



**SINGAPORE O&G LTD.**  
**(Company Registration No. 201100687M)**

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT  
 FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018**

**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<u>Group</u>					
	<u>Third Quarter</u>			<u>Year-To-Date</u>		
	Q3 2018 (Unaudited) S\$	Q3 2017 (Unaudited) S\$	Increase/ (Decrease) %	30/9/2018 (Unaudited) S\$	30/9/2017 (Unaudited) S\$	Increase/ (Decrease) %
Revenue	9,062,171	7,708,241	17.6%	25,894,902	21,956,041	17.9%
Other operating income	19,869	110,490	-82.0%	1,375,645	200,208	>100.0%
Consumables and medical supplies used	(1,355,325)	(1,086,838)	24.7%	(3,794,740)	(3,147,260)	20.6%
Employee remuneration expense	(3,330,268)	(3,013,986)	10.5%	(9,793,441)	(8,647,243)	13.3%
Depreciation of plant and equipment	(135,148)	(126,543)	6.8%	(414,949)	(366,721)	13.2%
Other operating expense	(823,861)	(780,789)	5.5%	(2,534,951)	(2,178,665)	16.4%
<b>Profit from operations</b>	<b>3,437,438</b>	<b>2,810,575</b>	<b>22.3%</b>	<b>10,732,466</b>	<b>7,816,360</b>	<b>37.3%</b>
Finance income	16,745	14,519	15.3%	48,779	39,678	22.9%
Finance expense	-	(59,708)	<b>N/M</b>	-	(179,126)	<b>N/M</b>
<b>Net finance income/(expense)</b>	<b>16,745</b>	<b>(45,189)</b>	<b>N/M</b>	<b>48,779</b>	<b>(139,448)</b>	<b>N/M</b>
<b>Profit before income tax</b>	<b>3,454,183</b>	<b>2,765,386</b>	<b>24.9%</b>	<b>10,781,245</b>	<b>7,676,912</b>	<b>40.4%</b>
Income tax expense	(558,119)	(418,716)	33.3%	(1,656,578)	(1,188,204)	39.4%
<b>Profit for the period</b>	<b>2,896,064</b>	<b>2,346,670</b>	<b>23.4%</b>	<b>9,124,667</b>	<b>6,488,708</b>	<b>40.6%</b>
Other comprehensive income, at nil tax	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>2,896,064</b>	<b>2,346,670</b>	<b>23.4%</b>	<b>9,124,667</b>	<b>6,488,708</b>	<b>40.6%</b>

N/M : Not meaningful.

**1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<u>Group</u>		<u>Company</u>	
	30/9/2018 (Unaudited) S\$	31/12/2017 (Audited) S\$	30/9/2018 (Unaudited) S\$	31/12/2017 (Audited) S\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	26,929,999	26,929,999	-	-
Plant and equipment	1,360,263	1,638,262	137,564	128,580
Deferred tax assets	10,437	12,019	-	-
Investment in subsidiaries	-	-	34,331,536	34,330,536
	<b>28,300,699</b>	<b>28,580,280</b>	<b>34,469,100</b>	<b>34,459,116</b>
<b>Current assets</b>				
Inventories	1,494,091	1,601,717	-	-
Trade and other receivables	2,942,046	2,518,334	149,016	217,860
Amounts due from subsidiaries (non-trade)	-	-	3,899,210	3,460,029
Cash and cash equivalents	18,096,257	16,426,295	8,763,114	7,065,907
	<b>22,532,394</b>	<b>20,546,346</b>	<b>12,811,340</b>	<b>10,743,796</b>
<b>Total assets</b>	<b>50,833,093</b>	<b>49,126,626</b>	<b>47,280,440</b>	<b>45,202,912</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	29,645,500	29,645,500	29,645,500	29,645,500
Reserves	14,920,841	13,854,145	15,514,925	13,690,955
<b>Total equity</b>	<b>44,566,341</b>	<b>43,499,645</b>	<b>45,160,425</b>	<b>43,336,455</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	145,609	109,825	9,994	1,561
	<b>145,609</b>	<b>109,825</b>	<b>9,994</b>	<b>1,561</b>
<b>Current liabilities</b>				
Trade and other payables	3,952,082	3,811,730	540,042	788,876
Amounts due to subsidiaries (non-trade)	-	-	1,436,020	1,076,020
Deferred revenue	469,749	445,279	29,159	-
Current tax liabilities	1,699,312	1,260,147	104,800	-
	<b>6,121,143</b>	<b>5,517,156</b>	<b>2,110,021</b>	<b>1,864,896</b>
<b>Total liabilities</b>	<b>6,266,752</b>	<b>5,626,981</b>	<b>2,120,015</b>	<b>1,866,457</b>
<b>Total equity and liabilities</b>	<b>50,833,093</b>	<b>49,126,626</b>	<b>47,280,440</b>	<b>45,202,912</b>

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following as at the end of current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

(A) the amount repayable in one year or less, or on demand:

None.

(B) the amount repayable after one year:

None.

(C) whether the amounts are secured or unsecured; and

None.

(D) details of any collaterals.

None.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Group</u>			
	<u>Third Quarter</u>		<u>Year-To-Date</u>	
	Q3 2018	Q3 2017	30/9/2018	30/9/2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$	S\$	S\$	S\$
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	3,454,183	2,765,386	10,781,245	7,676,912
Adjustments for:				
Depreciation of plant and equipment	135,148	126,543	414,949	366,721
Plant and equipment written off	112	-	209	465
Interest income	(16,745)	(14,519)	(48,779)	(39,678)
Interest expense	-	59,708	-	179,126
Operating profit before working capital changes	3,572,698	2,937,118	11,147,624	8,183,546
Changes in inventories	171,668	(260,954)	107,626	(133,585)
Changes in trade and other receivables	(141,106)	(121,888)	(434,797)	(269,012)
Changes in trade and other payables	658,919	866,377	164,135	162,227
Cash generated from operations	4,262,179	3,420,653	10,984,588	7,943,176
Income tax paid	(591,930)	(640,590)	(1,180,047)	(1,281,341)
<b>Net cash generated from operating activities</b>	<b>3,670,249</b>	<b>2,780,063</b>	<b>9,804,541</b>	<b>6,661,835</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of subsidiaries, net of cash acquired	-	-	-	(3,765,383)
Purchase of plant and equipment	(15,607)	(56,184)	(136,472)	(304,096)
Interest received	25,849	14,519	59,864	159,981
<b>Net cash from/(used in) investing activities</b>	<b>10,242</b>	<b>(41,665)</b>	<b>(76,608)</b>	<b>(3,909,498)</b>

	<u>Group</u>			
	<u>Third Quarter</u>		<u>Year-To-Date</u>	
	Q3 2018	Q3 2017	30/9/2018	30/9/2017
	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$
<b>Cash Flows from Financing Activities</b>				
Dividends paid to shareholders	(3,814,424)	(2,908,498)	(8,057,971)	(6,651,402)
<b>Net cash used in financing activities</b>	<b>(3,814,424)</b>	<b>(2,908,498)</b>	<b>(8,057,971)</b>	<b>(6,651,402)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(133,933)</b>	<b>(170,100)</b>	<b>1,669,962</b>	<b>(3,899,065)</b>
Cash and cash equivalents at beginning of period	18,230,190	17,647,359	16,426,295	21,376,324
<b>Cash and cash equivalents at end of period</b>	<b>18,096,257</b>	<b>17,477,259</b>	<b>18,096,257</b>	<b>17,477,259</b>

**1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<u>Group</u> <u>(Unaudited)</u>	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2017	29,645,500	1,771,070	(1,695,311)	11,922,728	41,643,987
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	4,142,038	4,142,038
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	4,142,038	4,142,038
<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(3,742,904)	(3,742,904)
At 30 June 2017	29,645,500	1,771,070	(1,695,311)	12,321,862	42,043,121
At 1 July 2017	29,645,500	1,771,070	(1,695,311)	12,321,862	42,043,121
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	2,346,670	2,346,670
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	2,346,670	2,346,670
<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(2,908,498)	(2,908,498)
At 30 September 2017	29,645,500	1,771,070	(1,695,311)	11,760,034	41,481,293

<b>Group (Unaudited)</b>	<b>Share Capital S\$</b>	<b>Capital Reserve S\$</b>	<b>Merger Reserve S\$</b>	<b>Retained Earnings S\$</b>	<b>Total S\$</b>
At 1 January 2018	29,645,500	1,771,070	(1,695,311)	13,778,386	43,499,645
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	6,228,603	6,228,603
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	6,228,603	6,228,603
<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(4,243,547)	(4,243,547)
At 30 June 2018	29,645,500	1,771,070	(1,695,311)	15,763,442	45,484,701
At 1 July 2018	29,645,500	1,771,070	(1,695,311)	15,763,442	45,484,701
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	2,896,064	2,896,064
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	2,896,064	2,896,064
<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(3,814,424)	(3,814,424)
At 30 September 2018	29,645,500	1,771,070	(1,695,311)	14,845,082	44,566,341

<b>Company (Unaudited)</b>	<b>Share Capital S\$</b>	<b>Capital Reserve S\$</b>	<b>Merger Reserve S\$</b>	<b>Retained Earnings S\$</b>	<b>Total S\$</b>
At 1 January 2017	29,645,500	1,771,070	-	7,568,998	38,985,568
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(412,960)	(412,960)
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	(412,960)	(412,960)
<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(3,742,904)	(3,742,904)
At 30 June 2017	29,645,500	1,771,070	-	3,413,134	34,829,704

<b>Company (Unaudited)</b>	<b>Share Capital S\$</b>	<b>Capital Reserve S\$</b>	<b>Merger Reserve S\$</b>	<b>Retained Earnings S\$</b>	<b>Total S\$</b>
At 1 July 2017	29,645,500	1,771,070	-	3,413,134	34,829,704
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	8,781,140	8,781,140
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	8,781,140	8,781,140
<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(2,908,498)	(2,908,498)
<b>At 30 September 2017</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>-</b>	<b>9,285,776</b>	<b>40,702,346</b>

<b>Company (Unaudited)</b>	<b>Share Capital S\$</b>	<b>Capital Reserve S\$</b>	<b>Merger Reserve S\$</b>	<b>Retained Earnings S\$</b>	<b>Total S\$</b>
At 1 January 2018	29,645,500	1,771,070	-	11,919,885	43,336,455
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	893,392	893,392
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	893,392	893,392
<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(4,243,547)	(4,243,547)
<b>At 30 June 2018</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>-</b>	<b>8,569,730</b>	<b>39,986,300</b>
At 1 July 2018	29,645,500	1,771,070	-	8,569,730	39,986,300
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	8,988,549	8,988,549
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	8,988,549	8,988,549
<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(3,814,424)	(3,814,424)
<b>At 30 September 2018</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>-</b>	<b>13,743,855</b>	<b>45,160,425</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 30 September 2018, there are no changes in the Company's share capital since the end of the previous period reported on i.e. 30 June 2018.

The Company did not have any treasury shares, subsidiary holdings, outstanding options and convertibles as at 30 September 2018 and 30 September 2017.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of Ordinary Shares	
	30/9/2018	31/12/2017
Issued ordinary shares	476,803,002	476,803,002

The Company does not have any treasury shares as at 30 September 2018 and 31 December 2017.

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable, as the Company did not have any treasury shares as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable, as the Company did not have any subsidiary holdings as at the end of the current financial period reported on.

**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Section 5 below, the accounting policies and methods of computation used in the consolidated financial statements for the period ended 30 September 2018 are consistent with those applied in the financial statements for the year ended 31 December 2017.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In December 2017, the Accounting Standards Council issued a new financial reporting framework – Singapore Financial Reporting Standards (International) (“**SFRS(I)**”), which is to be adopted by Singapore-incorporated companies listed on the SGX-ST, for annual periods beginning on or after 1 January 2018. SFRS(I) is identical to the International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group and the Company have adopted the new framework for the first time for financial year ending 31 December 2018 and SFRS(I) 1 *First time Adoption of Singapore Financial Reporting Standards (International)* will be applied in the first set of SFRS(I) financial statements.

Management has performed a preliminary analysis of the transition options and other requirements of SFRS(I) 1 and has determined that there is no change to the Group's current accounting policies or material adjustments on transition to the new framework. The adoption of the new SFRS(I) and its related



interpretations is assessed to have no significant impact to the Group's consolidated financial statements for the current financial period reported on.

**6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>Group</u>			
	<u>Third Quarter</u>		<u>Year-To-Date</u>	
	Q3 2018 (Unaudited) S\$	Q3 2017 (Unaudited) S\$	30/9/2018 (Unaudited) S\$	30/9/2017 (Unaudited) S\$
Profit attributable to equity holders of the Company (S\$)	2,896,064	2,346,670	9,124,667	6,488,708
Weighted average number of ordinary shares	476,803,002	476,803,002	476,803,002	476,803,002
Basic and diluted earnings per share based on the weighted average number of ordinary shares (cents)	0.61	0.49	1.91	1.36

Note:

Basic and diluted earnings per share for the quarters and financial periods ended 30 September 2018 and 2017 are computed using the net profit after tax divided by the weighted average number of ordinary shares issued and outstanding at the end of each quarter and financial period.

The Company did not have any stock options or dilutive potential ordinary shares during the quarters and financial periods ended 30 September 2018 and 2017.

**7 Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**  
**(A) current financial period reported on; and**  
**(B) immediately preceding financial year.**

	<u>Group</u>		<u>Company</u>	
	30/9/2018 (Unaudited)	31/12/2017 (Audited)	30/9/2018 (Unaudited)	31/12/2017 (Audited)
Net assets value (S\$)	44,566,341	43,499,645	45,160,425	43,336,455
Net assets value per ordinary share based on the total number of issued shares as at end of the period/year reported on (cents)	9.35	9.12	9.47	9.09

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

(A) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(B) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

### Review of the Group's Performance

#### Q3 2018 vs. Q3 2017

	Q3 2018 (S\$)	Q3 2017 (S\$)	Increase/ (Decrease) (S\$)	%
Revenue	9,062,171	7,708,241	1,353,930	17.6
Other operating income	19,869	110,490	(90,621)	(82.0)
Consumables and medical supplies used	(1,355,325)	(1,086,838)	268,487	24.7
Employee remuneration expense	(3,330,268)	(3,013,986)	316,282	10.5
Depreciation of plant and equipment	(135,148)	(126,543)	8,605	6.8
Other operating expense	(823,861)	(780,789)	43,072	5.5
<b>Profit from operations</b>	<b>3,437,438</b>	<b>2,810,575</b>	<b>626,863</b>	<b>22.3</b>
Finance income	16,745	14,519	2,226	15.3
Finance expense	-	(59,708)	(59,708)	N/M
<b>Net finance income/(expense)</b>	<b>16,745</b>	<b>(45,189)</b>	<b>61,934</b>	<b>N/M</b>
<b>Profit before income tax</b>	<b>3,454,183</b>	<b>2,765,386</b>	<b>688,797</b>	<b>24.9</b>
Income tax expense	(558,119)	(418,716)	139,403	33.3
<b>Profit for the period</b>	<b>2,896,064</b>	<b>2,346,670</b>	<b>549,394</b>	<b>23.4</b>

#### YTD Sep 2018 vs. YTD Sep 2017

	YTD Sep 2018 (S\$)	YTD Sep 2017 (S\$)	Increase/ (Decrease) (S\$)	%
Revenue	25,894,902	21,956,041	3,938,861	17.9
Other operating income	1,375,645	200,208	1,175,437	>100.0

Consumables and medical supplies used	(3,794,740)	(3,147,260)	647,480	20.6
Employee remuneration expense	(9,793,441)	(8,647,243)	1,146,198	13.3
Depreciation of plant and equipment	(414,949)	(366,721)	48,228	13.2
Other operating expense	(2,534,951)	(2,178,665)	356,286	16.4
<b>Profit from operations</b>	<b>10,732,466</b>	<b>7,816,360</b>	<b>2,916,106</b>	<b>37.3</b>
Finance income	48,779	39,678	9,101	22.9
Finance expense	-	(179,126)	(179,126)	N/M
<b>Net finance income/(expense)</b>	<b>48,779</b>	<b>(139,448)</b>	<b>188,227</b>	<b>N/M</b>
<b>Profit before income tax</b>	<b>10,781,245</b>	<b>7,676,912</b>	<b>3,104,333</b>	<b>40.4</b>
Income tax expense	(1,656,578)	(1,188,204)	468,374	39.4
<b>Profit for the period</b>	<b>9,124,667</b>	<b>6,488,708</b>	<b>2,635,959</b>	<b>40.6</b>

N/M: Not meaningful.

## Revenue

### Q3 2018 vs. Q3 2017

Revenue increased by S\$1.4 million or 17.6% from S\$7.7 million for the three months period ended 30 September 2017 (“**Q3 2017**”) to S\$9.1 million for the three months period ended 30 September 2018 (“**Q3 2018**”). The increase is attributed to:

- The increase of S\$0.8 million and S\$0.5 million revenue from our Obstetrics & Gynaecology (“**O&G**”) and Cancer-related segments in Q3 2018 respectively;
- The increase in revenue contribution of S\$0.2 million from our new Paediatrics segment, SOG Children (Paediatrics-East) Clinic and SOG Children (Paediatrics-Central) Clinic (collectively, “**PAED Clinics**”) which started operations in July 2017 and November 2017 respectively; offset by
- The slight decrease of S\$0.1 million from our Dermatology segment in Q3 2018.

### YTD Sep 2018 vs. YTD Sep 2017

Revenue increased by S\$3.9 million or 17.9% from S\$22.0 million for the nine months period ended 30 September 2017 (“**YTD Sep 2017**”) to S\$25.9 million for the nine months period ended 30 September 2018 (“**YTD Sep 2018**”). The increase is attributed to:

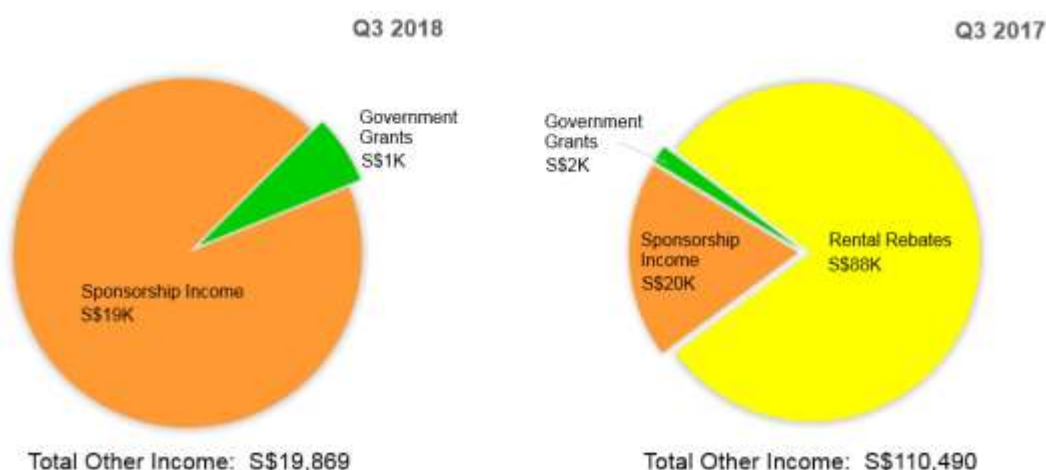
- The increase of S\$2.2 million and S\$1.2 million revenue from our O&G and Cancer-related segment for YTD Sep 2018 respectively;

- The increase in revenue contribution of S\$0.6 million from our new PAED Clinics which started operations in July 2017 and November 2017; offset by
- The slight decrease of S\$0.1 million revenue from our Dermatology segment for YTD Sep 2018.

### Other Operating Income

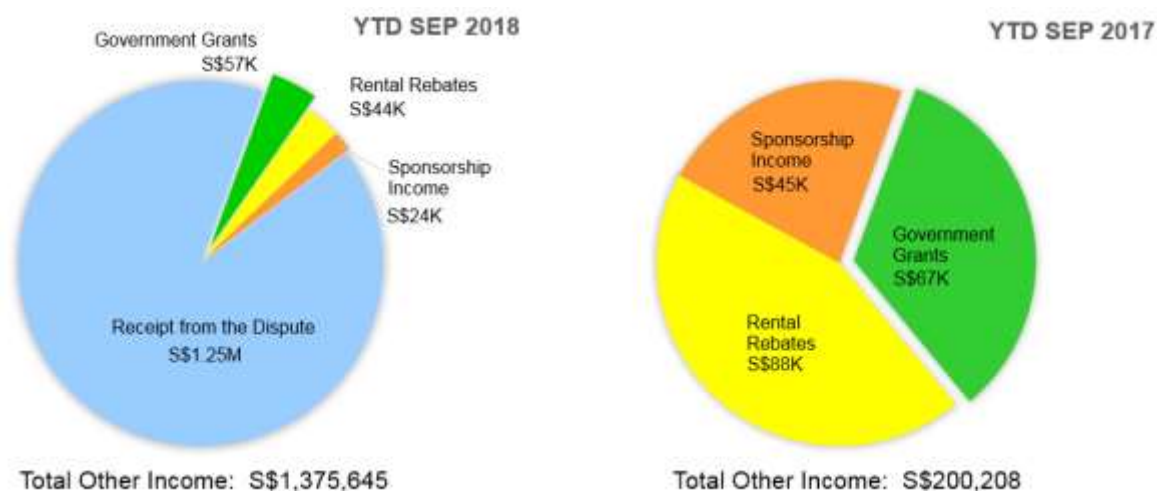
Other operating income typically comprises government grants received and sponsorship income. Sponsorship income relates to income received from sponsors for public events and activities organised by the Company.

#### Q3 2018 vs. Q3 2017



Other operating income decreased by S\$91,000 or 82.0% for Q3 2018 as compared to Q3 2017. The decrease is due mainly to the absence of S\$88,000 clinic rental rebates received from a lessor in Q3 2017.

#### YTD Sep 2018 vs. YTD Sep 2017



Other operating income increased by S\$1.2 million or more than 100.0% for YTD Sep 2018 as compared to YTD Sep 2017. The increase is due mainly to the receipt of S\$1.25 million from the Company's former Lead Independent Director, Mr. Christopher Chong Meng Tak ("**Mr. Chong**"), for the full and final settlement arising from the dispute concerning the Company's claim for S\$1.5 million from Mr. Chong for a transaction of the Company in which Mr. Chong was involved (the "**Dispute**").

### **Consumables and Medical Supplies Used**

In general, our O&G, Cancer-related and Paediatrics segments use lesser consumables and medical supplies as compared to our Dermatology segment which requires more consumables and medical supplies such as skin care products.

Our Cancer-related segment uses the least consumables and medical supplies as our Cancer Specialists, who are Breast Surgeons and GynaeOncologist, perform their major procedures in the hospitals and thus, the consumables and medical supplies are taken care of and billed by the hospitals.

#### Q3 2018 vs. Q3 2017

Consumables and medical supplies used increased by S\$0.3 million or 24.7% from S\$1.1 million for Q3 2017 to S\$1.4 million for Q3 2018. As the consumables and medical supplies used are a direct cost attributed to the Group's revenue, the increase parallels the increase in revenue for the corresponding period.

Consumables and medical supplies used as a percentage of the Group's revenue increased by 0.9% from 14.1% for Q3 2017 to 15.0% for Q3 2018 due mainly to higher consumables and medical supplies used by our Dermatology segment.

#### YTD Sep 2018 vs. YTD Sep 2017

Consumables and medical supplies used increased by S\$0.7 million or 20.6% from S\$3.1 million for YTD Sep 2017 to S\$3.8 million for YTD Sep 2018. The increase parallels the increase in the Group's revenue for the corresponding same period.

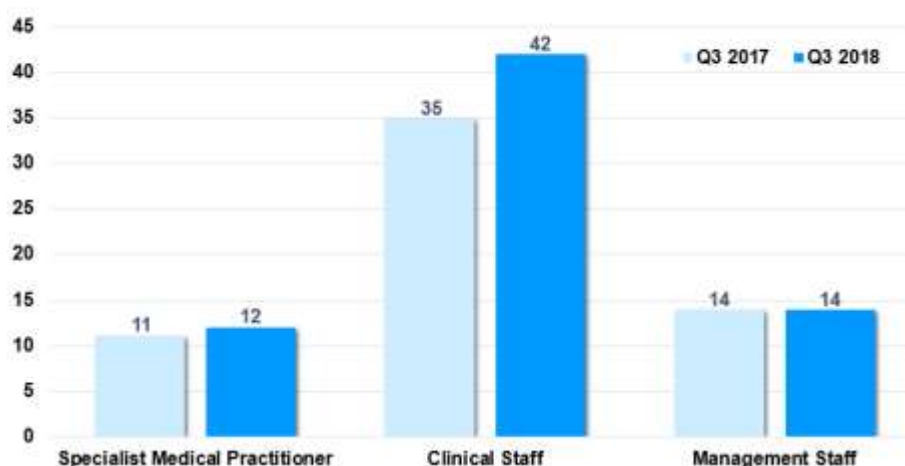
Consumables and medical supplies used as a percentage of the Group's revenue increased by 0.4% from 14.3% for YTD Sep 2017 to 14.7% for YTD Sep 2018 due mainly to higher consumables and medical supplies used by our Dermatology segment.

## Employee Remuneration Expense

### Q3 2018 vs. Q3 2017



### Average Headcount Q3 2018 vs. Q3 2017

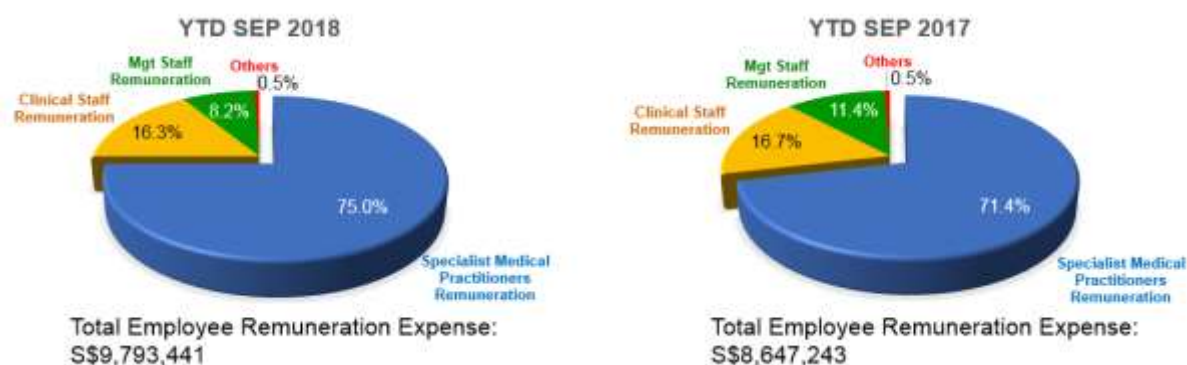


Employee remuneration expense increased by S\$0.3 million or 10.5% from S\$3.0 million for Q3 2017 to S\$3.3 million for Q3 2018. The increase is due mainly to:

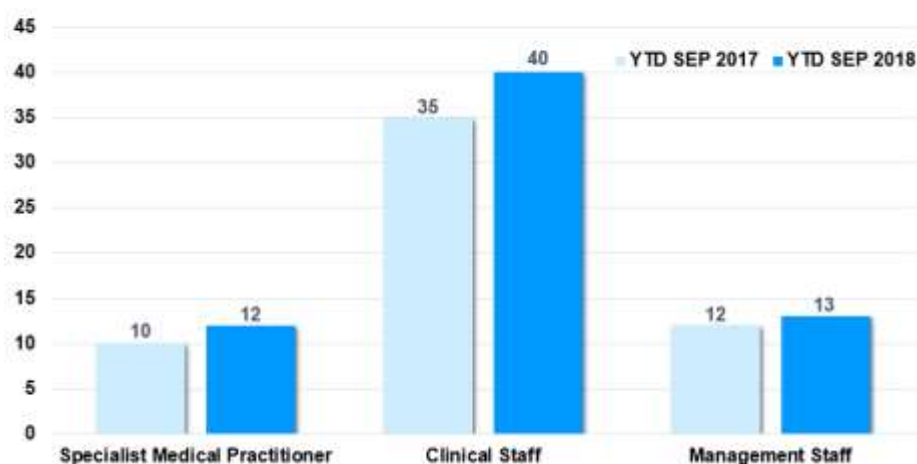
- An increase of S\$0.2 million quarterly accrual for incentive bonus for a few specialist medical practitioners; and
- Employee remuneration expense of S\$0.1 million from SOG-Clinic for Children (Central) Clinic (“**PAED-Central Clinic**”) which started in November 2017.

Employee remuneration expense as a percentage of the Group’s revenue decreased by 2.4% from 39.1% in Q3 2017 to 36.7% in Q3 2018 as the rate of increase in revenue contribution from our O&G and Cancer-related segments is higher than the rate of increase in employee remuneration expense.

YTD Sep 2018 vs. YTD Sep 2017



**Average Headcount YTD Sep 2018 vs. YTD Sep 2017**



Employee remuneration expense increased by S\$1.2 million or 13.3% from S\$8.6 million for YTD Sep 2017 to S\$9.8 million for YTD Sep 2018. The increase is due to:

- An increase of S\$0.7 million accrual for YTD Sep 2018 incentive bonus for a few specialist medical practitioners; and
- Employee remuneration expense of S\$0.6 million from our new Paediatrics segment which started in July 2017; offset by
- A decrease of S\$0.1 million in accrual for YTD Sep 2018 bonuses for management staff at our corporate office.

Employee remuneration expense as a percentage of the Group's revenue decreased by 1.6% from 39.4% for YTD Sep 2017 to 37.8% for YTD Sep 2018 as the rate of increase in revenue contribution from our O&G and Cancer-related segments is higher than the rate of increase in employee remuneration expense.



## Depreciation of Plant and Equipment

### Q3 2018 vs. Q3 2017

Depreciation of plant and equipment increased by S\$8,000 or 6.8% from S\$127,000 for Q3 2017 to S\$135,000 for Q3 2018. The increase is attributed mainly to the depreciation charge arising from:

- A new ultrasound machine acquired for SOG-Cindy Pang Clinic for Women & GynaeOncology in September 2017; and
- The renovation of our new PAED-Central Clinic in November 2017.

Depreciation as a percentage of the Group's revenue decreased slightly by 0.1% from 1.6% for Q3 2017 to 1.5% for Q3 2018 as the rate of increase in revenue contribution from our O&G and Cancer-related segment is higher than the rate of increase in depreciation.

### YTD Sep 2018 vs. YTD Sep 2017

Depreciation of plant and equipment increased by S\$48,000 or 13.2% from S\$367,000 for YTD Sep 2017 to S\$415,000 for YTD Sep 2018. The increase is attributed mainly to the depreciation charge arising from:

- A new ultrasound machine acquired for SOG-Cindy Pang Clinic for Women & GynaeOncology in September 2017;
- The two new laser machines acquired for SOG Dermatology Clinic in June and August 2017; and
- The renovation of Heng Clinic for Women ("**Heng Clinic**"), Corporate office at Mountbatten Square and PAED-Central Clinic in May 2017, July 2017 and November 2017 respectively.

Depreciation as a percentage of the Group's revenue decreased slightly by 0.1% from 1.7% for YTD Sep 2017 to 1.6% for YTD Sep 2018 as the rate of increase in revenue contribution from our O&G and Cancer-related segment is higher than the rate of increase in depreciation.

## Other Operating Expense

### Q3 2018 vs. Q3 2017

Other operating expense increased by S\$43,000 or 5.5% from S\$781,000 for Q3 2017 to S\$824,000 for Q3 2018. The increase is attributed mainly to:

- S\$29,000 incurred by our new PAED-Central Clinic in Q3 2018; and
- An increase of S\$16,000 in medical professional indemnity insurance premiums for our specialist medical practitioners.



Other operating expense as a percentage of the Group's revenue decreased slightly by 1.0% from 10.1% for Q3 2017 to 9.1% for Q3 2018 as the rate of increase in revenue contribution from our O&G and Cancer-related segments is higher than the rate of increase in other operating expense.

#### YTD Sep 2018 vs. YTD Sep 2017

Other operating expense increased by S\$0.3 million or 16.4% from S\$2.2 million for YTD Sep 2017 to S\$2.5 million for YTD Sep 2018. The increase is attributed mainly to:

- Incremental S\$0.2 million incurred by our new Paediatrics segment which started operations in July and November 2017; and
- A non-recurring professional and legal fees of S\$0.1 million incurred for the Dispute.

Other operating expense as a percentage of the Group's revenue decreased slightly by 0.1% from 9.9% for YTD Sep 2017 to 9.8% for YTD Sep 2018 as the rate of increase in revenue contribution from our O&G and Cancer-related segments is higher than the rate of increase in other operating expense.

### **Finance Income**

Finance income relates to the interest income earned from the placement of cash surplus with financial institutions. The funds are placed mainly in fixed deposit arrangements. The Group does not invest in any sophisticated financial products or derivatives.

#### Q3 2018 vs. Q3 2017

Finance income increased by S\$2,000 or 15.3% from S\$15,000 for Q3 2017 to S\$17,000 for Q3 2018. The increase is due to more cash being placed in fixed deposit.

#### YTD Sep 2017 vs. YTD Sep 2016

Finance income increased by S\$9,000 or 22.9% from S\$40,000 for YTD Sep 2017 to S\$49,000 for YTD Sep 2018. The increase is due to more cash being placed in fixed deposit.

### **Finance Expense**

Finance expense relates to the unwinding of the discount implicit (i.e. non-cash flows item) in the second and third cash tranche consideration of S\$4.0 million for each tranche due on 1 January 2017 and 1 January 2018 respectively (the "**contingent consideration**") for the acquisition of the entire rights, title and interest of Dr. Joyce Lim Teng Ee and in the business and medical practices of JL Laser & Surgery Centre Pte. Ltd., JL Esthetic Research Centre Pte. Ltd. and JL Dermatology Pte. Ltd. on 1 January 2016 (the "**JL Acquisition**").

As at 31 December 2017, the contingent consideration for the JL Acquisition was fully paid. Accordingly, there is no finance expense in 2018.

### **Profit Before Income Tax**

#### Q3 2018 vs. Q3 2017

As a result of the above, profit before income tax increased by S\$0.7 million or 24.9% from S\$2.8 million for Q3 2017 to S\$3.5 million for Q3 2018.

#### YTD Sep 2018 vs. YTD Sep 2017

Profit before income tax increased by S\$3.1 million or 40.4% from S\$7.7 million for YTD Sep 2017 to S\$10.8 million for YTD Sep 2018.

### **Income Tax Expense**

#### Q3 2018 vs. Q3 2017

Income tax expense increased by S\$0.1 million or 33.3% due mainly to higher profits for Q3 2018.

#### YTD Sep 2018 vs. YTD Sep 2017

Income tax expense increased by S\$0.5 million or 39.4% due mainly to higher profits for YTD Sep 2018.

### **Review of the Group's Financial Position**

#### **Non-Current Assets**

As at 30 September 2018, non-current assets amounted to S\$28.3 million or 55.7% of the Group's total assets. Non-current assets consist of the following:

- Goodwill of S\$26.9 million or 95.1% of the Group's total non-current assets, comprises:
  1. S\$446,000 and S\$396,000 for the acquisition of Beh's Clinic for Women Pte. Ltd. and Choo Wan Ling Women's Clinic Pte. Ltd. in 2014 respectively; and
  2. S\$26.1 million for the JL Acquisition in 2016.
- Plant and equipment of S\$1.4 million or 4.8% of the Group's total non-current assets. Plant and equipment decreased by S\$0.2 million or 17.0%. The decrease is attributed to the depreciation charge of S\$0.4 million offset by the plant and equipment additions of S\$0.2 million for YTD Sep 2018.

- Deferred tax assets of S\$10,000 or 0.1% of the Group's total non-current assets, arising from the deductible temporary differences related to the Group's plant and equipment.

### **Current Assets**

As at 30 September 2018, current assets amounted to S\$22.5 million or 44.3% of the Group's total assets. Current assets consist of the following:

- Inventories of S\$1.5 million or 6.6% of the Group's total current assets. The decrease of S\$0.1 million or 6.7% is due mainly to lower inventories balance held by our Dermatology segment as at 30 September 2018.
- Trade and other receivables of S\$2.9 million or 13.1% of the Group's total current assets. The increase of S\$0.4 million or 16.8% is due mainly to the increase in our specialist medical practitioners' professional fees due from hospitals and insurance companies. The outstanding professional fees are fairly current with no significant collection issues.
- Cash and cash equivalents of S\$18.1 million or 80.3% of the Group's total current assets. The increase of S\$1.7 million or 10.2% is due mainly to:
  1. S\$9.8 million net cash inflows from operating activities for YTD Sep 2018; offset by
  2. S\$4.2 million and S\$3.8 million for FY 2017 final dividend and FY 2018 interim dividend paid to shareholders respectively.

### **Non-Current Liabilities**

As at 30 September 2018, non-current liabilities amounted to S\$0.1 million or 2.3% of the Group's total liabilities. Non-current liabilities consist of only deferred tax liabilities.

Deferred tax liabilities arose from the timing differences in temporary differences of the Group's plant and equipment.

### **Current Liabilities**

As at 30 September 2018, current liabilities amounted to S\$6.1 million or 97.7% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S\$4.0 million or 64.6% of the Group's total current liabilities. The increase of S\$0.2 million or 3.7% is due mainly to:
  1. S\$1.9 million in accrual for YTD Sep 2018 incentive bonus for our specialist medical practitioners; offset by
  2. The payout of S\$1.7 million for FY 2017 incentive bonus to our specialist medical practitioners in June 2018.
- Deferred revenue remained fairly consistent at approximately S\$0.4 million or 7.7% of the Group's total current liabilities. It relates to antenatal, aesthetics and vaccination package fees collected upfront from patients for consultations and/or procedures that have yet to be performed.
- Current tax liabilities of S\$1.7 million, or 27.8% of the Group's total current liabilities, comprise of income tax payables of S\$0.1 million and S\$1.6 million for FY 2017 and YTD Sep 2018 respectively.

### **Shareholders' Equity**

As at 30 September 2018, shareholder's equity of S\$44.6 million comprises of the following:

- Issued and fully paid share capital of S\$29.6 million.
- Reserves of S\$15.0 million which comprise of:
  1. Capital reserve of S\$1.8 million represents the difference between the fair value of the purchase consideration paid by the Company and the fair value of the net assets of Choo Wan Ling Women's Clinic Pte. Ltd. and Beh's Clinic for Women Pte. Ltd. acquired by the Company in 2014;
  2. Retained earnings of S\$14.9 million; offset by
  3. Merger reserve of S\$1.7 million represents the difference between the consideration paid by the Company and the fair value of the net assets of Heng Clinic and KW Lee Clinic & Surgery for Women Pte. Ltd. acquired by the Company.

## **Review of the Group's Cash Flows**

### **Net Cash Generated from Operating Activities**

For Q3 2018, there was a net cash inflow of S\$3.7 million from operating activities. This comprises operating cash inflows before changes in working capital of S\$3.6 million, net working capital inflows of S\$0.7 million and income tax paid of S\$0.6 million. The net working capital inflow of S\$0.7 million is due mainly to the increase in accrual of S\$0.7 million for Q3 2018 incentive bonus for our specialist medical practitioners.

For YTD Sep 2018, the Group generated a net cash inflow from operating activities of S\$9.8 million, which is an increase of S\$3.1 million or 47.2%, as compared to S\$6.7 million in the previous corresponding period. The increase is due mainly to higher profit before taxation of S\$3.1 million as compared to the previous corresponding period.

### **Net Cash From/(Used in) Investing Activities**

For Q3 2018, the net cash inflows from investing activities amounted to S\$10,000 which was attributed to:

- Interest received of S\$26,000 from our fixed deposit placement; offset by
- The purchase of plant and equipment of S\$16,000.

For YTD Sep 2018, the net cash used in investing activities amounted to S\$77,000 which was attributed to:

- The purchase of plant and equipment of S\$137,000; offset by
- Interest received of S\$60,000 from our fixed deposit placement.

### **Net Cash Used in Financing Activities**

For Q3 2018, the net cash used in financing activities amounted to S\$3.8 million which was attributed to the FY 2018 interim dividend paid to shareholders in August 2018.

For YTD Sep 2018, the net cash used in financing activities amounted to S\$8.0 million which was attributed to the FY 2017 final dividend of \$4.2 million and FY 2018 interim dividend of S\$3.8 million paid to shareholders in May 2018 and August 2018 respectively.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Board of Directors noted in the last financial statements announcement that barring any unforeseen circumstances, the Board expects the Group to remain profitable. The Group has remained profitable.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

As at the date of this Announcement, the Board of Directors are not aware of any significant change in trends and competitive conditions that will significantly affect the Group's operations and businesses. The Singapore Government has not changed its policy on or actions in encouraging population growth nor has there been any macro health risks, such as Severe Acute Respiratory, Middle East Respiratory Syndrome and Zika virus, which could severely affect private healthcare visitations.

With the recent publication of the fee benchmarks for surgical procedures in private hospitals by Ministry of Health, the Group is of the opinion that these are generally fair and they will not have any negative impact to the Group's results.

Barring any unforeseen circumstances, the Board of Directors expects the Group to remain profitable in the next reporting period and the next 12 months.

**11 If a decision regarding dividend has been made, the required information has been disclosed.**

**(A) Whether an interim (final) ordinary dividend has been declared or recommended.**

None.

**(B)(i) Amount per share**

Not applicable.

**(B)(ii) Previous corresponding period**

None.

**(C) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

**(D) The date the dividend is payable**

Not applicable.

**(E) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12 If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for the 3 months period ended 30 September 2018.

**13 If the Group has obtained a general mandate from the shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate from its shareholders for Interested Person Transactions pursuant to Rule 920(1)(a)(ii).

**14 Use of IPO proceeds**

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

As at the date of this Announcement, the use of IPO proceeds are as follows:

Use of IPO proceeds	Amount Allocated S\$'000	Amount Utilised S\$'000	Amount Unutilised S\$'000
Expansion of business operations <sup>1</sup>	3,000	(566)	2,434
Investments in healthcare professionals and synergistic businesses <sup>2</sup>	6,000	(6,000)	-
Working capital purposes	200	-	200
<b>Total</b>	<b>9,200</b>	<b>(6,566)</b>	<b>2,634</b>

Note:

<sup>1</sup> The amount of S\$0.6 million from the expansion of business operations category has been utilised for the set-up cost of the following clinics:

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

<sup>2</sup> The amount of S\$6.0 million from the investments in healthcare professionals and synergistic businesses category has been utilised to pay the first tranche cash consideration of S\$6.0 million for the Acquisition of JL in January 2016, in accordance with the terms and conditions of the Framework Agreement dated 4 November 2015 and the Sale and Purchase Agreement dated 31 December 2015.

**15 Confirmation pursuant to Rule 705(5) of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited.**

The Board of Directors hereby confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Group and the Company for the third quarter and nine months ended 30 September 2018 to be false or misleading in any material aspect.

**16 Confirmation pursuant to Rule 720(1) of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited.**

The Board of Directors hereby confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out in Appendix 7H under Rule 720(1) of the Listing Manual had been obtained.

**BY ORDER OF THE BOARD**

DR. BEH SUAN TIONG  
EXECUTIVE CHAIRMAN  
14 NOVEMBER 2018

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

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



## Singapore O&G Ltd.

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