducted whereby the shareholders' approval has exempted under Rule 916(1) of the Rules of Catalist and is satisfied that the transactions were carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. When a potential conflict of interest arises, the Director concerned takes no part in discussions or exercises any influence over other members of the Board.

The aggregate value of recurrent interested persons transactions entered into by the Company during FY 2015 is as follows:–

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (S$'000)
K S Beng Pte Ltd[1]	163	–
MW Medical Pte Ltd[2]	2	–
MW Medical Holdings Pte Ltd[2]	62	–
International Cancer Specialists Pte Ltd[3]	254	–

1 K S Beng Pte Ltd is wholly-owned by the immediate family member of Dr Beng Teck Liang, the Company's Executive Director and Chief Executive Officer and substantial shareholder of the Company.

2 MW Medical Pte Ltd and MW Medical Holdings Pte Ltd are owned by Dr Wong Seng Weng, the Executive Director of the Company.

3 International Cancer Specialists Pte Ltd ("ICS") is indirectly owned by Mr Tony Tan Choon Keat, the Non-Executive Chairman and substantial shareholder of the Company. ICS ceased to be an interested person during the financial year as Mr Tony Tan Choon Keat had disposed his entire indirect interest in the entity.

CORPORATE GOVERNANCE REPORT *(cont'd)*

Non-Sponsor Fees

No non-sponsor fees were paid to the Company's sponsor, CIMB Bank Berhad, Singapore Branch for FY2015.

Update on Use of Rights Issue Proceed

The status on the use of proceeds from the issuance of Renounceable Non-Underwritten Rights Issue of 25,093,500 ordinary shares, which was completed on 13 January 2015, are as follows:

	Actual S$'000	Intended S$' 000
Net Proceeds	3.6	3.6
Less:		
(i) Strengthen the Company's working capital & capital base	(0.3)	(0.8)
(ii) Growing existing medical specialist business	(1.3)	(2.0)
(iii) Potential growth and acquisition	(0.4)	(0.8)
Balance as at 30 March 2016	1.6	

The above use of proceeds is in accordance with the intended use as stated in the Offer Information Statement dated 9 December 2014 and the Company's announcement on 15 March 2016 in relation to the change of use of proceeds of the Rights Issue.

The Company will continue to make periodic announcements via SGXNET upon utilisation of the remaining Rights Issue Proceeds as and when the funds are materially disbursed.

Update on Use of Placement Proceed

The status on the use of proceeds from the issue and allotment of 26,971,000 Placement shares on 14 November 2014 are as follows:

	Actual S$'000	Intended S$' 000
Net Proceeds	4.2	4.2
Less:		
(i) Expansion of the Company's aesthetic business	(1.3)	(2.2)
(ii) Potential growth and acquisition opportunities	(1.8)	(2.0)
Balance as at 30 March 2016	1.1	

The above use of proceeds is in accordance with the intended use as stated in the Announcement dated 4 November 2014 in relation to the Placement.

The Company will continue to make periodic announcements via SGXNET upon utilisation of the remaining Placement Proceeds as and when the funds are materially disbursed.

DIRECTORS' STATEMENT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Singapore Medical Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2015.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) 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.

Directors

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

Tony Tan Choon Keat
Dr Beng Teck Liang
Ho Lon Gee
Jimmy Yim Wing Kuen
Dr Wong Seng Weng (appointed on 14 August 2015)

Arrangements to enable directors to acquire shares and debentures

Except as disclosed below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year or date of appointment**	**At the end of financial year**	**At the beginning of financial year or date of appointment**	**At the end of financial year**
Ordinary shares of the Company				
Tony Tan Choon Keat	50,798,715	55,878,586	–	199,900
Dr Beng Teck Liang	44,655,000	49,130,000	–	–
Jimmy Yim Wing Kuen	2,725,000	2,725,000	–	–
Dr Wong Seng Weng	5,407,000	5,407,000	–	–
Share options of the Company				
Dr Beng Teck Liang	2,500,000	2,500,000	–	–

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Tony Tan Choon Keat and Dr Beng Teck Liang are deemed to have an interest in the shares of the subsidiaries of the Company.

DIRECTORS' STATEMENT *(cont'd)*

There was no change in any of the above mentioned interests between the end of the financial year and 21 January 2016.

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

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Options

At the Extraordinary General Meeting held on 30 April 2014, shareholders approved the SMG Share Option Scheme and SMG Performance Share Plan (collectively, the "Scheme"). The Scheme is administered by the Remuneration Committee, comprising Messrs Jimmy Yim Wing Kuen (Chairman), Ho Lon Gee and Tony Tan Choon Keat.

SMG Share Option Scheme ("SSOS")

The SSOS applies to all employees of the Group (including Executive Directors who are Controlling Shareholders and their associates) who have attained the age of 21 years on or before the relevant grant of the options, provided that none shall be an undischarged bankrupt.

Other information regarding the SSOS is set out below:

(a) The exercise price of the options is set at a price (the "Market Price") equal to the average of the last dealt prices for the Company's shares on the SGX-ST for the five consecutive market days immediately preceding the date of grant of such options.

(b) The options expire 5 years after the grant date, unless they have been cancelled or have lapsed prior to that date.

SMG Performance Share Plan ("PSP")

The PSP applies to all employees of the Group (including Executive Directors who are Controlling Shareholders and their associates) who have attained the age of 21 years on or before the relevant grant of the options, provided that none shall be an undischarged bankrupt. The awards granted under PSP are conditional on Performance Targets set based on medium-term corporate objectives. Awards represent the right of a participant to receive fully paid shares, free of charge, upon the Company achieving prescribed Performance Target(s). Awards are released once the Remuneration Committee is satisfied that the prescribed target(s) have been achieved. There is no vesting periods beyond the performance periods.

No award under the PSP has been granted during the financial year.

DIRECTORS' STATEMENT *(cont'd)*

Options granted/exercised

At the end of the financial year, details of the options granted under the SSOS on the unissued ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2015	Options granted	Options exercised	Options forfeited/ expired	Options outstanding at 31 December 2015	Exercise period
12/05/2014	S$0.173	4,750,000	–	–	(700,000)	4,050,000	12/05/2015 to 11/05/2019
20/08/2014	S$0.185	780,000	–	–	(120,000)	660,000	20/08/2015 to 19/08/2019
10/07/2015	S$0.145	–	555,000*	–	–	555,000	10/07/2016 to 09/07/2020
		5,530,000	555,000	–	(820,000)	5,265,000	

* Options granted during the financial year have been announced via SGXNET on 10 July 2015.

Details of options granted to directors and controlling shareholders (or their associates) of the Company under the SSOS are as follows:

Name of director and controlling shareholder	Options granted for the financial year ended 31 December 2015	Aggregate options granted since commencement of Scheme to 31 December 2015	Aggregate options exercised since commencement of Scheme to 31 December 2015	Aggregate options outstanding as at 31 December 2015
Dr Beng Teck Liang	–	2,500,000	–	2,500,000

Since the commencement of the Scheme, no participant under the Scheme has been granted 5% or more of the total options available under the SSOS.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

Audit committee

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. Further details regarding the audit committee are disclosed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Tony Tan Choon Keat
Director

Dr Beng Teck Liang
Director

30 March 2016

INDEPENDENT AUDITOR'S REPORT

to the members of Singapore Medical Group Limited

Report on the financial statements

We have audited the accompanying financial statements of Singapore Medical Group Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 32 to 77, which comprise the balance sheets of the Group and the Company as at 31 December 2015, and the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

30 March 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000
Revenue	4	**30,967**	26,514
Cost of sales		**(21,302)**	(17,705)
Gross profit		**9,665**	8,809
Other items of income			
Financial income	5	**42**	15
Other income	6	**391**	546
Other items of expense			
Distribution and selling expenses		**(1,969)**	(1,660)
Administrative expenses		**(7,647)**	(7,543)
Financial expenses	5	**(75)**	(62)
Share of result of joint venture entities	15	**(364)**	7
Profit before tax	7	**43**	112
Income tax credit	10	**157**	360
Profit for the year		**200**	472
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**(31)**	–
Other comprehensive income for the year, net of tax		**(31)**	–
Total comprehensive income for the year		**169**	472
(Loss)/Profit attributable to:			
Owners of the Company		**(148)**	79
Non-controlling interests		**348**	393
		200	472
Total comprehensive income attributable to:			
Owners of the Company		**(179)**	79
Non-controlling interests		**348**	393
		169	472
(Loss)/Earnings per share attributable to owners of the Company (cents per share)			
Basic	11	**(0.05)**	0.04
Diluted	11	**(0.05)**	0.03

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**2,628**	2,237	**41**	47
Intangible assets	13	**–**	–	**–**	–
Investment in subsidiaries	14	**–**	–	**1,642**	2,782
Investment in joint ventures	15	**2,601**	509	**2,989**	567
Other receivables	18	**370**	336	**369**	336
Deferred tax assets	24	**500**	427	**–**	–
		6,099	3,509	**5,041**	3,732
Current assets					
Inventories	16	**1,073**	1,001	**–**	–
Trade receivables	17	**1,364**	826	**–**	–
Prepayments		**309**	254	**81**	173
Other receivables	18	**880**	771	**386**	393
Due from related companies	19	**–**	–	**8,410**	4,309
Cash and bank balances		**6,465**	7,266	**3,280**	4,740
		10,091	10,118	**12,157**	9,615
Total assets		**16,190**	13,627	**17,198**	13,347
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	20	**1,298**	1,794	**2**	2
Other payables and accruals	21	**2,350**	2,210	**300**	372
Due to related companies	19	**–**	–	**3,947**	3,174
Obligations under finance leases	22	**64**	85	**–**	–
Loans and borrowings	23	**1,008**	1,807	**1,008**	1,807
Income tax payable		**7**	67	**–**	–
		4,727	5,963	**5,257**	5,355
Non-current liabilities					
Obligations under finance leases	22	**44**	102	**–**	–
Loans and borrowings	23	**261**	–	**261**	–
Other accrual	21	**191**	170	**15**	15
Deferred tax liabilities	24	**5**	31	**–**	–
		501	303	**276**	15
Total liabilities		**5,228**	6,266	**5,533**	5,370
Net assets		**10,962**	7,361	**11,665**	7,977
Equity attributable to owners of the Company					
Share capital	25	**18,705**	15,240	**18,705**	15,240
Accumulated losses		**(8,552)**	(8,404)	**(7,229)**	(7,335)
Share option reserve	26	**189**	72	**189**	72
Foreign currency translation reserve	27	**(31)**	–	**–**	–
		10,311	6,908	**11,665**	7,977
Non-controlling interests		**651**	453	**–**	–
Total equity		**10,962**	7,361	**11,665**	7,977
Total equity and liabilities		**16,190**	13,627	**17,198**	13,347

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2015

Group	Share capital (Note 25) $'000	Accumulated losses $'000	Share option reserve (Note 26) $'000	Foreign currency translation reserve (Note 27) $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company						
2015							
Balance at 1 January 2015	**15,240**	**(8,404)**	**72**	**–**	**6,908**	**453**	**7,361**
Profit/(loss) for the year	**–**	**(148)**	**–**	**–**	**(148)**	**348**	**200**
Other comprehensive income							
Foreign currency translation differences	**–**	**–**	**–**	**(31)**	**(31)**	**–**	**(31)**
Other comprehensive income for the year, net of tax	**–**	**–**	**–**	**(31)**	**(31)**	**–**	**(31)**
Total comprehensive income for the year	**–**	**(148)**	**–**	**(31)**	**(179)**	**348**	**169**
Contributions by and distributions to owners							
Issue of shares	**3,839**	**–**	**–**	**–**	**3,839**	**–**	**3,839**
Share issuance expenses	**(374)**	**–**	**–**	**–**	**(374)**	**–**	**(374)**
Share-based payment transactions	**–**	**–**	**117**	**–**	**117**	**–**	**117**
Dividends paid by subsidiaries	**–**	**–**	**–**	**–**	**–**	**(150)**	**(150)**
Total contributions by and distributions to owners	**3,465**	**–**	**117**	**–**	**3,582**	**(150)**	**3,432**
Total transactions with owners in their capacity as owners	**3,465**	**–**	**117**	**–**	**3,582**	**(150)**	**3,432**
Balance at 31 December 2015	**18,705**	**(8,552)**	**189**	**(31)**	**10,311**	**651**	**10,962**

Group	Share capital (Note 25) $'000	Accumulated losses $'000	Share option reserve (Note 26) $'000	Equity component of redeemable preference shares $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company						
2014							
Balance at 1 January 2014	2,594	(7,186)	–	371	(4,221)	1,049	(3,172)
Profit for the year	–	79	–	–	79	393	472
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests without a change in control	900	(1,297)	–	–	(397)	(643)	(1,040)
Total changes in ownership interests in subsidiaries	900	(1,297)	–	–	(397)	(643)	(1,040)
Contributions by and distributions to owners							
Issue of shares	12,020	–	–	–	12,020	–	12,020
Share issuance expenses	(274)	–	–	–	(274)	–	(274)
Share-based payment transactions	–	–	72	–	72	–	72
De-recognising of equity component of redeemable convertible preference shares	–	–	–	(371)	(371)	–	(371)
Dividends paid by subsidiaries	–	–	–	–	–	(346)	(346)
Total contributions by and distributions to owners	11,746	–	72	(371)	11,447	(346)	11,101
Total transactions with owners in their capacity as owners	12,646	(1,297)	72	(371)	11,050	(989)	10,061
Balance at 31 December 2014	15,240	(8,404)	72	–	6,908	453	7,361

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY *(cont'd)*

For the financial year ended 31 December 2015

Company	Share capital (Note 25) $'000	Accumulated losses $'000	Share option reserve (Note 26) $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company					
2015						
Balance at 1 January 2015	**15,240**	**(7,335)**	**72**	**7,977**	**–**	**7,977**
Profit for the year	**–**	**106**		**106**	**–**	**106**
Contributions by and distributions to owners						
Issue of shares	**3,839**	**–**	**–**	**3,839**	**–**	**3,839**
Share issuance expenses	**(374)**	**–**	**–**	**(374)**	**–**	**(374)**
Share-based payment transactions	**–**	**–**	**117**	**117**	**–**	**117**
Total transactions with owners in their capacity as owners	**3,465**	**–**	**117**	**3,582**	**–**	**3,582**
Balance at 31 December 2015	**18,705**	**(7,229)**	**189**	**11,665**	**–**	**11,665**

Company	Share capital (Note 25) $'000	Accumulated losses $'000	Share option reserve (Note 26) $'000	Equity component of redeemable preference shares $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company						
2014							
Balance at 1 January 2014	2,594	(5,302)	–	371	(2,337)	–	(2,337)
Profit for the year	–	(2,033)	–	–	(2,033)	–	(2,033)
Contributions by and distributions to owners							
Issue of shares	12,020	–	–	–	12,020	–	12,020
Share issuance expenses	(274)	–	–	–	(274)	–	(274)
Shares issued for acquisition of non-controlling interests	900	–	–	–	900	–	900
Share-based payment transactions	–	–	72	–	72	–	72
De-recognising of equity component of redeemable convertible preference shares	–	–	–	(371)	(371)	–	(371)
Total transactions with owners in their capacity as owners	12,646	–	72	(371)	12,347	–	12,347
Balance at 31 December 2014	15,240	(7,335)	72	–	7,977	–	7,977

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000
Cash flows from operating activities			
Profit before tax		**43**	112
Adjustments for:			
Depreciation of property, plant and equipment	12	**1,059**	1,316
Share-based compensation expense	8	**117**	72
Impairment loss of trade and other receivables	7	**34**	19
Interest income	5	**(42)**	(15)
Interest expenses	5	**75**	62
Gain on disposal of property, plant and equipment	6	**(79)**	(258)
Gain on disposal of joint venture entity	6	**–**	(99)
Share of results of joint venture entity		**364**	(7)
Total adjustments		**1,528**	1,090
Operating cash inflows before changes in working capital		**1,571**	1,202
Changes in working capital:			
Decrease/(increase) in:			
Inventories		**(72)**	(243)
Trade and other receivables		**(715)**	(412)
Prepayments		**(55)**	(10)
Increase/(decrease) in:			
Trade payables		**(496)**	321
Other payables and accruals		**160**	(373)
Total changes in working capital		**(1,178)**	(717)
Cash flows generated from operations		**393**	485
Interest received		**42**	15
Interest paid		**(75)**	(62)
Income taxes paid		**–**	(55)
Net cash flows generated from operating activities		**360**	383
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,516)**	(1,185)
Proceeds from disposal of property, plant and equipment		**79**	1,094
Investment in joint venture entities		**(2,522)**	(567)
Proceeds from disposal of a joint venture entity		**100**	450
Net cash flows used in investing activities		**(3,859)**	(208)
Cash flows from financing activities			
Dividends paid to non-controlling interests		**(150)**	(346)
Acquisition of non-controlling interests		**–**	(960)
Redemption of redeemable convertible preference shares		**–**	(7,495)
Issuance of shares		**3,839**	12,020
Share issuance expenses		**(374)**	(274)
Proceeds from loans and borrowings		**–**	2,000
Repayment of loans and borrowings		**(538)**	(1,782)
Repayment of obligations under finance leases		**(79)**	(146)
Deposit pledged for bank facility		**(25)**	–
Net cash flows generated from financing activities		**2,673**	3,017
Net (decrease)/increase in cash and cash equivalents		**(826)**	3,192
Cash and cash equivalents at beginning of financial year		**7,266**	4,074
Cash and cash equivalents at end of financial year	A	**6,440**	7,266

CONSOLIDATED CASH FLOW STATEMENT *(cont'd)*

For the financial year ended 31 December 2015

Notes to the Consolidated Cash Flow Statement

A: Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the financial year:

	Group	
	2015	**2014**
	$'000	**$'000**
Cash and cash equivalents as stated in the consolidated balance sheet*	**6,465**	7,266
Less: Deposit pledged for bank facility**	**(25)**	–
Cash and cash equivalents as stated in the consolidated statement of cash flow	**6,440**	7,266

* Other than $3,170,000 (2014: $2,992,000), cash at bank earns interest at floating rates based on daily bank deposit rates.

** The deposit is pledged to secure merchant banking facility.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

1. CORPORATE INFORMATION

Singapore Medical Group Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on the official list of SGX-Catalist.

The registered office and principal place of business of the Company is located at 290 Orchard Road, #13-01 Paragon, Singapore 238859.

The principal activities of the Company are those relating to the operation of medical clinics and provision of general medical services and investment holdings. The principal activities of the subsidiaries are disclosed in Note 14.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollars (SGD or $) and all values are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretation that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 16 and FRS 41 *Agriculture – Bearer Plants*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111: *Accounting for Acquisitions of Interest in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
– Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
– Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
– Amendments to FRS 19 *Employee Benefits*	1 January 2016
– Amendments to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 *Standards issued but not yet effective (cont'd)*

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

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

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

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

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 *Basis of consolidation and business combination (cont'd)*

(a) *Basis of consolidation (cont'd)*

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

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

(b) *Business combinations*

Business combinations are accounted for by applying the acquisition method.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

The Group's consolidated financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.18. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Office equipment	1 – 3
Medical equipment	5 – 8
Furniture and fittings	3 years or remaining lease term of clinics/office premise (whichever is lower)
Motor vehicles	5

Assets under construction are not depreciated as these are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The Group's intangible assets comprise computer software. The computer software was acquired separately and is amortised on a straight line basis over its finite useful life of 3 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 ***Impairment of non-financial assets***

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 ***Subsidiaries***

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

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 ***Joint ventures***

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group account for its investments in joint ventures using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 *Joint ventures (cont'd)*

Under the equity method, the investment in joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The profit or loss reflects the share of results of the operations of the joint ventures. Distributions received from joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint ventures.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in joint ventures are accounted for at cost less impairment losses.

2.12 *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for on a weighted average basis.

When necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and 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.

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 ***Provisions (cont'd)***

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities not at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised 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 de-recognition 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.

2.18 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 ***Government grants***

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

2.20 ***Employee benefits***

(a) *Defined contribution plans*

The Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 *Employee benefits (cont'd)*

(b) *Employee share-based compensation*

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share-based payment transactions with employees are measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in personnel expense.

No expense is recognised for shares that do not ultimately vest, except for shares where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the share does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

2.21 *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) *Finance lease*

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

(b) *Operating lease*

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised.

(a) *Rendering of services*

Revenue from the provision of consultations, clinical treatments, medical tests and operations are recognised upon the completion of the services rendered. Revenue from rendering of package services are recognised by reference to the stage of completion of the transaction at the balance sheet date, determined by the number of sessions utilised as a percentage of the total sessions sold in a package.

(b) *Sale of medicine and related products*

Revenue from the sales of medicine and related products is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) *Interest income*

Interest income is recognised using the effective interest method.

(d) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

2.23 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 ***Taxes (cont'd)***

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.24 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

Management is of the view that there is no significant judgment made in applying accounting policies.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 *Key sources of estimation uncertainty (cont'd)*

(i) *Useful lives of property, plant and equipment*

Office equipment, furniture and fittings, medical equipment and motor vehicles are depreciated on a straight-line basis over their respective estimated useful lives as stated in Note 2.7. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The carrying amount of property, plant and equipment of the Group as at 31 December 2015 is $2,628,000 (2014: $2,237,000). Changes in the expected level of usage and technological developments could impact the economic useful lives; therefore future depreciation charges could be revised.

(ii) *Impairment of non-financial assets*

The Group assesses impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets requires assessment as to whether the carrying amount of assets exceeds the recoverable amount. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. The Group evaluates the value in use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

Forecasts of future cash flows are based on the Group's estimates using historical and industry trends, general market and economic conditions, changes in technology and other available information.

4. REVENUE

Revenue represents services rendered and sale of medicine and related products, net of discounts.

	Group	
	2015	**2014**
	$'000	**$'000**
Rendering of services	**16,336**	14,900
Sale of medicine and related products	**14,517**	11,614
Management fee from joint venture entities	**114**	–
	30,967	26,514

5. FINANCIAL INCOME/(EXPENSES)

	Group	
	2015	**2014**
	$'000	**$'000**
Interest income from:		
– bank balances	**42**	15
Interest expense on:		
– loans and borrowings	**(61)**	(52)
– finance lease obligations	**(14)**	(10)
	(75)	(62)

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

6. OTHER INCOME

	Note	Group	
		2015	**2014**
		$'000	**$'000**
Grants income		**294**	145
Sponsorship from suppliers		**1**	9
Gain on disposal of property, plant and equipment		**79**	258
Gain on disposal of joint venture	15	**–**	99
Others		**17**	35
		391	546

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Note	Group	
		2015	**2014**
		$'000	**$'000**
Depreciation of property, plant and equipment	12	**1,059**	1,316
Operating lease expenses		**2,714**	2,489
Audit fees paid to auditors of the Company		**146**	161
Non-audit fees:			
– auditors of the Company		**57**	87
– other auditors		**20**	20
Impairment loss on financial assets:			
– trade receivables	17	**34**	19
Personnel expenses*	8	**10,760**	8,797

* Includes directors' remuneration and remuneration of key management personnel as disclosed in Note 9.

8. PERSONNEL EXPENSES

	Group	
	2015	**2014**
	$'000	**$'000**
Salaries and bonuses	**9,685**	7,881
Central Provident Fund contributions	**695**	554
Share-based compensation expense	**117**	72
Short-term employee benefits	**263**	290
	10,760	8,797

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 31 December 2015

9. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

	Group	
	2015	**2014**
	$'000	**$'000**
Remuneration paid to key management personnel		
Salaries and bonuses	**2,676**	1,102
Central Provident Fund contributions	**75**	72
Share-based compensation expense	**99**	62
	2,850	1,236
Comprises amounts paid to:		
– Directors of the Company*	**2,066**	428
– Other key management personnel	**784**	808
	2,850	1,236

* Included in amounts paid to directors of the Company are directors' fees of $90,000 (2014: $90,000).

Key management personnel interests' in SMG Share Option Scheme

During the financial year, share options with an exercise price of $0.145 (2014: $0.173 to $0.185) each have been granted to key management personnel as follows:

	Group and Company	
	2015	**2014**
	No. of share options	**No. of share options**
	$'000	**$'000**
Share options granted to:		
– Director of the Company	**–**	2,500
– Other key management personnel	**120**	2,280
	120	4,780

At the end of the reporting period, the total number of outstanding share options granted by the Company to the key management personnel under the SMG Share Option Scheme amounted to 4,080,000 (2014: 4,780,000).

Other related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2015	**2014**
	$'000	**$'000**
Sale of medicine and related products to joint ventures	**11**	–
Consulting fee received from joint ventures	**7**	–
Purchase of radiology services from joint venture	**204**	–
Rental paid to companies related to a director	**225**	163
Professional fees paid to a company related to a director	**317**	222
Nursing services paid to a company related to a director	**2**	–
Medical services provided to a company related to a director	**254**	–

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

9. RELATED PARTY TRANSACTIONS (CONT'D)

Other related party transactions (cont'd)

Company/Companies related to a director:

The Group had the following transactions with companies related to a director:

(i) The Group had entered into a lease agreement with K S Beng Pte Ltd ("KSB"), a company owned by an immediate family member of one of the directors of the Company, to lease a commercial premise for an annual rental of $163,000 (2014: $163,000). The Group also paid professional fees of $317,000 (2014: $222,000) in relation to medial services rendered by the same entity. Other than the security deposits of $27,000, there is no balance outstanding with KSB as at the reporting date (2014: Nil).

(ii) The Group had entered into a lease agreement with MW Medical Holdings Pte Ltd ("MWMH"), a company owned by one of the directors of the Company, to lease a commercial premise for rental of $62,000 (2014: Nil). Other than the security deposits of $31,000, there is no balance outstanding with MWMH as at the reporting date (2014: Nil).

(iii) The Group had entered into a contract with International Cancer Specialist Pte Ltd ("ICS"), a company where one of the directors had an indirect interest, to provide medical services. As at the balance sheet date, ICS is no longer a related party of the Group as the director had disposed his entire indirect interest in the entity.

10. INCOME TAX CREDIT

Major components of income tax credit

The major components of income tax credit for the years ended 31 December 2015 and 2014 are:

	Group	
	2015	**2014**
	$'000	**$'000**
Statement of comprehensive income:		
Current income tax		
– current income taxation	**(7)**	(37)
– over provision in respect of previous years	**65**	42
	58	5
Deferred income tax		
– origination and reversal of temporary differences	**99**	355
– under provision in respect of previous years	**–**	–
	99	355
Income tax credit recognised in statement of comprehensive income	**157**	360

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

10. INCOME TAX CREDIT (CONT'D)

Relationship between tax credit and accounting profit

A reconciliation of the tax credit and the product of accounting profit multiplied by the applicable tax rate are as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Accounting profit before tax	**43**	112
Tax at the applicable tax rate of 17% (2014: 17%)	**7**	19
Tax effects of:		
– non-deductible expenses	**141**	165
– income not subjected to taxation	**(115)**	(100)
– tax incentives	**(52)**	(250)
– deferred tax assets not recognised	**148**	36
– effect of partial tax exemption and tax relief	**–**	(56)
– utilisation of tax losses previously not recognised	**(176)**	(102)
– (over)/under provision in respect of prior years	**(65)**	(42)
– Others	**(45)**	(30)
Income tax credit recognised in statement of comprehensive income	**(157)**	(360)

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately $4,199,000 (2014: $4,361,000) that are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with the relevant provisions of the tax legislation in Singapore.

11. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the net profit/loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

Diluted (loss)/earnings per share is calculated by dividing the net profit/loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit/loss and share data used in the computation of basic and diluted (loss)/earnings per share for the years ended 31 December:

	Group	
	2015	**2014**
	$'000	**$'000**
(Loss)/Profit for the year attributable to owners of the Company	**(148)**	79

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

11. (LOSS)/EARNINGS PER SHARE (CONT'D)

	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic (loss)/earnings per share computation	**275,135**	220,108
Effects of dilution:		
– Redeemable convertible preference shares	**–**	4,125
Weighted average number of ordinary shares for diluted (loss)/earnings per share computation	**275,135**	224,233

5,265,000 (2014: 5,530,000) share options granted to employees under the existing employee share option plan have not been included in the calculation of diluted earnings/(loss) per share because they are anti-dilutive.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

12. PROPERTY, PLANT AND EQUIPMENT

	Office equipment $'000	Medical equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Total $'000
Group					
Cost:					
At 1 January 2014	493	6,906	3,192	169	10,760
Additions	76	1,139	147	–	1,362
Disposals	(50)	(1,960)	(17)	(169)	(2,196)
At 31 December 2014 and 1 January 2015	519	6,085	3,322	–	9,926
Additions	112	964	440	–	1,516
Disposals	(45)	(513)	(306)	–	(864)
At 31 December 2015	586	6,536	3,456	–	10,578
Accumulated depreciation and impairment:					
At 1 January 2014	482	4,696	2,475	128	7,781
Depreciation charge for the year	50	931	331	4	1,316
Disposals	(50)	(1,225)	(1)	(132)	(1,408)
At 31 December 2014 and 1 January 2015	482	4,402	2,805	–	7,689
Depreciation charge for the year	74	598	387	–	1,059
Disposals	(45)	(285)	(468)	–	(798)
At 31 December 2015	511	4,715	2,724	–	7,950
Net carrying amount:					
At 31 December 2014	37	1,683	517	–	2,237
At 31 December 2015	75	1,821	732	–	2,628

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment $'000	Medical equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Total $'000
Company					
Cost:					
At 1 January 2014	272	2,595	932	169	3,968
Additions	29	–	1	–	30
Disposals	(5)	–	–	(169)	(174)
At 31 December 2014 and 1 January 2015	296	2,595	933	–	3,824
Additions	28	–	16	–	44
Disposals	–	–	–	–	–
At 31 December 2015	324	2,595	949	–	3,868
Accumulated depreciation:					
At 1 January 2014	272	2,579	870	128	3,849
Depreciation charge for the year	13	6	42	4	65
Disposals	(5)	–	–	(132)	(137)
At 31 December 2014 and 1 January 2015	280	2,585	912	–	3,777
Depreciation charge for the year	22	7	21	–	50
Disposals	–	–	–	–	–
At 31 December 2015	302	2,592	933	–	3,827
Net carrying amount:					
At 31 December 2014	16	10	21	–	47
At 31 December 2015	22	3	16	–	41

Assets held under finance lease

In 2014, the Group acquired medical equipment with an aggregate cost of $177,000 by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to $1,185,000.

The carrying amount of the Group's medical equipment held under finance leases as at 31 December 2015 is $159,000 (2014: $207,000). Such assets are pledged as security for the related finance lease liabilities (Note 22).

Disposal of assets to joint venture

During the financial year, the Group transfers its furniture and fittings to its joint venture entities, SMG Leaders Pte. Ltd. and Lifescan Imaging Pte. Ltd., for a cash consideration of $38,000 and $7,000 respectively. No gain or loss on disposal of property, plant and equipment has been recognised as a result of these transactions.

In 2014, one of the subsidiaries of the Group entered into a sale and purchase agreement with a joint venture entity, PT Ciputra SMG, to sell its medical equipment for a cash consideration of $200,000, resulting in a gain on disposal of property, plant and equipment of $164,000, of which $65,000 is deferred on account of the Group's interest in the joint venture (see Note 15). The deferred gain has since been recognised in the income statement in 2015.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 31 December 2015

13. INTANGIBLE ASSETS

	Computer software $'000
Group and Company	
Cost:	
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	61
Accumulated amortisation:	
At 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015	61
Net carrying amount:	
At 31 December 2014 and 31 December 2015	–

Intangible assets of the Group and Company pertain to computer software licenses purchased from vendors. Intangible assets are recognised at cost and amortised over 3 years. As at 31 December 2015 and 2014, the intangible assets have been fully amortised.

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2015 $'000	**2014 $'000**
Unquoted shares, at cost	**1,642**	2,782

The Company had the following subsidiaries as at 31 December:

Name of company	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2015 %	2014 %
Singapore Vision Centre Pte. Ltd.[a]	Singapore	Provision of general ophthalmological services	100	100
Cancer Centre Pte. Ltd.[a]	Singapore	Provision of oncology services	80	80
The Lasik Surgery Clinic Pte. Ltd.[a]	Singapore	Provision of LASIK services	100	100
The Dental Studio Pte. Ltd.[a]	Singapore	Provision of dental services	65	65
Singapore Lipo, Body & Face Centre Pte. Ltd.[a]	Singapore	Provision of aesthetic services	100	100
SMG Specialist Centre Pte Ltd[a]	Singapore	Provision of multi-disciplines specialist medical services	100	100
SMG International Partners Pte. Ltd.[a]	Singapore	Provision of business consultancy services	100	100
Singapore Eye & Cornea Transplant Centre Pte. Ltd.[c]	Singapore	Dormant company	100	100

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of company	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2015 %	2014 %
Premium Lasik Surgery Clinic Pte. Ltd.[c]	Singapore	Dormant company	100	100
The Obstetrics & Gynaecology Centre Pte. Ltd.[a]	Singapore	Provision of obstetrics and gynaecology services	100	100
The Medical Suite Pte. Ltd.[a]	Singapore	Provision of family and aesthetics medicine services	100	100
Centre For Eye Surgery Pte. Ltd.[a]	Singapore	Provision of general ophthalmological services	100	100
Centre for Joint & Cartilage Surgery Pte. Ltd.[c]	Singapore	Dormant company	100	100
TOGC@Parkway East Hospital Pte. Ltd.[b]	Singapore	Dormant company	77	77
PT Singapore Medical Group[c]	Indonesia	Dormant company	65	65
Centre for Spine & Scoliosis Surgery Pte. Ltd.[c]	Singapore	Dormant company	100	100
SMG Orthopaedic Group Pte. Ltd.[a]	Singapore	Provision of general orthopaedic services	100	100
Centre for Wellness & Healthy Aging Pte. Ltd.[a]	Singapore	Provision of aesthetic services	100	100
SMG Dental Pte. Ltd.[a]	Singapore	Dormant company	80	–
SMG Ear, Nose & Throat Centre Pte. Ltd.[a]	Singapore	Provision of otolaryngology services	100	–
SMG Dermatology Centre Pte. Ltd.[a]	Singapore	Provision for dermatology services	100	–
SMG Neuro Science Centre Pte Ltd[a]	Singapore	Provision of neuro science surgery services	100	100

(a) Audited by Ernst & Young LLP, Singapore
(b) No audit required as the subsidiary is under creditors' voluntary liquidation
(c) No audit required as the subsidiary is under members' voluntary liquidation

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has a subsidiary that has NCI that is material to the Group.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid/ payable to NCI $'000
31 December 2015:					
Cancer Centre Pte. Ltd.	Provision of oncology services	20%	587	1,006	150
31 December 2014:					
Cancer Centre Pte. Ltd.	Provision of oncology services	20%	428	569	296

Summarised financial information about subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of the subsidiary with material non-controlling interests are as follows:

Summarised balance sheet

	As at 31.12.2015 $'000	As at 31.12.2014 $'000
Current		
Assets	**6,309**	4,765
Liabilities	**1,303**	1,988
Net current assets	**5,006**	2,777
Non-current		
Assets	**55**	122
Liabilities	**33**	54
Net non-current assets	**22**	68
Net assets	**5,028**	2,845

Summarised statement of comprehensive income

	As at 31.12.2015 $'000	As at 31.12.2014 $'000
Revenue	**14,915**	12,717
Profit before income tax	**2,863**	1,667
Income tax credit/(expense)	**70**	(35)
Profit after tax – continuing operations	**2,933**	1,632
Other comprehensive income	**–**	–
Total comprehensive income	**2,933**	1,632

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Other summarised information

	As at 31.12.2015 $'000	As at 31.12.2014 $'000
Net cash flows from operations	**340**	1,580
Acquisition of significant property, plant and equipment	**20**	16

Acquisition of non-controlling interests

In February 2014, the Company entered into a settlement agreement with the minority shareholder of Singapore Eye & Cornea Transplant Centre Pte. Ltd. ("SECTC"), following the conclusion of an arbitration proceeding brought by the minority shareholder. Under the settlement agreement, the Company agrees to acquire the remaining 49% interest in SECTC from the minority shareholder for a cash consideration of $800,000, which was paid in instalments over a period of 8 months. SECTC became a wholly-owned subsidiary of the Group upon the completion of acquisition. The carrying amount of SECTC's net assets in the Group's financial statements on the date of acquisition was $1,024,000. The Group recognised a decrease in NCI of $502,000 and a decrease in retained earnings of $298,000.

In May 2014, the Company acquired 35% interest in TOGC from its non-controlling interest for a cash consideration of $240,000. Upon the completion of the acquisition, TOGC became a wholly-owned subsidiary of the Group. The carrying amount of TOGC's net liabilities in the Group's financial statements on the date of acquisition was $1,003,000. The Group recognised an increase in non-controlling interest of $351,000 and a decrease in retained earnings of $591,000.

In May 2014, the Company acquired 20% interest in Cancer Centre Pte. Ltd. ("CCPL") for a consideration of 5,360,000 ordinary shares of the Company of $900,000 (Note 26), increasing its ownership from 60% to 80%. The carrying amount of CCPL's net assets in the Group's financial statements on the date of acquisition was $2,461,000. The Group recognised a decrease in NCI of $492,000 and a decrease in retained earnings of $408,000.

The following summarises the effect of the change in the Group's ownership interest in SECTC, TOGC and CCPL on the equity attributable to owners of the Company:

	Group			
	SECTC $'000	**TOGC $'000**	**CCPL $'000**	**Total $'000**
Consideration paid for acquisition of non-controlling interests	800	240	900	1,940
(Increase)/Decrease in equity attributable to non-controlling interests	502	(351)	492	643
Decrease in equity attributable to owners of the Company	298	591	408	1,297

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

15. INVESTMENT IN JOINT VENTURES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Unquoted equity shares, at cost	**2,989**	567	**2,989**	567
Share of post-acquisition reserves	**(388)**	7	**–**	–
Elimination of share of gains	**–**	(65)	**–**	–
	2,601	509	**2,989**	567

The joint venture companies of the Group as at 31 December are as follows:

Name of company (Country of incorporation and place of business)	**Principal activities**	**Cost**		**Percentage of equity held by the Group**	
		2015	**2014**	**2015**	**2014**
		$'000	**$'000**	**%**	**%**
PT Ciputra SMG (Indonesia)	Provision of LASIK and general ophthalmological services	**896**	467	**40**	40
SMG Leaders Pte. Ltd. (Singapore)	Provision of aesthetic services	**693**	–	**51**	–
Lifescan Imaging Pte. Ltd. (Singapore)	Provision of radiology/ diagnostic imaging services	**1,400**	–	**40**	–
MindChamps Medical (Pte) Limited (Singapore)	Provision of family medicine services	**–**	100	**–**	49
Held by SMG Leaders Pte. Ltd.					
Dr. Leaders Pte. Ltd. (Singapore)	Sale of cosmetic products through ecommerce	*****	–	**51**	–

* Amount less than S$1,000

During the financial year:

(a) The Company subscribes to 4,000,000 new shares at Rp1,000 per share issued by PT Ciputra SMG ("PTCS") amounting to $429,000 (equivalent to Indonesia Rupiah ("Rp") 4 billion). There is no change to the Company's interest after the additional capital contribution.

(b) The Company enters into a joint venture agreement and incorporated a jointly controlled entity, SMG Leaders Pte. Ltd. ("SMGL"), with an external party and made a capital contribution of $693,000 (equivalent to United States Dollar ("US$") 510,000) to the share capital of SMGL. The Company holds a 51% interest in the share capital of SMGL.

(c) The Company enters into a joint venture agreement and incorporated a jointly controlled entity, Lifescan Imaging Pte. Ltd. ("LSI"), with external parties and made a capital contribution of $1,400,000 to the share capital of LSI. The Company holds a 40% interest in the share capital of LSI.

(d) The Company disposed its entire 49% shareholding interest in MindChamps Medical (Pte) Limited ("MMPL") for a cash consideration of $100,000.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

15. INVESTMENT IN JOINT VENTURES (CONT'D)

In 2014:

(a) The Group disposed its entire 50% shareholding interest in Zhong Ji Shi Jia Co., Ltd. ("ZJSJ") for a cash consideration of $450,000, resulting in a gain on disposal of joint venture of $99,000.

(b) The Company entered into a joint venture agreement and incorporated a jointly-controlled entity, PTCS, with an external party and made a capital contribution of $467,000 (equivalent to Rp4 billion) to the share capital of PTCS. The Company holds a 40% interest in the share capital of PTCS.

(c) The Company entered into a joint venture agreement and incorporated a jointly-controlled entity, MMPL, with an external party and made a capital contribution of $100,000 to the share capital of MMPL. The Company holds a 49% interest in the share capital of MMPL.

The summarised financial information in respect of PTCS, SMGL & LSI (2014: PTCS and MMPL), based on its FRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

		2015		2014	
	PTCS	**SMGL**	**LSI**	**PTCS**	**MMPL**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	78	70	1,133	–	–
(Loss)/Profit for the year[i]	(486)	(488)	205	18	–
Other comprehensive income	–	–	–	–	–
Total comprehensive income	(486)	(488)	205	18	–
[i] Includes interest income	1	–	–	26	–
Non-current assets	2,080	468	4,303	416	–
Current assets[ii]	234	556	1,570	1,519	750
Non-current liabilities	–	(18)	(1,075)	–	–
Current liabilities	(626)	(136)	(1,093)	(751)	(352)
Net assets	1,688	870	3,705	1,184	398
[ii]Includes cash and cash equivalents	131	447	176	936	750
Group's interest in net assets of investee at beginning of the year	409	–	–	–	–
Capital contribution	429	693	1,400	467	100
Share of total comprehensive income	(197)	(249)	82	7	–
Recognition/(Elimination) of share of gains	65	–	–	(65)	–
Foreign currency translation differences	(31)	–	–	–	–
Carrying amount of interest in investee at end of the year	675	444	1,482	409	100

16. INVENTORIES

Inventories consist of drugs and medicines, and medical consumables which are stated at cost.

Inventories amounting to $8,125,000 (2014: $6,592,000) was recognised as an expense in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

17. TRADE RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**1,364**	826	**–**	–

Trade receivables are non-interest bearing. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to approximately $1,364,000 (2014: $826,000) and $Nil (2014: $Nil) respectively that are past due but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
Trade receivables past due:				
Less than 30 days	**643**	288	**–**	–
30 to 60 days	**214**	122	**–**	–
60 to 90 days	**154**	229	**–**	–
More than 90 days	**353**	187	**–**	–
	1,364	826	**–**	–

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record that impairment are as follow:

	Group Individually impaired	
	2015	**2014**
	$'000	**$'000**
Trade receivables – nominal	**34**	29
Less: Allowance for impairment	**(34)**	(29)
	–	–
Movement in allowance accounts:		
At 1 January	**29**	10
Charge for the year	**34**	19
Written-off	**(29)**	–
At 31 December	**34**	29

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that have long overdue balances with the Group.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 31 December 2015

18. OTHER RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Non-current:				
Deposits	**370**	336	**369**	336
Current:				
Deposits	**445**	416	**375**	353
Amounts due from joint ventures	**141**	110	**–**	34
Other receivables	**294**	245	**11**	6
	880	771	**386**	393
Total other receivables	**1,250**	1,107	**755**	729

Amounts due from joint ventures are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

19. DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Due from related companies:				
Due from subsidiaries	**–**	–	**12,940**	8,501
Less: Allowance for impairment	**–**	–	**(4,530)**	(4,192)
	–	–	**8,410**	4,309
Due to related companies:				
Due to subsidiaries	**–**	–	**(3,947)**	(3,174)

These balances are unsecured, non-interest bearing, repayable on demand, and are to be settled in cash.

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Movement in allowance account:				
At 1 January	**–**	–	**4,192**	3,735
Charge for the year	**–**	–	**1,208**	1,821
Allowance utilised	**–**	–	**(870)**	(1,364)
	–	–	**4,530**	4,192

At the end of the reporting period, the Company has provided an allowance of $1,208,000 (2014: $1,821,000) for impairment of balances due from subsidiaries with a nominal amount of $6,713,000 (2014: $5,677,000) in view of continued losses incurred by these subsidiaries.

20. TRADE PAYABLES

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

21. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Current:				
Advertising payables	**46**	22	**–**	–
Goods and services tax payables, net	**338**	234	**95**	–
Medisave payable to patients	**165**	143	**–**	–
Accrued operating expenses	**1,446**	1,401	**146**	253
Sundry creditors	**99**	195	**59**	119
	2,094	1,995	**300**	372
Advances from customers	**256**	215	**–**	–
	2,350	2,210	**300**	372
Non-current:				
Other accruals	**191**	170	**15**	15
Total other payables and accruals	**2,541**	2,380	**315**	387

These balances are unsecured, non-interest bearing and are normally settled on 30 to 90 days' terms.

22. OBLIGATIONS UNDER FINANCE LEASES

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2015		2014	
	Minimum lease payments $'000	**Present value of payments $'000**	**Minimum ease payments $'000**	**Present value of payments $'000**
Group				
Not later than 1 year	**75**	64	**92**	85
Later than 1 year but not later than 5 years	**51**	44	**126**	102
Total minimum lease payments	**126**	108	**218**	187
Less: Amounts representing finance charges	**(18)**	–	**(31)**	–
Present value of minimum lease payments	**108**	108	**187**	187

There are no restrictions placed upon the Group by entering into the leases. The range of discount rate implicit in the leases is 1.90% to 3.00% (2014: 1.90% to 3.00%) per annum for the financial year ended 31 December 2015. The outstanding amount of finance lease obligations is secured by way of a charge over the lease assets (Note 12).

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

23. LOANS AND BORROWINGS

	Effective interest rate %	Maturity	Group and Company 2015 $'000	2014 $'000
Current (unsecured)				
Term loans	3.63% to 4.19%	2017	**508**	1,307
Revolving credit	4.15% to 4.72%	2016	**500**	500
			1,008	1,807
Non-current (unsecured)				
Term loans	3.63% to 4.19%	2017	**261**	–
Total loans and borrowings			**1,269**	1,807

24. DEFERRED TAX

(i) ***Deferred tax assets***

Deferred tax assets as at 31 December relates to the following:

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Unutilised tax losses	**62**	159	**–**	–
Excess of tax written down values over net book values of property, plant and equipment	**438**	268	**–**	–
	500	427	**–**	–

(ii) ***Deferred tax liabilities***

Deferred tax liabilities as at 31 December relates to the following:

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Excess of net book values over tax written down values of property, plant and equipment	**5**	31	**–**	–

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

25. SHARE CAPITAL

	Group and Company			
	2015		2014	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares:				
At 1 January	**250,935**	**15,240**	145,736	2,594
Issued for 2015 Rights Issue (note a)	**25,094**	**3,839**	–	–
Issued for 2014 Rights Issue (note b)	**–**	**–**	72,868	7,651
Share issuance expenses	**–**	**(374)**	–	(274)
Issued for acquisition of non-controlling interests (note c)	**–**	**–**	5,360	900
Issued for Placement Issue (note d)	**–**	**–**	26,971	4,369
At 31 December	**276,029**	**18,705**	250,935	15,240

(a) The Company had on 9 December 2014 lodged an Offer Information Statement with Singapore Exchange Securities Trading Limited (the "SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore ("MAS"), for the renounceable non-underwritten rights issue of up to 25,093,500 new ordinary shares in the issue share capital of the Company, at an issue price of S$0.153 for each rights share, on the basis of one rights share for every ten existing ordinary shares in the issued share capital of the Company held by entitled shareholders as at the books closure date (the "2015 Rights Issue"). Following the allotment and issuance of the right shares pursuance to the 2015 Rights Issue on 13 January 2015, the Company received a net proceed of S$3,620,000. The number of issued shares of the Company increased from 250,935,000 to 276,028,500.

(b) The Company had on 13 January 2014 lodged an Offer Information Statement with the SGX-ST, acting as agent on behalf of the MAS, for the renounceable non-underwritten rights issue of up to 72,868,000 new ordinary shares in the issue share capital of the Company, at an issue price of $0.105 for each rights share, on the basis of one rights share for every two existing ordinary shares in the issued share capital of the Company held by entitled shareholders as at the books closure date (the "2014 Rights Issue"). Following the allotment and issuance of the right shares pursuance to the 2014 Rights Issue on 5 February 2014, the Company received a net proceed of $7,377,000 and the number of issued shares of the Company increased from 145,736,000 to 218,604,000.

(c) The Company had on 19 May 2014 issued 5,360,000 shares to a minority shareholder pursuant to the sale and purchase agreement dated 7 May 2014 between the Company and the minority shareholder to acquire additional 20% equity interest in CCPL. Upon the completion of the acquisition, CCPL became an 80% owned subsidiary of the Company (Note 14).

(d) The Company had on 4 November 2014 entered into placement agreements with subscribers to issue an aggregate of 26,971,000 new ordinary shares (the "Placement Shares") in the issue share capital of the Company at an issue price of $0.162 per Placement Share. Following the issue and allotment of the Placement Shares on 14 November 2014, the Company received a net proceed of $4,209,000 and the number of issued shares of the Company increased from 223,964,000 to 250,935,000.

The ordinary shares have no par value. All the above issued ordinary shares are fully paid. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

26. SHARE OPTION RESERVE

Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

27. FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

28. SHARE-BASED PAYMENT ARRANGEMENT

At 31 December 2015, the Group has the following share-based payment arrangement:

SMG Share Option Scheme

Under the SMG Share Option Scheme ("SSOS"), share options are granted to selected employees of the Group (including Executive Directors who are Controlling Shareholders and their associates). The exercise price of the options is determined at the average of the closing prices of the Company's shares as quoted on the Singapore Exchange for five market days immediately preceding the date of the grant. The options vest over a period of three years from the date of grant. The contractual life of each option granted is five years.

There has been no cancellation or modification to the SSOS during the financial year.

Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2015		**2014**	
	No.	**WAEP ($)**	**No.**	**WAEP ($)**
Outstanding at 1 January	**5,530,000**	**0.175**	–	–
– Granted	**555,000**	**0.145**	5,530,000	0.175
– Forfeited	**(820,000)**	**0.175**	–	–
Outstanding at 31 December	**5,265,000**	**0.172**	5,530,000	0.175
Exercisable at 31 December	**1,568,430**	**0.172**	–	0.175

- The weighted average fair value of options granted during the financial year was $0.047 (2014: $0.058).
- The range of exercise prices for options outstanding at the end of the year was $0.145 to $0.185 (2014: $0.173 to $0.185). The weighted average remaining contractual life for these options is 3.89 (2014: 4.45) years.

Fair value of share options granted

The fair value of the share options granted under the SSOS is estimated at the grant date using the Trinomial Option Pricing Model ("TOPM"), taking into account the terms and conditions upon which the share options were granted.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

28. SHARE-BASED PAYMENT ARRANGEMENT (CONT'D)

Fair value of share options granted (cont'd)

The following table lists the inputs to the option pricing models for the years ended 31 December 2015 and 2014:

	2015	**2014**
Dividend yield (%)	**–**	–
Expected volatility (weighted-average)	**50.0%**	41.9%
Risk free interest rate	**1.35%**	0.87%
Expected life of options (weighted-average)	**3.5 years**	3.5 years
Weighted average share price ($)	**$0.135**	$0.183

The expected life of the share options is estimated by management in the absence of historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

29. COMMITMENTS

Operating lease commitments

During the financial year, the Group entered into commercial leases relating to the rental of office premises and equipment. Future minimum lease payments under the operating leases are as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Not later than 1 year	**2,772**	2,300
Later than 1 year but not later than 5 years	**2,866**	1,422
	5,638	3,722

The leases do not contain escalation clauses and restrictions on the Group's activities concerning dividends, additional debt or further leasing.

30. SEGMENT INFORMATION

For business development, synergy and management purposes, the Group is organised into business segments based on their products and services, and has three reportable segments as follows:

I. The Health Business comprises: (a) General ophthalmological services such as implantable contact lens, cataract surgery, glaucoma and retinal disease treatment; (b) Orthopaedic services including treatments for joint and cartilage injuries, knee and hip replacements, fractures, musculoskeletal and sports injuries, trauma care and general orthopaedics; (c) Oncology services including the prevention, diagnosis and treatment of cancer, cancer screening and cancer genetic and risk assessment; (d) Obstetrical and gynaecological services caters to the wellness of women for every momentous stage of life; (e) Otolaryngology services that provides diagnosis, evaluation, treatment and management of conditions affecting the ear, nose, throat and neck in both adults and children; (f) Dermatology services that provides a comprehensive premium range of medical, surgical and cosmetic dermatology for adults and children; and (g) General Medicine and health screening services.

II. The Aesthetics Business comprises: (a) Refractive surgery services; (b) Dental services including general dental services, prosthodontics, orthodontics, implant dentistry, oral surgery and gum treatment; and (c) Aesthetics medicine services which offer an extensive range of evidence-based healthcare services related to the improvement of physical appearances. These services include facial aesthetics, body aesthetics, facial and breast fillers, IPL, lasers, Botox, microdermabrasion minimally invasive Silhouette threadlift and VASER-assisted LipoSelection.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

30. SEGMENT INFORMATION (CONT'D)

III. The Others segment comprises group-level corporate services as well as business consultancy functions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated by the chief operating decision makers ("CODM"), Chief Executive Officer, solely based on gross profit or loss. Certain expenses, other income and income taxes are managed on a group basis and are not allocated to operating segments.

Based on the management reporting to the CODM, the segment assets and liabilities are not regularly provided for their review of the financial performance. Therefore, the segment assets and liabilities amounts are not disclosed in the segment information.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Health $'000	**Aesthetics $'000**	**Others $'000**	**Adjustments and eliminations $'000**	**Total $'000**
2015					
Revenue:					
External customers	22,151	8,506	310	–	30,967
Inter-segment	366	49	334	(749)	–
Total revenue	22,517	8,555	644	(749)	30,967
Segment results:					
Segment gross profit	6,042	3,517	439	(333)	9,665
Depreciation and amortisation	(500)	(501)	(58)	–	(1,059)
Share based compensation	–	–	(117)	–	(117)
Impairment loss on trade and other receivables	(30)	(4)	–	–	(34)
Financial income	–	–	42	–	42
Financial expenses	–	(14)	(61)	–	(75)
Share of result of joint ventures	82	(446)	–	–	(364)
Unallocated expenses					(8,015)
Profit before tax					43

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

30. SEGMENT INFORMATION (CONT'D)

	Health $'000	Aesthetics $'000	Others $'000	Adjustments and eliminations $'000	Total $'000
2014					
Revenue:					
External customers	19,593	6,685	236	–	26,514
Inter-segment	79	53	350	(482)	–
Total revenue	19,672	6,738	586	(482)	26,514
Segment results:					
Segment gross profit	6,058	2,728	373	(350)	8,809
Depreciation and amortisation	(486)	(742)	(88)	–	(1,316)
Share based compensation	–	–	(72)	–	(72)
Impairment loss on trade and other receivables	(17)	(1)	(1)	–	(19)
Financial income	–	–	15	–	15
Financial expenses	–	–	(62)	–	(62)
Share of result of joint venture	–	7	–	–	7
Unallocated expenses					(7,250)
Profit before tax					112

Geographical information

The Group mainly operates in Singapore except for its share of result of joint venture entities of loss of $197,000 (2014: profit of $7,000) which was derived from Indonesia (2014: Indonesia). Consequently, the Group's revenue and non-current assets are mainly derived from and based in Singapore.

31. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's and the Company's principal financial instruments comprise obligations under finance leases, bank loans, and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's and the Company's operations. The Group and the Company have various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from their operations.

The main risks arising from the Group's and the Company's financial instruments are interest rate risk, liquidity risk, and credit risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks during the years ended 31 December 2014 and 2015.

It is, and has been throughout the years under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

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's and the Company's exposure to interest rate risk arises primarily from their floating rate cash at bank balances as well as interest rate changes relating to the Group's and the Company's interest-bearing loans and borrowings for the financial years ended 31 December 2014 and 2015. The Group's policy is to obtain the most favourable interest rates available and place surplus funds with reputable banks.

Information relating to the Group's interest rate exposure is also disclosed in Note 23 on the Group's loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

31. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT'D)

Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

At the balance sheet date, if SGD interest rates had been 100 (2014: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $20,000 (2014: $25,000) higher/lower, arising mainly as a result of lower/higher interest income on floating rate cash at bank balances and lower/higher interest expense on floating rate loans and borrowings.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

As part of its overall liquidity management, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	Note	**One year or less $'000**	**One to five years $'000**	**Total $'000**
Group				
2015				
Financial liabilities				
Trade payables	20	1,298	–	1,298
Other payables and accruals*	21	2,094	191	2,285
Obligations under finance leases	22	75	51	126
Loans and borrowings and related interest expense		1,043	264	1,307
Total undiscounted financial liabilities		4,510	506	5,016
2014				
Financial liabilities				
Trade payables	20	1,794	–	1,794
Other payables and accruals*	21	1,995	170	2,165
Obligations under finance leases	22	92	126	218
Loans and borrowings and related interest expense		1,877	–	1,877
Total undiscounted financial liabilities		5,758	296	6,054

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

31. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONT'D)

Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	Note	**One year or less $'000**	**One to five years $'000**	**Total $'000**
Company				
2015				
Financial liabilities				
Trade payables	20	2	–	2
Other payables and accruals*	21	300	15	315
Due to related companies	19	3,947	–	3,947
Loans and borrowings and related interest expense		1,043	264	1,307
Total undiscounted financial liabilities		5,292	279	5,571
2014				
Financial liabilities				
Trade payables	20	2	–	2
Other payables and accruals*	21	372	15	387
Due to related companies	19	3,174	–	3,174
Loans and borrowings and related interest expense		1,877	–	1,877
Total undiscounted financial liabilities		5,425	15	5,440

* Other payables and accruals exclude "Advances from customers".

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's and Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. It is the Group's policy that all customers who wish to obtain services on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and Company's exposure to bad debts is not significant.

The Group assessed the concentration of the credit risk and concluded it to be low.

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheet.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and bank balances that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,

– Level 2: Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

– Level 3: Unobservable inputs for the asset and liability.

(a) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Cash and bank balances, current trade and other receivables (Note 17 and 18), amounts due from/(to) related companies (Note 19), current trade, other payables and accruals (Note 20 and 21), obligations under finance leases (current) (Note 22), and loans and borrowings (Note 23)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

Set out below is a comparison by category of the carrying amounts and fair values of all of the Group and Company's financial instruments that are carried in the financial statements at other than fair values:

	Note	2015 Carrying amount $'000	2015 Fair value $'000	2014 Carrying amount $'000	2014 Fair value $'000
Group					
Financial assets:					
Other receivables (non-current)	18	**370**	**367**	336	332
Financial liabilities:					
Obligations under finance leases (non-current)	22	**44**	**53**	102	111
Company					
Financial assets:					
Other receivables (non-current)	18	**369**	**367**	336	332

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (cont'd)

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (cont'd)***

Determination of fair value

Other receivables (non-current) (Note 18), and obligations under finance leases (non-current) (Note 22)

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the balance sheet date. The fair value measurements of the above instruments are classified under level 3 of the fair value hierarchy.

(c) ***Classification of financial instruments***

Set out below is a comparison by category of carrying amounts of all the Group and Company's financial instruments that are carried in the financial statements:

Loans and receivables

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Trade receivables	**1,364**	826	**–**	–
Other receivables	**1,250**	1,107	**755**	729
Due from related companies	**–**	–	**8,410**	4,309
Cash and bank balances	**6,465**	7,266	**3,280**	4,740
	9,079	9,199	**12,445**	9,778

Liabilities at amortised cost

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Liabilities				
Trade payables	**1,298**	1,794	**2**	2
Other payables and accruals	**2,285**	2,165	**315**	387
Obligation under finance leases	**108**	187	**–**	–
Due to related companies	**–**	–	**3,947**	3,174
Loans and borrowings	**1,269**	1,807	**1,269**	1,807
	4,960	5,953	**5,533**	5,370

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

For the financial year ended 31 December 2015

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 2014.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total capital. The Group includes within borrowings, obligations under finance leases and loans and borrowings. Capital consists of equity attributable to the equity holders of the Company.

	Group	
	2015	**2014**
	$'000	**$'000**
Obligations under finance leases (Note 22)	**108**	187
Loans and borrowings (Note 23)	**1,269**	1,807
Total borrowings	**1,377**	1,994
Equity attributable to shareholders of the Company	**10,311**	6,908
Total capital	**10,311**	6,908
Gearing ratio	**13%**	29%

The Company is required by a bank to maintain certain gearing ratio and other financial ratios. These externally imposed capital requirements have been complied with by the Company as at year end.

34. EVENT OCCURRING AFTER THE BALANCE SHEET DATE

(i) Additional capital contribution to joint venture

On 15 March 2016, the Group subscribes to 400,000 new shares issued by its joint venture entity, LSI, amounting to $400,000 for cash. There is no change to the Group's interest after the additional capital contribution.

(ii) Acquisition of subsidiary

On 23 March 2016, the Company and its joint venture company, LSI, entered into a sale and purchase agreement with a third party to acquire the entire equity interest in Novena Radiology Pte. Ltd. ("NRPL") for a cash consideration of $550,000. Upon completion of the acquisition, the Company will directly own 51.0% of the equity interest in NRPL. Taking into account of the indirect equity interest of 19.6% in NRPL held through LSI, the Group effectively holds an overall 70.6% of the equity interest in NRPL and NRPL becomes a subsidiary of the Company.

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 30 March 2016.

SHAREHOLDERS' INFORMATION

As at 23 March 2016

Number of shares	:	276,028,500
Issued and fully paid-up capital	:	$19,514,307.50
Class of shares	:	Ordinary share fully paid
Voting rights	:	One vote per ordinary share

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 23 March 2016 are as follows:–

	Direct Interest	**%**	**Deemed Interest**	**%**
Dr Beng Teck Liang	49,130,000	17.80	–	–
Tony Tan Choon Keat(1)	55,878,586	20.20	199,900	0.07
Coop International Pte Ltd(2)	14,080,000	5.10	–	–
Silver Mines Global Limited(3)	42,332,713	15.30	–	–
Bonvests Holdings Limited(2)	–	–	14,080,000	5.10
Red Ancient Global Ltd(3)	–	–	42,332,713	15.30
Dr Ho Choon Hou(3)	–	–	42,332,713	15.30

Note:

(1) Mr. Tony Tan Choon Keat is deemed interested in the 199,900 shares held by his immediate family member.

(2) Coop International Pte Ltd ("CI") is a wholly-owned subsidiary of Bonvests Holdings Limited ("BHL"). Accordingly, BHL is deemed to have an interest in the 14,080,000 shares held by CI by virtue of Section 7(4A) of the Act.

(3) (a) Silver Mines Global Limited ("Silver Mines") is a wholly-owned subsidiary of Red Ancient Global Ltd ("Red Ancient").

(b) Red Ancient is wholly-owned by Dr. Ho Choon Hou ("HCH").

Accordingly, Red Ancient and HCH is deemed to have an interest in the 42,332,713 shares held by Silver Mines by virtue of Section 7(4A) of the Act.

FREE FLOAT

On the basis of information available to the Company as at 23 March 2016, approximately 38.50% of the issued ordinary shares of the Company was held in the hands of the public. The Company did not hold any treasury shares as at 23 March 2016.

Accordingly, the Company has complied with Rule 723 of the Rules of Catalist.

SHAREHOLDERS' INFORMATION *(cont'd)*

As at 23 March 2016

TWENTY LARGEST SHAREHOLDERS AS AT 23 MARCH 2016

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	RAFFLES NOMINEES (PTE) LTD	64,648,386	23.42
2	MAYBANK KIM ENG SECURITIES PTE LTD	42,712,213	15.47
3	DBS NOMINEES PTE LTD	37,183,000	13.47
4	CITIBANK NOMINEES SINGAPORE PTE LTD	24,803,400	8.99
5	COOP INTERNATIONAL PTE LTD	14,080,000	5.10
6	BANK OF SINGAPORE NOMINEES PTE LTD	10,707,700	3.88
7	CHENG YONG LIANG	7,425,000	2.69
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	6,304,200	2.28
9	WONG SENG WENG	5,407,000	1.96
10	LIEW CHEE KONG	2,799,500	1.01
11	HSBC (SINGAPORE) NOMINEES PTE LTD	2,640,000	0.96
12	UOB KAY HIAN PTE LTD	2,455,000	0.89
13	RAMESH S/O PRITAMDAS CHANDIRAMANI	2,329,100	0.84
14	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	2,316,116	0.84
15	PHILLIP SECURITIES PTE LTD	2,195,800	0.80
16	LIM TIONG KHENG STEVEN	2,084,000	0.75
17	TAN CHIN HWEE (CHEN JINGHUI)	1,500,000	0.54
18	OCBC SECURITIES PRIVATE LIMITED	1,441,000	0.52
19	TAN KAH BOH ROBERT @ TAN KAH BOO	1,359,600	0.49
20	GOH CHAI SIN	1,243,000	0.45
	TOTAL	**235,634,015**	**85.35**

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 23 MARCH 2016

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	7	1.16	188	0.00
100 – 1,000	32	5.29	27,087	0.01
1,001 – 10,000	154	25.45	978,760	0.35
10,001 – 1,000,000	391	64.63	38,307,150	13.88
1,000,001 AND ABOVE	21	3.47	236,715,315	85.76
TOTAL	**605**	**100.00**	**276,028,500**	**100.00**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Singapore Medical Group Limited (the "Company") will be held at 290 Orchard Road, #07-18/19/20 (Lobby C) Paragon, Singapore 238859 on Monday, 25 April 2016 at 5.00 p.m. for the following purposes:

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Tony Tan Choon Keat, who is retiring pursuant to Article 94 of the Company's Constitution, as Director of the Company. **(Resolution 2)**
[See Explanatory Note (i)]

3. To re-elect Dr Wong Seng Weng, who is retiring pursuant to Article 99 of the Company's Constitution, as Director of the Company. **(Resolution 3)**
[See Explanatory Note (ii)]

4. To approve the payment of Directors' fees of S$90,000 for the financial year ended 31 December 2015. **(Resolution 4)**

5. To re-appoint Messrs Ernst & Young LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

Special Business

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

7. GENERAL AUTHORITY TO ALLOT AND ISSUE SHARES IN THE CAPITAL OF THE COMPANY (THE "SHARE ISSUE MANDATE")

"That, pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore (the "Act") and Rule 806(2) of the Rules of Catalist, authority be and is hereby given to the Directors of the Company to:–

(a) (i) allot and issue shares in the capital of the Company 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) warrants, debentures, convertible securities 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 shall 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 Instrument made or granted by the Directors while this Resolution was in force.

NOTICE OF ANNUAL GENERAL MEETING *(cont'd)*

provided always that:–

(i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below) or such other limit as may be prescribed by the Rules of Catalist as at the date this Resolution is passed, of which the aggregate number of shares to be issued other than on a *pro-rata* basis to the then existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below) or such other limit as may be prescribed by the Rules of Catalist as at the date this Resolution is passed.

(ii) (subject to such manner of calculation and adjustments 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 (i) above, the percentage of the total issued shares (excluding treasury shares) shall be based on the total issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities outstanding and/or subsisting at the time this authority is given;

(b) new shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

(c) any subsequent bonus issue, consolidation or sub-division of shares.

(iii) in exercising the authority conferred by this Resolution, the Directors shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act, and otherwise, and the Constitution for the time being of the Company; and

(iv) (unless revoked or varied by the Company in general meeting), such authority conferred by this Resolution shall continue in full force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is earlier."
[See Explanatory Note (iii)] **(Resolution 6)**

8. AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE SMG SHARE OPTION SCHEME

"That, pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore, the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the SMG Share Option Scheme (the "Option Scheme") and to allot and issue such shares as may be required to be issued pursuant to the exercise of the options granted under the Option Scheme, provided always that the aggregate number of new ordinary shares to be allotted and issued pursuant to the Option Scheme, (including the aggregate number of shares issued or issuable pursuant to the Option Scheme and any other scheme or plan for the time being of the Company), shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in general meeting, shall continue in full force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is earlier."
[See Explanatory Note (iv)] **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING *(cont'd)*

9. AUTHORITY TO GRANT AWARDS AND ISSUE SHARES UNDER THE SMG SHARE PLAN

"That, pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore, the Directors of the Company be and are hereby authorised to offer and grant awards in accordance with the SMG Share Plan (the "Share Plan") and to allot and issue such shares as may be required to be issued upon the release of awards under the Share Plan, provided always that the aggregate number of new ordinary shares to be allotted and issued pursuant to the Share Plan (including the aggregate number of shares issued or issuable pursuant to the Share Plan and any other scheme or plan for the time being of the Company), shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in general meeting, shall continue in full force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is earlier."
[See Explanatory Note (v)] **(Resolution 8)**

By Order of the Board

Tony Tan Choon Keat
Non-Executive Chairman

Singapore, 8 April 2016

Explanatory Notes:

(i) If re-elect under Resolution 2, Mr Tony Tan Choon Keat retiring pursuant to Article 94 of the Company's Constitution will remain as a Member of the Audit Committee, Nominating Committee and Remuneration Committee and he will continue in office as Non-Executive Director.

(ii) If re-elect under Resolution 3, Dr Wong Seng Weng retiring pursuant to Article 99 of the Company's Constitution will continue in office as Executive Director.

(iii) The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of the above AGM until the date of the next annual general meeting, to allot and issue shares and/or Instruments (as defined above) in the capital of the Company. The aggregate number of shares and/or convertible securities which the Directors may allot and issue under this Resolution, shall not exceed one hundred per cent. (100%) of the total issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares and/or convertible securities other than on a *pro-rata* basis to all shareholders of the Company, shall not exceed fifty per cent. (50%) of the total issued shares (excluding treasury shares) in the capital of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any convertible securities issued under this authority.

(iv) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of the above AGM until the date of the next annual general meeting, to grant options and to allot and issue shares pursuant to the exercise of the options under the Option Scheme, (including options granted under the Option Scheme and any other scheme or plan for the time being of the Company) of up to a number not exceeding in total fifteen per cent. (15%) of the total issued shares (excluding treasury shares) in the capital of the Company from time to time.

(v) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company, from the date of the above AGM until the date of the next annual general meeting, to grant awards and to allot and issue shares upon the release of awards under the Share Plan, (including award granted under the Share Plan and any other scheme or plan for the time being of the Company) of up to a number not exceeding in total fifteen per cent. (15%) of the total issued shares (excluding treasury shares) in the capital of the Company from time to time.

NOTICE OF ANNUAL GENERAL MEETING *(cont'd)*

Notes:

1. Detailed information of Mr Tony Tan Choon Keat and Dr Wong Seng Weng can be found under the "Directors Profile" Section in the Company's Annual Report 2015.
2. A member (other than a Relevant Intermediary*) entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. If the appointor is a corporation, the instrument appointing a proxy must be executed under the corporation's common seal or signed by its attorney or an officer on behalf of the corporation.
6. The instrument appointing a proxy must be deposited at the registered office of the Company at 290 Orchard Road, #13-01 The Paragon, Singapore 238859 not less than forty-eight (48) hours before the time for holding the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore 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; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, 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.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) 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) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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**"), (ii) 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 (iii) 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.

This Notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), CIMB Bank Berhad, Singapore Branch, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this Notice including the correctness of any of the figures used, statements or opinions made.

This Notice has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Notice including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Mr. Eric Wong
Telephone number: 6337 5115

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SINGAPORE MEDICAL GROUP LIMITED
Company Registration Number: 200503187W
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT
1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the "Act"), Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies.

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 Notice of Annual General Meeting dated 8 April 2016.

I/We ______________________________ NRIC/Passport No.: ______________

of ______________________________ (Address)

being a member/members of SINGAPORE MEDICAL GROUP LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting of the Company (the "Meeting") to be held at 290 Orchard Road #07-18/19/20 (Lobby C) Paragon Singapore 238859 on Monday, 25 April 2016 at 5.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the Meeting.

No.	Resolutions Relating to:	No. of Votes For*	No. of Votes Against*
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015		
2.	Re-election of Mr Tony Tan Choon Keat as a Director		
3.	Re-election of Dr Wong Seng Weng as a Director		
4.	Approval of Directors' fees for the financial year ended 31 December 2015		
5.	Re-appointment of Messrs Ernst & Young LLP as Auditors of the Company		
6.	General authority to issue and allot shares pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore		
7.	Authority to allot and issue shares pursuant to the SMG Share Option Scheme		
8.	Authority to allot and issue shares pursuant to the SMG Share Plan		

*Note: If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ______________ 2016

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

____
Signature(s) of Member(s)
or, Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. Where a member (other than a Relevant Intermediary*) appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

4. 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 (Cap. 289) of Singapore), 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 that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at **290 Orchard Road, #13-01 The Paragon, Singapore 238859**, not less than 48 hours before the time set for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("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.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore 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; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, 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.

GENERAL:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Singapore Medical Group Limited

Company Registration Number: 200503187W
Incorporated in the Republic of Singapore on 10 March 2005

290 Orchard Road #13-01 Paragon Singapore 238859
W. www.smg.sg

24-Hour Patient Assistance Centre
(65) 6735 3000