



## SINGAPORE O&G LTD.

(Company Registration No. 201100687M)

### UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

- 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.

	<b>Group</b>			
	<b>Q1 2019</b>	Q1 2018	Increase/(Decrease)	
	S\$'000	S\$'000	S\$'000	%
Revenue	<b>8,730</b>	8,197	533	6.5%
Other operating income	<b>172</b>	95	77	81.1%
Consumables and medical supplies used	<b>(1,558)</b>	(1,282)	276	21.5%
Employee remuneration expense	<b>(3,772)</b>	(3,159)	613	19.4%
Depreciation	<b>(534)</b>	(146)	388	>100.0%
Other operating expense	<b>(524)</b>	(767)	(243)	(31.7%)
<b>Profit from operations</b>	<b>2,514</b>	2,938	(424)	(14.4%)
Finance income	<b>27</b>	13	14	>100.0%
Finance expense	<b>(48)</b>	-	48	N/M
<b>Net finance (expense)/income</b>	<b>(21)</b>	13	(34)	N/M
<b>Profit before income tax</b>	<b>2,493</b>	2,951	(458)	(15.5%)
Income tax expense	<b>(402)</b>	(475)	(73)	(15.4%)
<b>Profit for the period</b>	<b>2,091</b>	2,476	(385)	(15.5%)
Other comprehensive income, at nil tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>2,091</b>	2,476	(385)	(15.5%)

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.**

	<b>Group</b>		<b>Company</b>	
	<b>31-03-19</b> <b>S\$'000</b>	<b>31-12-18</b> <b>S\$'000</b> <i>(Audited)</i>	<b>31-03-19</b> <b>S\$'000</b>	<b>31-12-18</b> <b>S\$'000</b> <i>(Audited)</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	24,130	24,130	-	-
Plant and equipment	1,587	1,412	118	127
Right-of-use assets	3,624	-	307	-
Deferred tax assets	8	1	7	-
Investment in subsidiaries	-	-	34,333	34,332
	<b>29,349</b>	<b>25,543</b>	<b>34,765</b>	<b>34,459</b>
<b>Current assets</b>				
Inventories	1,541	1,657	-	-
Trade and other receivables	2,930	2,982	148	130
Amounts due from subsidiaries (non-trade)	-	-	6,006	3,816
Cash and cash equivalents	25,094	21,546	6,407	8,783
	<b>29,565</b>	<b>26,185</b>	<b>12,561</b>	<b>12,729</b>
<b>Total assets</b>	<b>58,914</b>	<b>51,728</b>	<b>47,326</b>	<b>47,188</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	29,646	29,646	29,646	29,646
Capital reserve	1,771	1,771	1,771	1,771
Merger reserve	(1,695)	(1,695)	-	-
Retained earnings	16,959	14,868	13,502	13,597
<b>Total equity</b>	<b>46,681</b>	<b>44,590</b>	<b>44,919</b>	<b>45,014</b>
<b>Non-current liabilities</b>				
Lease liabilities	2,308	-	237	-
Deferred tax liabilities	135	140	-	10
	<b>2,443</b>	<b>140</b>	<b>237</b>	<b>10</b>
<b>Current liabilities</b>				
Trade and other payables	5,653	4,738	677	733
Amount due to subsidiaries (non-trade)	-	-	1,374	1,361
Contract liabilities	540	437	-	-
Lease liabilities	1,363	-	72	-
Current tax liabilities	2,234	1,823	47	70
	<b>9,790</b>	<b>6,998</b>	<b>2,170</b>	<b>2,164</b>
<b>Total liabilities</b>	<b>12,233</b>	<b>7,138</b>	<b>2,407</b>	<b>2,174</b>
<b>Total equity and liabilities</b>	<b>58,914</b>	<b>51,728</b>	<b>47,326</b>	<b>47,188</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>	
	Q1 2019	Q1 2018
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	2,493	2,951
Adjustments for:		
Depreciation	534	146
Plant and equipment written off	3	-
Interest income	(27)	(13)
Interest expense	48	-
Operating profit before working capital changes	<u>3,051</u>	3,084
Changes in inventories	116	(11)
Changes in trade and other receivables	45	(83)
Changes in trade and other payables and contract liabilities	912	588
Cash generated from operations	<u>4,124</u>	3,578
Income tax (paid)/credit received	(3)	4
<b>Net cash generated from operating activities</b>	<u>4,121</u>	3,582
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(211)	(65)
Interest received	34	34
<b>Net cash used in investing activities</b>	<u>(177)</u>	(31)
<b>Cash flows from financing activities</b>		
Principal element of lease payments	(348)	-
Interest paid	(48)	-
<b>Net cash used in financing activities</b>	<u>(396)</u>	-
<b>Net increase in cash and cash equivalents</b>	<u>3,548</u>	3,551
Cash and cash equivalents at beginning of period	<u>21,546</u>	16,426
<b>Cash and cash equivalents at end of period</b>	<u>25,094</u>	19,977

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.

	Share capital S\$'000	Capital reserve S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Group</b>					
At 1 January 2018	29,646	1,771	(1,695)	13,778	43,500
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	2,476	2,476
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	2,476	2,476
At 31 March 2018	29,646	1,771	(1,695)	16,254	45,976

	Share capital S\$'000	Capital reserve S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Group</b>					
At 1 January 2019	29,646	1,771	(1,695)	14,868	44,590
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	2,091	2,091
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	2,091	2,091
At 31 March 2019	29,646	1,771	(1,695)	16,959	46,681

	Share capital S\$'000	Capital reserve S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Company</b>					
At 1 January 2018	29,646	1,771	-	11,920	43,337
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	(13)	(13)
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	(13)	(13)
At 31 March 2018	29,646	1,771	-	11,907	43,324

<u>Company</u>	Share capital S\$'000	Capital reserve S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 January 2019	29,646	1,771	-	13,597	45,014
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	(95)	(95)
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	(95)	(95)
At 31 March 2019	<u>29,646</u>	<u>1,771</u>	<u>-</u>	<u>13,502</u>	<u>44,919</u>

- 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 31 March 2019, there are no changes in the Company's share capital since the end of the previous period reported on i.e. 31 December 2018.

The Company did not have any treasury shares, subsidiary holdings, outstanding options and convertibles as at 31 March 2019 and 31 December 2018.

- 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	
	31/3/2019	31/12/2018
Issued ordinary shares	<u>476,803,002</u>	<u>476,803,002</u>

The Company does not have any treasury shares as at 31 March 2019 and 31 December 2018.

**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 financial period ended 31 March 2019 are consistent with those applied in the financial statements for the year ended 31 December 2018.

**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.**

The Group has adopted the new/revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") that are effective for the annual periods beginning on or after 1 January 2019. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) Interpretations.

The following are the new or amended SFRS(I) and SFRS(I) Interpretations that are relevant to the Group:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

The adoption of the above SFRS(I) and SFRS(I) Interpretations did not have any significant impact on the financial statements of the Group except for the following:

SFRS(I) 16 *Leases*

The Group has adopted the new SFRS(I) 16 which took effect on 1 January 2019 using the modified retrospective approach. SFRS(I) 16 introduce a single, on balance sheet lease accounting model. The rationale of the change is to better reflect the economic substance of the lease transactions by recognising a right-of-use (“**ROU**”) asset which represents the right to use the underlying asset and a lease liability which represents the obligation to make lease payments.

As a practical expedient, the Group has recognised the ROU assets to be equal to their lease liabilities on 1 January 2019 which amounted to S\$3.8 million. Subsequent to initial recognition, the Group depreciated the ROU assets over the shorter of the useful life of the ROU assets and the lease term. Interest expense is recognised on the lease liabilities at an annual rate of 5.33%.

**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>	
	Q1 2019	Q1 2018
Profit attributable to equity holders of the Company (S\$'000)	<u>2,091</u>	<u>2,476</u>
Basic and diluted earnings per share based on the weighted average number of ordinary shares (cents/share)	<u>0.44</u>	<u>0.52</u>
Weighted average number of ordinary shares	<u>476,803,002</u>	<u>476,803,002</u>

Note:

Basic and diluted earnings per share for the first quarter ended 31 March 2019 and 2018 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 financial period.

The Company did not have any stock options or dilutive potential ordinary shares during the period ended 31 March 2019 and 2018.

- 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>	
	31/3/2019	31/12/2018	31/3/2019	31/12/2018
Net assets value (S\$'000)	46,681	44,590	44,919	45,014
Net assets value per ordinary share based on the total number of issued shares as at end of the period/year reported on (cents)	9.79	9.35	9.42	9.44
Number of issued shares as at end of the period	476,803,002	476,803,002	476,803,002	476,803,002

- 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

##### **Revenue**

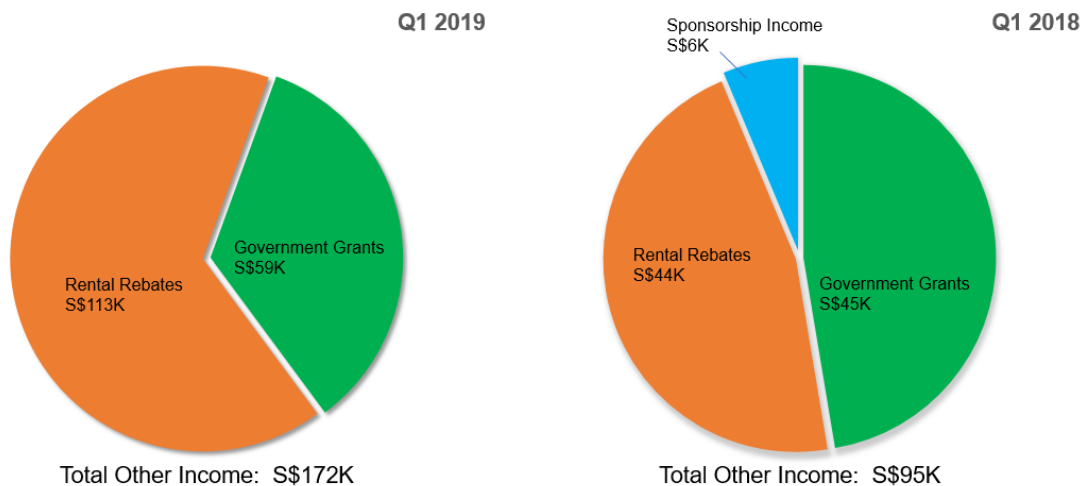
Revenue increased by S\$0.5 million or 6.5% from S\$8.2 million for the three months period ended 31 March 2018 ("**Q1 2018**") to S\$8.7 million for the three months period ended 31 March 2019 ("**Q1 2019**"). The increase is attributed to:

- The increase of S\$0.2 million and S\$0.1 million revenue from our Obstetrics & Gynaecology ("**O&G**") and Cancer-related segments in Q1 2019 respectively;
- The increase of S\$0.5 million from our Paediatrics segment due to contributions from the new SOG Children (Paediatrics-Gastroenterology Liver) ("**PAED-Gastro**") and SOG Children (Paediatrics-Gleneagles) ("**PAED-Glen**") clinics which started their operations in November 2018 and February 2019 respectively in Q1 2019; offset by
- The decrease of S\$0.3 million from our Dermatology segment in Q1 2019.



### Other Operating Income

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



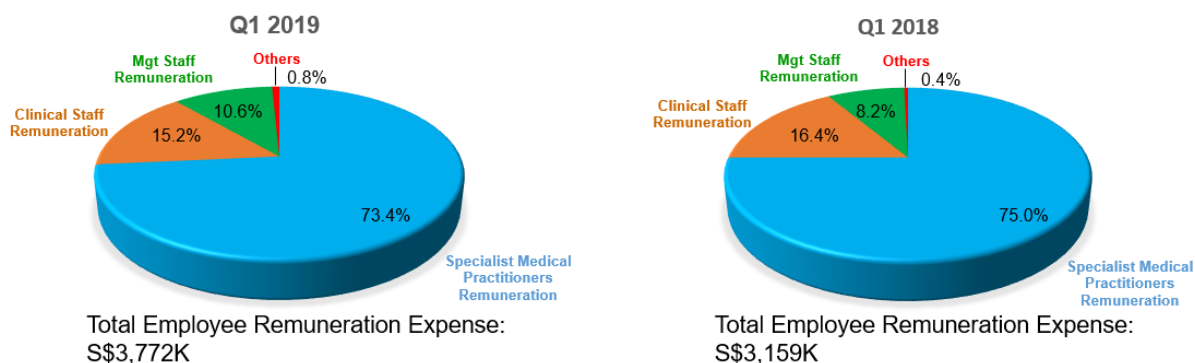
Other operating income increased by S\$77,000 in Q1 2019 as compared to Q1 2018. The increase is attributed to:

- The increase in rental rebates of S\$69,000;
- The increase in government grants of S\$14,000; offset by
- The absence of sponsorship income amounting to S\$6,000.

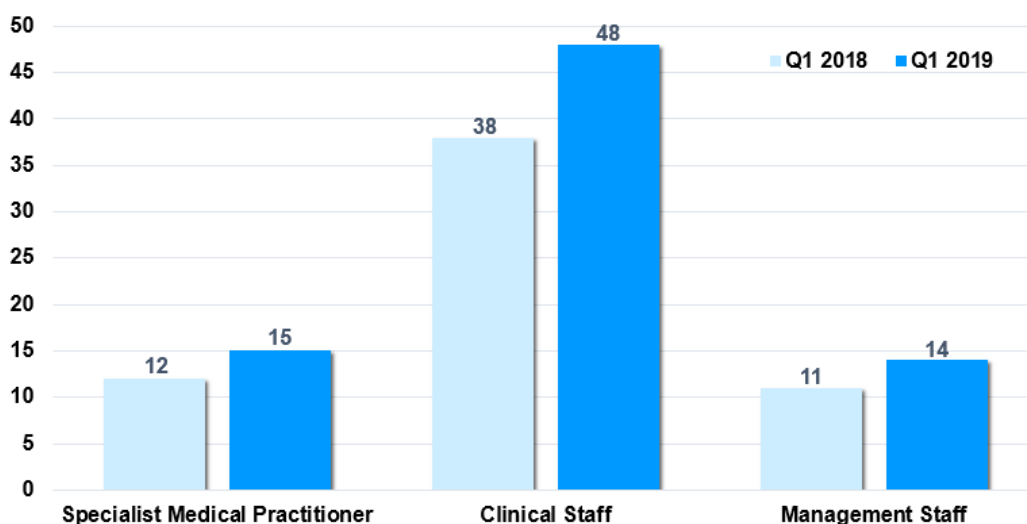
### Consumables and Medical Supplies Used

Consumables and medical supplies used increased by S\$0.3 million or 21.5% from S\$1.3 million for Q1 2018 to S\$1.6 million for Q1 2019. The increase is attributed mainly to higher medication sales and consumables used in procedures by all segments.

### Employee Remuneration Expense



### Average Headcount Q1 2019 vs. Q1 2018



Employee remuneration expense increased by S\$0.6 million or 19.4% from S\$3.2 million in Q1 2018 to S\$3.8 million in Q1 2019. The increase is due to:

- An increase in employee remuneration expense of S\$0.4 million from the new clinics PAED-Gastro, SOG Dermatology (Gleneagles) and PAED-Glen which started their operations in November 2018, December 2018 and February 2019 respectively;
- An increase of S\$0.1 million for incentive bonus for a few specialist medical practitioners; and
- The absence of S\$0.1 million reversal of overprovision for FY 2017 management staff bonuses in Q1 2019 compared to Q1 2018.

### **Depreciation**

Depreciation increased by S\$388,000 from S\$146,000 in Q1 2018 to S\$534,000 in Q1 2019. The increase is attributed mainly to depreciation recognised for ROU assets arising from the adoption of SFRS(I) 16 effective from 1 January 2019.

### **Other Operating Expense**

Other operating expense decreased by S\$243,000 or 31.7% from S\$767,000 in Q1 2018 to S\$524,000 in Q1 2019. The decrease is attributed to:

- A decrease in rental expense of S\$361,000 arising from the adoption of SFRS(I) 16 effective from 1 January 2019; offset by
- An increase in advertising, consultancy fees, office supplies and other administrative expenses amounting to S\$118,000.

### **Finance Income**

Finance income relates to 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 and/or derivatives.

Finance income increased by S\$14,000 from S\$13,000 in Q1 2018 to S\$27,000 in Q1 2019. The increase is due to more cash being placed in fixed deposit and at higher interest rates.

### **Finance Expense**

Finance expense relates to interest expense incurred on lease liabilities arising from the adoption of SFRS(I) 16 effective from 1 January 2019.

### **Profit Before Income Tax**

As a result of the above, profit before income tax decreased by S\$0.5 million or 15.5% from S\$3.0 million in Q1 2018 to S\$2.5 million in Q1 2019.

### **Income Tax Expense**

Income tax expense decreased by S\$73,000 or 15.4% from S\$475,000 in Q1 2018 to S\$402,000 in Q1 2019 due mainly to lower profits from operations.

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

### **Non-Current Assets**

As at 31 March 2019, non-current assets amounted to S\$29.3 million or 49.8% of the Group's total assets. Non-current assets consist of the following main items:

- Goodwill of S\$24.1 million or 82.2% of the Group's total non-current assets, which 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\$23.3 million 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. ("JL Acquisition").
- ROU assets of S\$3.6 million or 12.4% of the Group's total non-current assets. ROU assets pertain to leases of clinic premises and corporate office, arising from the adoption of SFRS(I) 16 effective from 1 January 2019.
- Plant and equipment of S\$1.6 million or 5.4% of the Group's total non-current assets. Plant and equipment increased by S\$0.2 million or 12.4% from S\$1.4 million as at 31 December 2018 to S\$1.6 million as at 31 March 2019. The increase is attributed to the S\$0.3 million additions to plant and equipment incurred for the setting up of new clinics. The increase is offset by the depreciation charge of S\$0.1 million in Q1 2019.

### **Current Assets**

As at 31 March 2019, current assets amounted to S\$29.6 million or 50.2% of the Group's total assets. Current assets consist of the following:

- Inventories of S\$1.5 million or 5.2% of the Group's total current assets. The decrease of S\$0.1 million or 7.0% from S\$1.7 million as at 31 December 2018 to S\$1.6 million as at 31 March 2019 is due mainly to lower inventories balance held by our Dermatology segment as at 31 March 2019.
- Trade and other receivables of S\$2.9 million or 9.9% of the Group's total current assets. The decrease of S\$0.1 million or 1.8% from S\$3.0 million as at 31 December 2018 to S\$2.9 million as at 31 March 2019 is due mainly to the decrease 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\$25.1 million or 84.9% of the Group's total current assets. The increase of S\$3.5 million or 16.5% from S\$21.6 million as at 31 December 2018 to S\$25.1 million as at 31 March 2019 is due mainly to:
  1. S\$4.1 million net cash inflows from operating activities in Q1 2019; offset by
  2. Purchase of plant and equipment of \$0.2 million in Q1 2019; and
  3. Payment for the principal and interest on leases totalling S\$0.4 million in Q1 2019.

### **Non-Current Liabilities**

As at 31 March 2019, non-current liabilities amounted to S\$2.4 million or 20.0% of the Group's total liabilities. Non-current liabilities consist of the following:

- Lease liabilities of S\$2.3 million or 94.5% of the Group's total non-current liabilities. The increase in lease liabilities of S\$2.3 million is due to the adoption of SFRS(I) 16 effective from 1 January 2019.
- Deferred tax liabilities of S\$0.1 million or 5.5% of the Group's total non-current liabilities. Deferred tax liabilities arose from the timing differences in temporary differences of the Group's plant and equipment.

### **Current Liabilities**

As at 31 March 2019, current liabilities amounted to S\$9.8 million or 80.0% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S\$5.7 million or 57.8% of the Group's total current liabilities. The increase of S\$1.0 million or 19.3% from S\$4.7 million as at 31 December 2018 to S\$5.7 million as at 31 March 2019 is due mainly to increase in accrual for Q1 2019 incentive bonus for certain specialist medical practitioners, management and clinic staff.
- Lease liabilities of S\$1.4 million or 13.9% of the Group's total current liabilities. The increase in lease liabilities of S\$1.4 million is due to the adoption of SFRS(I) 16 effective from 1 January 2019.
- Contract liabilities of S\$0.5 million or 5.5% 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\$2.2 million, or 22.8% of the Group's total current liabilities, comprising income tax payables for FY 2018 and Q1 2019.

## Shareholders' Equity

As at 31 March 2019, shareholder's equity of S\$46.7 million comprises the following:

- Issued and fully paid share capital of S\$29.6 million.
- Capital reserve of S\$1.8 million represents the difference between the fair value of the purchase consideration paid by the Company and the fair value of the net assets of Choo Wan Ling Women's Clinic Pte. Ltd. and Beh's Clinic for Women Pte. Ltd. acquired by the Company in 2014.
- Deficit in merger reserve of S\$1.7 million represents the difference between the consideration paid by the Company and the fair value of the net assets of Heng Clinic and K W Lee Clinic & Surgery for Women Pte. Ltd. acquired by the Company.
- Retained earnings of S\$17.0 million.

The increase in shareholders' equity of S\$2.1 million from S\$14.9 million as at 31 December 2018 to S\$17.0 million as at 31 March 2019 is due to profit from Q1 2019 of S\$2.1 million.

## Review of the Group's Cash Flows

### Net Cash Generated from Operating Activities

For Q1 2019, there was a net cash inflow of S\$4.1 million from operating activities. This comprises operating cash inflows before changes in working capital of S\$3.1 million and net working capital inflows of S\$1.0 million. The net working capital inflow of S\$1.0 million is due mainly to:

- Increase in accrual of S\$0.9 million for Q1 2019 incentive bonus for our specialist medical practitioners, management and clinic staff; and
- Decrease in inventories of \$0.1 million due to lower inventories held by our Dermatology segment as at 31 March 2019.

### Net Cash Used in Investing Activities

For Q1 2019, the net cash used in investing activities amounted to S\$177,000 which was attributed to:

- Purchase of plant and equipment of S\$211,000; offset by
- Interest received of S\$34,000 from our fixed deposit placement.

### Net Cash Used in Financing Activities

Net cash used in financing activities in Q1 2019 amounted to S\$396,000 which was attributed to the payment for the principal and interest on leases.

**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 other than the increasingly competitive landscape in the Group's Dermatology segment. The Singapore Government continues with its policy on and actions in encouraging procreation.

In 2019, we continue to grow our Paediatrics and O&G segment with the addition of a Paediatrician and an O&G medical specialist in February and May 2019 respectively. This would position the Group well to grow strategically.

Barring any unforeseen circumstances, the Board of Directors expects the Group to remain profitable in the next reporting period and in 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, and the reason(s) for the decision.**

The Company reviews its dividend payment on a bi-annual basis. As such, no dividend has been declared or recommended for the first quarter ended 31 March 2019.

**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).

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
1. Leasing of Gleneagles Clinic from Lee & Lee Clinic Pte. Ltd. <sup>1</sup>	S\$ 221,306	S\$ -

Note:

<sup>1</sup> In January 2019, the Group entered into a lease agreement with Lee & Lee Clinic Pte. Ltd. for the premise at 6 Napier Road, #08-14 Gleneagles Medical Centre, Singapore 258499 (which has an approximate floor size of 566 sq ft) for a period of twenty-three (23) months from 1 February 2019 to 31 December 2020, at a monthly rental of S\$9,622. Dr. Lee Keen Whye, our Executive Director, is a director and shareholder of Lee & Lee Clinic Pte. Ltd..

Save as disclosed, there were no interested person transactions of S\$100,000 or more during Q1 2019.



**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	(818)	2,182
Investments in healthcare professionals and synergistic businesses <sup>2</sup>	6,000	(6,000)	-
Working capital purposes <sup>3</sup>	200	(200)	-
<b>Total</b>	<b>9,200</b>	<b>(7,018)</b>	<b>2,182</b>

Note:

<sup>1</sup> The amount of S\$0.8 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;
- S\$0.1 million for SOG-Clinic for Children (Gastroenterology Liver), located at Mount Elizabeth Novena Specialist Centre #07-53 in November 2018;
- S\$0.1 million for SOG Dermatology (Gleneagles), located at Gleneagles Medical Centre #06-01 in January 2019; and
- S\$0.1 million for SOG-Clinic for Children (Gleneagles), located at Gleneagles Medical Centre #08-14 in February 2019.

<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 JL Acquisition in January 2016, in accordance with the terms and conditions of the Framework Agreement dated 4 November 2015 and the Sale and Purchase Agreement dated 31 December 2015.

<sup>3</sup> The amount of S\$0.2 million from the working capital purposes category has been utilised for the following working capitals of SOG Dermatology (Gleneagles) and SOG-Clinic for Children (Gleneagles):

- Inventories of S\$41,000;
- Deposit for leases of S\$43,000;
- Prepayment of plant and equipment, insurances and others of S\$48,000;
- Consumables and medical supplies of S\$17,000;
- Lease of S\$25,000; and
- Administrative expenses of S\$26,000.

**15 Confirmation pursuant to Rule 705(5) of the Listing Manual (Section B: Rules of Catalist) 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 first quarter ended 31 March 2019 to be false or misleading in any material aspect.

**16 Confirmation pursuant to Rule 720(1) of the Listing Manual (Section B: Rules of Catalist) 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  
9 MAY 2019

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*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 Catalist. 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.*

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