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

UNAUDITED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

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.

	Group					
	Second Quarter			Year-To-Date		
	Q2 2017 (Unaudited) S$	Q2 2016^ (Unaudited) S$	Increase/ (Decrease) %	30/6/2017 (Unaudited) S$	30/6/2016^ (Unaudited) S$	Increase/ (Decrease) %
Revenue	7,259,298	7,357,985	-1.3%	14,247,800	13,942,258	2.2%
Other operating income	44,892	21,222	111.5%	89,718	123,596	-27.4%
Consumables and medical supplies used	(1,001,455)	(1,013,837)	-1.2%	(2,060,422)	(2,031,772)	1.4%
Employee benefits expense	(2,818,457)	(2,690,604)	4.8%	(5,633,257)	(5,218,879)	7.9%
Depreciation of plant and equipment	(121,896)	(90,834)	34.2%	(240,177)	(167,150)	43.7%
Other operating expense	(745,713)	(655,394)	13.8%	(1,397,878)	(1,364,501)	2.4%
Profit from operations	**2,616,669**	**2,928,538**	-10.6%	**5,005,784**	**5,283,552**	-5.3%
Finance income	19,259	43,913	-56.1%	25,159	43,913	-42.7%
Finance expense	(59,709)	(112,349)	-46.9%	(119,417)	(224,699)	-46.9%
Net finance income/(expense)	**(40,450)**	**(68,436)**	-40.9%	**(94,258)**	**(180,786)**	-47.9%
Profit before income tax	**2,576,219**	**2,860,102**	-9.9%	**4,911,526**	**5,102,766**	-3.7%
Income tax expense	(435,296)	(378,726)	14.9%	(769,488)	(675,693)	13.9%
Profit for the period	**2,140,923**	**2,481,376**	-13.7%	**4,142,038**	**4,427,073**	-6.4%
Other comprehensive income, at nil tax	-	-	-	-	-	-
Total comprehensive income for the period	**2,140,923**	**2,481,376**	-13.7%	**4,142,038**	**4,427,073**	-6.4%

Notes to the Income Statement and Statement of Comprehensive Income:

^ With effect from 2017, the Group has changed the way it accrues bonuses for specialist medical practitioners, clinical and management staff instead of booking the whole of the expense in December. To help shareholders and investors compare the results for Q2 2017 with Q2 2016, we have made the following adjustments to the Financial Statement Announcement for the year ended 31 December 2016:

1. In FY 2017, the Group has projected a bonus of S$2.2 million. The Group has therefore decided to accrue an average of S$0.5 million per quarter. In FY 2016, the Group did not accrue bonuses for each quarter but only accrued or expensed off bonuses when they were declared or paid. If the Group had applied the same policy in FY 2016, the Group would have to make an additional accrual of S$0.4 million in Q2 2016. For illustration and to allow like-for-like comparison, the table below includes this amount:

	Group				
	[A]	[B]		[B - A]	
	Q2 2016 (Unaudited) S$	Adjusted Q2 2016 (Unaudited) S$	Q2 2017 (Unaudited) S$	Increase/ (Decrease) After Adjustments S$	Remarks
Revenue	7,357,985	7,357,985	7,259,298	-	
Other operating income	21,222	21,222	44,892	-	
Consumables and medical supplies used	(1,013,837)	(1,013,837)	(1,001,455)	-	
Employee benefits expense	(2,332,422)	(2,690,604)	(2,818,457)	(358,182)	Refer to Note #1 above.
Depreciation of plant and equipment	(90,834)	(90,834)	(121,896)	-	
Other operating expense	(655,394)	(655,394)	(745,713)	-	
Profit from operations	**3,286,720**	**2,928,538**	**2,616,669**	(358,182)	
Finance income	43,913	43,913	19,259	-	
Finance expense	-	(112,349)	(59,709)	(112,349) #	
Net finance income/(expense)	**43,913**	**(68,436)**	**(40,450)**	(112,349)	
Profit before income tax	**3,330,633**	**2,860,102**	**2,576,219**	(470,531)	
Income tax expense	(677,219)	(378,726)	(435,296)	298,493	Tax adjustments on Note #1 and related.
Profit for the period	**2,653,414**	**2,481,376**	**2,140,923**	(172,038)	
Other comprehensive income, at nil tax	-	-	-	-	
Total comprehensive income for the period	**2,653,414**	**2,481,376**	**2,140,923**	(172,038)	

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 each for the acquisition of the entire rights, title and interest of Dr. Joyce Lim Teng Ee ("**Dr. Joyce Lim**") and JL Laser & Surgery Centre Pte. Ltd. ("**JLLSC**"), JL Esthetic Research Centre Pte. Ltd. ("**JLERC**") and JL Dermatology Pte. Ltd. ("**JLD**", and together with JLLSC and JLERC, collectively known as the "**Targets**"), in the Target's business and medical practices on 1 January 2016 (the "**Acquisition of JL**"). For avoidance of doubt, the Group has paid no interest on the amount owing to Dr. Joyce Lim. The amount is an accounting standards requirement and purely a book entry.

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.

	Note	Group		Company	
		30/6/2017 (Unaudited)	31/12/2016 (Audited)	30/6/2017 (Unaudited)	31/12/2016 (Audited)
		S$	S$	S$	S$
ASSETS					
Non-current assets					
Goodwill		26,929,999	26,929,999	-	-
Plant and equipment		1,562,064	1,554,794	111,812	91,709
Available-for-sale financial assets		148,411	148,411	148,411	148,411
Deferred tax assets		11,943	10,450	9,145	7,652
Investment in subsidiaries		-	-	34,329,536	34,328,536
		28,652,417	**28,643,654**	**34,598,904**	**34,576,308**
Current assets					
Inventories		2,025,099	2,152,469	-	-
Trade and other receivables	**A**	2,119,760	2,092,939	3,175,340	1,994,016
Cash and cash equivalents		17,647,359	21,376,324	10,144,829	10,548,940
		21,792,218	25,621,732	13,320,169	12,542,956
Total assets		**50,444,635**	**54,265,386**	**47,919,073**	**47,119,264**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		29,645,500	29,645,500	29,645,500	29,645,500
Reserves		12,397,621	11,998,487	5,184,204	9,340,068
Total equity		**42,043,121**	**41,643,987**	**34,829,704**	**38,985,568**
Non-current liabilities					
Deferred tax liabilities		79,483	66,601	-	-
Trade and other payables	**B**	-	3,761,166	-	3,761,166
		79,483	**3,827,767**	**-**	**3,761,166**
Current liabilities					
Trade and other payables	**B**	6,398,714	7,052,275	13,087,869	4,372,530
Deferred revenue		444,954	380,343	1,500	-
Current tax liabilities		1,478,363	1,361,014	-	-
		8,322,031	8,793,632	13,089,369	4,372,530
Total liabilities		**8,401,514**	**12,621,399**	**13,089,369**	**8,133,696**
Total equity and liabilities		**50,444,635**	**54,265,386**	**47,919,073**	**47,119,264**

Notes to the Statement of Financial Position:

A. The breakdown of trade and other receivables are as follows:

	Group		Company	
	30/6/2017 (Unaudited) S$	**31/12/2016 (Audited) S$**	**30/6/2017 (Unaudited) S$**	**31/12/2016 (Audited) S$**
Current				
Trade receivables	1,226,705	1,338,515	13,057	12,222
Amounts due from subsidiaries (non-trade)	-	-	2,895,856	1,732,832
Deposits	390,103	344,285	141,120	98,582
Other receivables	17,615	86,707	17,615	86,707
Loans and receivables	1,634,423	1,769,507	3,067,648	1,930,343
Prepayments	485,337	323,432	107,692	63,673
	2,119,760	**2,092,939**	**3,175,340**	**1,994,016**

B. The breakdown of trade and other payables are as follows:

	Group		Company	
	30/6/2017 (Unaudited) S$	**31/12/2016 (Audited) S$**	**30/6/2017 (Unaudited) S$**	**31/12/2016 (Audited) S$**
Non-current				
Contingent consideration	**-**	**3,761,166**	**-**	**3,761,166**
Current				
Trade payables	686,471	839,749	222,267	282,273
Accrued operating expense	1,182,248	1,813,596	199,275	189,162
Amounts due to subsidiaries (non-trade)	-	-	8,776,020	119,021
Amounts due to director (non-trade)	244,000	244,000	-	-
Other payables	405,412	389,547	9,724	16,691
Contingent consideration*	3,880,583	3,765,383	3,880,583	3,765,383
	6,398,714	**7,052,275**	**13,087,869**	**4,372,530**

* As at 30 June 2017, the current contingent consideration relates to the fair value of the third tranche cash consideration payable for the Acquisition of JL due on 1 January 2018.

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.

	Group			
	Second Quarter		Year-To-Date	
	Q2 2017 (Unaudited) S$	Q2 2016 (Unaudited) S$	30/6/2017 (Unaudited) S$	30/6/2016 (Unaudited) S$
Cash Flows from Operating Activities				
Profit before taxation	2,576,219	2,860,102	4,911,526	5,102,766
Adjustments for:				
Depreciation of plant and equipment	121,896	90,834	240,177	167,150
Plant and equipment written off	465	-	465	1,703
Interest income	(19,259)	(43,913)	(25,159)	(43,913)
Interest expense	59,709	112,349	119,417	224,699
Operating profit before working capital changes	2,739,030	3,019,372	5,246,426	5,452,405
Changes in inventories	(143)	(268,408)	127,371	(195,481)
Changes in trade and other receivables	(343,189)	(383,305)	(116,634)	(833,473)
Changes in trade and other payables	(742,666)	6,747,718	(750,569)	1,304,386
Cash generated from operations	1,653,032	9,115,377	4,506,594	5,727,837
Income tax paid	(640,751)	(437,377)	(640,751)	(1,058,743)
Net cash generated from operating activities	**1,012,281**	**8,678,000**	**3,865,843**	**4,669,094**
Cash Flows from Investing Activities				
Acquisition of subsidiaries, net of cash acquired[1]	-	(6,000,000)	(3,765,383)	(6,000,000)
Purchase of plant and equipment[1A]	(51,845)	(200,745)	(201,493)	(315,289)
Interest received	19,259	43,913	114,972	43,913
Net cash used in investing activities	**(32,586)**	**(6,156,832)**	**(3,851,904)**	**(6,271,376)**

	Group			
	Second Quarter		Year-To-Date	
	Q2 2017 (Unaudited) S$	Q2 2016 (Unaudited) S$	30/6/2017 (Unaudited) S$	30/6/2016 (Unaudited) S$
Cash Flows from Financing Activities				
Dividends paid to shareholders	(3,742,904)	(2,741,617)	(3,742,904)	(2,741,617)
Net cash used in financing activities	**(3,742,904)**	**(2,741,617)**	**(3,742,904)**	**(2,741,617)**
Net decrease in cash and cash equivalents	**(2,763,209)**	**(220,449)**	**(3,728,965)**	**(4,343,899)**
Cash and cash equivalents at beginning of period	20,410,568	20,085,694	21,376,324	24,209,144
Cash and cash equivalents at end of period	**17,647,359**	**19,865,245**	**17,647,359**	**19,865,245**

Note:

1 In January 2017, the Group paid the second tranche cash consideration of S$3.8 million (S$4.0 million less final dividend of S$234,617 for FY 2015 received by Dr. Joyce Lim in respect of the 20,401,501 consideration shares allotted) for the Acquisition of JL.

1A Q2 2017 vs. Q2 2016
During the three months period ended 30 June 2017, the Group acquired plant and equipment with an aggregate cost of S$98,000 (three months period ended 30 June 2016: S$332,000) of which S$46,000 (three months period ended 30 June 2016: S$131,000) was included in trade payables. Cash payment of S$52,000 (three months period ended 30 June 2016: S$201,000) was made to purchase plant and equipment.

1H 2017 vs. 1H 2016
During the six months period ended 30 June 2017, the Group acquired plant and equipment with an aggregate cost of S$248,000 (six months period ended 30 June 2016: S$447,000) of which S$46,000 (six months period ended 30 June 2016: S$132,000) was included in trade payables. Cash payment of S$202,000 (six months period ended 30 June 2016: S$315,000) was made to purchase plant and equipment.

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.

The Group (Unaudited)	Share Capital S$	Capital Reserve S$	Merger Reserve S$	Retained Earnings S$	Total S$
At 1 January 2016	14,428,020	1,771,070	(1,695,311)	9,508,210	24,011,989
Total comprehensive income for the period					
Profit for the period	-	-	-	4,427,073	4,427,073
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	4,427,073	4,427,073
Transactions with owners of the Company, recognised directly in equity					

Contributions by and distributions to owners of the Company					
Issuance of new ordinary shares related to business combination	15,217,480	-	-	-	15,217,480
Dividends paid to shareholders	-	-	-	(2,741,617)	(2,741,617)
At 30 June 2016	**29,645,500**	**1,771,070**	**(1,695,311)**	**11,193,666**	**40,914,925**

The Group (Unaudited)	**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
Total comprehensive income for the period					
Profit for the period	-	-	-	4,142,038	4,142,038
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	4,142,038	4,142,038
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
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**

The Company (Unaudited)	**Share Capital S$**	**Capital Reserve S$**	**Merger Reserve S$**	**Retained Earnings S$**	**Total S$**
At 1 January 2016	14,428,020	1,771,070	-	6,751,881	22,950,971
Total comprehensive income for the period					
Loss for the period	-	-	-	(540,016)	(540,016)
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	(540,016)	(540,016)
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Issuance of new ordinary shares related to business combination	15,217,480	-	-	-	15,217,480
Dividends paid to shareholders	-	-	-	(2,741,617)	(2,741,617)
At 30 June 2016	**29,645,500**	**1,771,070**	**-**	**3,470,248**	**34,886,818**

The Company (Unaudited)	Share Capital S$	Capital Reserve S$	Merger Reserve S$	Retained Earnings S$	Total S$
At 1 January 2017	29,645,500	1,771,070	-	7,568,998	38,985,568
Total comprehensive income for the period					
Loss for the period	-	-	-	(412,960)	(412,960)
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	(412,960)	(412,960)
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
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**

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.

	Number of Ordinary Shares	Issued and Paid-up Share Capital S$
At 1 January 2017	238,401,501	29,645,500
Issuance of new shares arising from share split[2]	238,401,501	-
At 30 June 2017	476,803,002	29,645,500

Note:

[2] On 15 May 2017, the Company has completed and effected the share split of every one (1) existing ordinary share in the capital of the Company held by shareholders of the Company into two (2) ordinary shares ("**Share Split**").

The new stock code issued by SGX-ST after the share split is 1D8 which replaced the previous stock code of 41X.

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	
	30/6/2017	**31/12/2016**
Issued ordinary shares	476,803,002	238,401,501

The Company does not have any treasury shares as at 30 June 2017 and 31 December 2016.

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.

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.

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 June 2017 are consistent with those applied in the financial statements for the year ended 31 December 2016.

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 adopted a number of new or revised FRS and INT FRS that are effective for annual periods beginning on or after 1 January 2017. The adoption of these FRS and INT FRS has no significant impact on the Group's consolidated financial statements.

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.

	Group			
	Second Quarter		Year-To-Date	
	Q2 2017 (Unaudited) S$	Q2 2016 (Unaudited) S$	30/6/2017 (Unaudited) S$	30/6/2016 (Unaudited) S$
Profit attributable to equity holders of the Company (S$)	2,140,923	2,481,376	4,142,038	4,427,073
Weighted average number of ordinary shares[3]	476,803,002	476,803,002	476,803,002	471,702,627
Basic and diluted earnings per share based on the weighted average number of ordinary shares (cents)	0.45	0.52	0.87	0.94

Note:

Basic and diluted earnings per share for the quarters and financial periods ended 30 June 2017 and 2016 are computed using the net profit after tax divided by the 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 June 2017 and 2016.

[3] For better comparison of the Group's performance, the weighted average number of ordinary shares for the current and prior financial periods have been adjusted for the increase in the number of ordinary shares resulting from the Share Split on 15 May 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.

	Group		Company	
	30/6/2017 (Unaudited)	31/12/2016 (Audited)	30/6/2017 (Unaudited)	31/12/2016 (Audited)
Net assets value (S$)	42,043,121	41,643,987	34,829,704	38,985,568
Net assets value per ordinary share based on the total number of issued shares as at end of the period reported on[4] (cents)	8.82	17.47	7.30	16.35
For illustrative purposes Net assets value per ordinary share based on 476,803,002 shares (cents)	8.82	8.73	7.30	8.18

Note:

[4] The calculation of net asset value per ordinary share was based on 476,803,002 shares as at 30 June 2017 (31 December 2016: 238,401,501 shares).

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

Q2 2017 vs. Q2 2016

	Q2 2017 (S$)	Q2 2016 (S$)	Increase/ (Decrease) (S$)	%	The increase or (decline) in Q2 2017 as compared to Q2 2016 is mainly due to:
Revenue	7,259,298	7,357,985	(98,687)	(1.3%)	• Slight decrease in patient loads from our Dermatology and O&G segments in Q2 2017. • Dr. Hong Sze Ching (O&G) was on maternity leave from April 2017 to June 2017.
Other operating income	44,892	21,222	23,670	111.5%	• More government grants and sponsorship income received in Q2 2017.
Consumables and medical supplies used	(1,001,455)	(1,013,837)	(12,382)	(1.2%)	• The decrease is in tandem to the decrease in Group's revenue for Q2 2017.

Employee benefits expense	(2,818,457)	(2,690,604)	127,853	4.8%	• Two new specialist medical practitioners; and • Increase in average clinical staff headcount for SK Lim Clinic and SC Hong Clinic.
Depreciation of plant and equipment	(121,896)	(90,834)	31,062	34.2%	• The purchase of a new laser machine for SOG Dermatology Clinic in December 2016; and • The purchase of three new ultrasound machines in March 2017, January 2017 and August 2016.
Other operating expense	(745,713)	(655,394)	90,319	13.8%	• Maiden costs incurred by SK Lim Clinic and SC Hong Clinic which started operations in May 2016 and July 2016 respectively.
Profit from operations	**2,616,669**	**2,928,538**	**(311,870)**	**(10.6%)**	
Finance income	19,259	43,913	(24,654)	(56.1%)	• Lower fixed deposit interest.
Finance expense	(59,709)	(112,349)	(52,640)	(46.9%)	• An accounting (i.e. non-cash flow item) finance expense related to the Acquisition of JL. Please refer to Note 1(a) on Page 2.
Net finance income/ (expense)	**(40,450)**	**(68,436)**	**(27,987)**	**(40.9%)**	
Profit before income tax	**2,576,219**	**2,860,102**	**(283,883)**	**(9.9%)**	
Income tax expense	(435,296)	(378,726)	56,569	14.9%	• Lower tax rebates and allowances.
Profit for the period	**2,140,923**	**2,481,376**	**(340,453)**	**(13.7%)**	

1H 2017 vs. 1H 2016

	YTD 30/6/2017 (S$)	**YTD 30/6/2016 (S$)**	**Increase/ (Decrease) (S$)**	**%**	**The increase or (decline) in 1H 2017 as compared to 1H 2016 is mainly due to:**
Revenue	14,247,800	13,942,258	305,542	2.2%	• Increase of S$0.3 million and S$0.4 million revenue from O&G and Cancer-related segment for 1H 2017 respectively; offset by • Decrease of S$0.4 million revenue from our Dermatology segment for 1H 2017.
Other operating income	89,718	123,596	(33,878)	(27.4%)	• Fewer government grants received in 1H 2017.
Consumables and medical supplies used	(2,060,422)	(2,031,772)	28,650	1.4%	• The increase is in tandem with the increase in Group's revenue for 1H 2017.
Employee benefits expense	(5,633,257)	(5,218,879)	414,378	7.9%	• Two new specialist medical practitioners; and • Increase in average clinical and management staff headcount from 39 for 1H 2016 to 47 for 1H 2017.
Depreciation of plant and equipment	(240,177)	(167,150)	73,027	43.7%	• The purchase of a new laser machine for SOG Dermatology Clinic in December 2016; and • The purchase of three new ultrasound machines: one replacement and two for new clinics.
Other operating expense	(1,397,878)	(1,364,501)	33,377	2.4%	• Maiden costs of S$173,000 incurred by SK Lim Clinic and SC Hong Clinic which started operations in May 2016 and July 2016 respectively; offset by • Decrease of other operating expense of S$131,000 incurred by the Company. The decrease is due to one-off professional and legal fees of S$115,000 incurred in relation to the Acquisition of JL in 2016.

Profit from operations	**5,005,784**	**5,283,552**	**(277,768)**	**(5.3%)**	
Finance income	25,159	43,913	(18,754)	(42.7%)	• Lower fixed deposit interest.
Finance expense	(119,417)	(224,699)	(105,282)	(46.9%)	• An accounting (i.e. non-cash flow item) finance expense related to the Acquisition of JL. Please refer to Note 1(a) on Page 2.
Net finance income/ (expense)	**(94,258)**	**(180,786)**	**(86,528)**	**(47.9%)**	
Profit before income tax	**4,911,526**	**5,102,766**	**(191,240)**	**(3.7%)**	
Income tax expense	(769,488)	(675,693)	93,795	13.9%	• Lower tax rebates and allowances.
Profit for the period	**4,142,038**	**4,427,073**	**(285,035)**	**(6.4%)**	

Revenue

Q2 2017 vs. Q2 2016

Revenue decreased by S$0.1 million or 1.3% from S$7.4 million for the three months period ended 30 June 2016 ("**Q2 2016**") to S$7.3 million for the three months period ended 30 June 2017 ("**Q2 2017**"). The decrease is mainly attributed to a decrease in patient loads from our Dermatology and Obstetrics & Gynaecology ("**O&G**") segments in Q2 2017. To note, Dr. Hong Sze Ching (O&G) was on maternity leave from April 2017 to June 2017.

1H 2017 vs. 1H 2016

Revenue increased by S$0.3 million or 2.2% from S$13.9 million for the six months period ended 30 June 2016 ("**1H 2016**") to S$14.2 million for the six months period ended 30 June 2017 ("**1H 2017**"). The increase is attributed to:

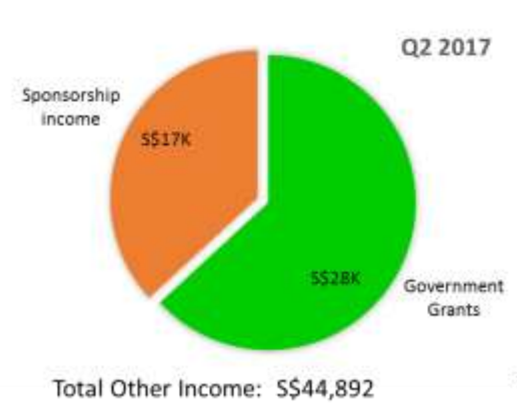
- The increase of S$0.3 million and S$0.4 million revenue from our O&G and Cancer-related segment for 1H 2017 respectively; offset by

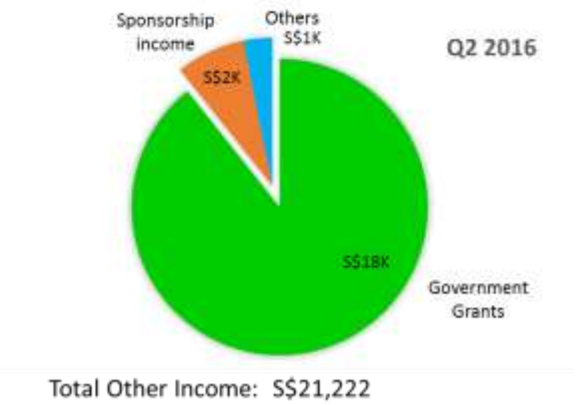
- The decrease of S$0.4 million revenue from our Dermatology segment for 1H 2017.

Other Operating Income

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

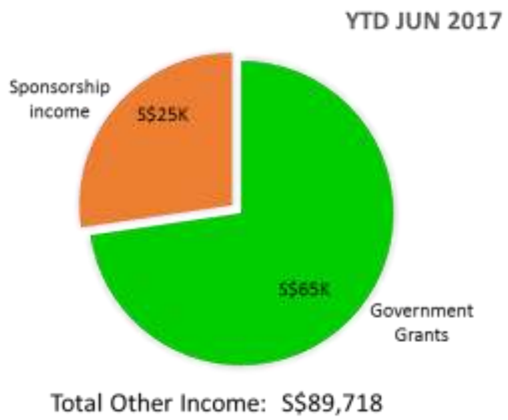
Q2 2017 vs. Q2 2016

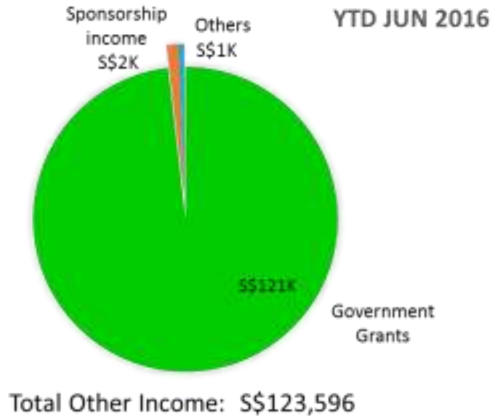




Other operating income increased by S$24,000 or 111.5% for Q2 2017 as compared to Q2 2016. The increase is due to more government grants and sponsorship income received in Q2 2017.

1H 2017 vs. 1H 2016





Other operating income decreased by S$34,000 or 27.4% for 1H 2017 as compared to 1H 2016. The decrease is mainly due to fewer government grants received in 1H 2017.

Consumables and Medical Supplies Used

In general, the O&G practice uses fewer consumables and medical supplies as compared to the Dermatology practice which requires more consumables and medical supplies such as skin care products. By far, our Cancer-related practice uses the least consumables and medical supplies as our Cancer Specialists are Breast Surgeon and GynaeOncologist who perform their major procedures in the hospitals and thus, the consumables and medical supplies are taken care of and billed by the hospitals.

Q2 2017 vs. Q2 2016

Consumables and medical supplies used decreased slightly by S$12,000 or 1.2%. As the consumables and medical supplies used are a direct cost attributed to the Group's revenue, the decrease parallels the decrease in revenue for the corresponding same period.

Consumables and medical supplies used as a percentage of the Group's revenue remained consistent at 13.8% for Q2 2017 and Q2 2016.

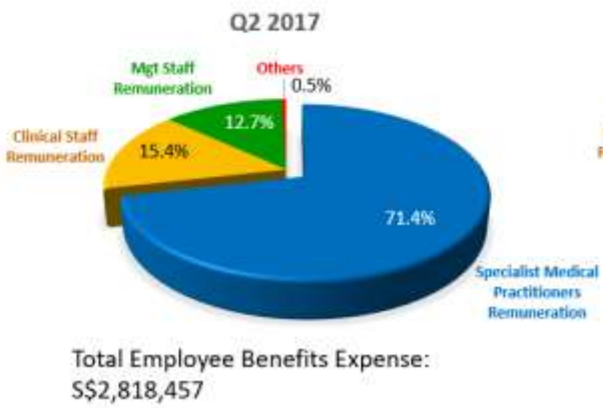
1H 2017 vs. 1H 2016

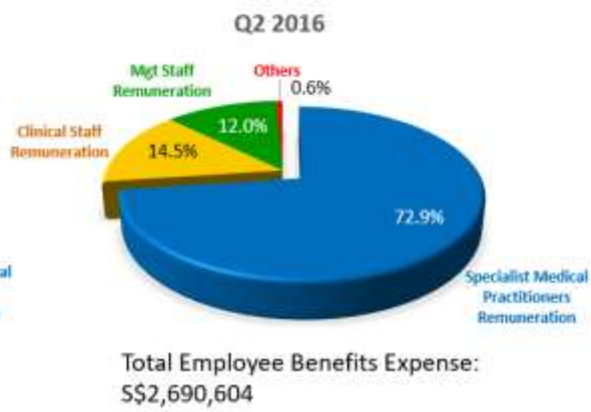
Consumables and medical supplies used increased slightly by S$29,000 or 1.4% from S$2.0 million for 1H 2016 to S$2.1 million for 1H 2017. The increase parallels the increase in the Group's revenue for the corresponding same period.

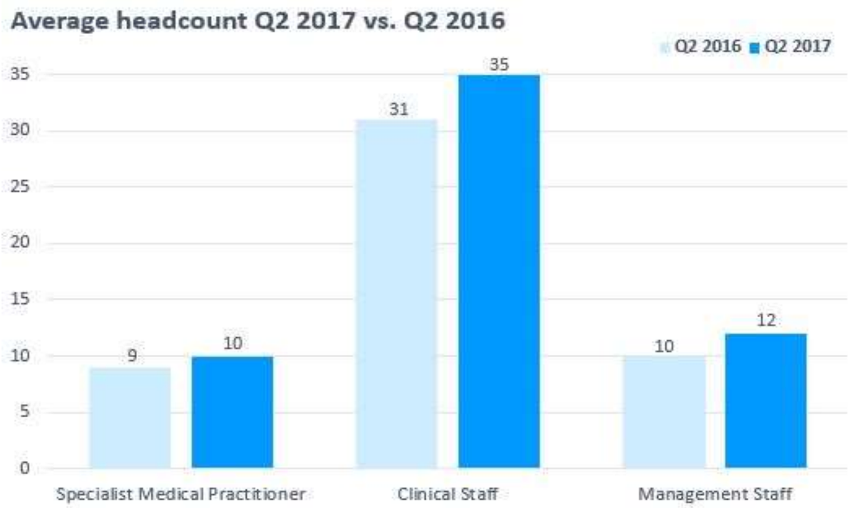
Consumables and medical supplies used as a percentage of the Group's revenue decreased slightly by 0.1% from 14.6% for 1H 2016 to 14.5% for 1H 2017. This is mainly due to our cost containment effort.

Employee Benefits Expense

Q2 2017 vs. Q2 2016







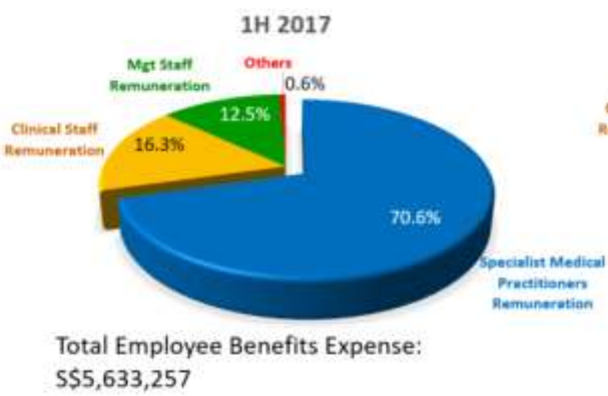
Employee benefits expense increased by S$0.1 million or 4.8% from S$2.7 million for Q2 2016 to S$2.8 million for Q2 2017. The increase is mainly due to the salary and benefits expense (maiden expenses) of two new specialist medical practitioners and the increase in average clinical staff headcount for the following clinics:

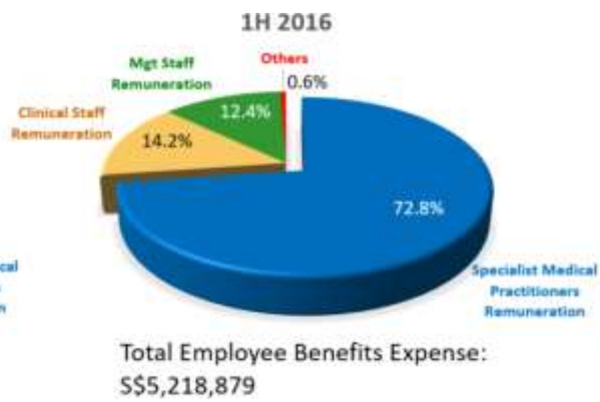
- SOG-SK Lim Breast and General Surgicare Clinic ("**SK Lim Clinic**") which started in May 2016; and

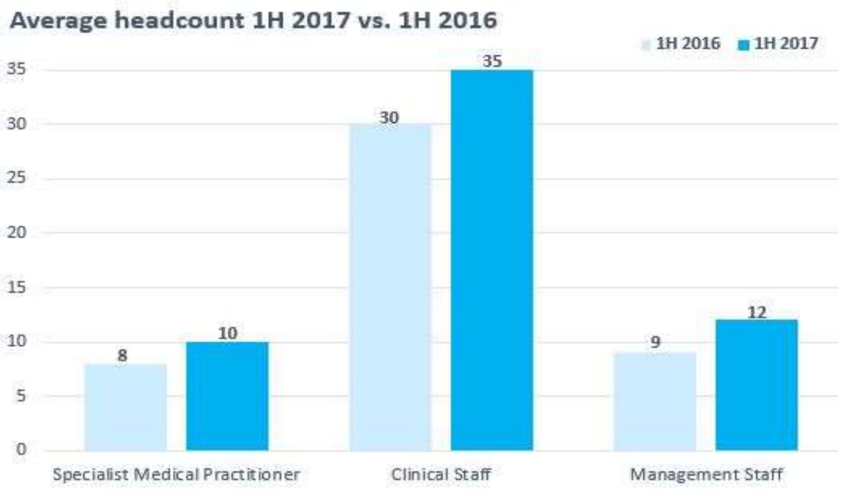
- SOG-SC Hong Clinic for Women ("**SC Hong Clinic**") which started in July 2016.

Employee benefits expense as a percentage of the Group's revenue increased by 2.2% from 36.6% in Q2 2016 to 38.8% in Q2 2017 mainly due to seniority of the specialist medical practitioners recruited.

<u>1H 2017 vs. 1H 2016</u>







Employee benefits expense increased by S$0.4 million or 7.9% from S$5.2 million for 1H 2016 to S$5.6 million for 1H 2017. The increase is mainly due to the recruitment of the two new specialist medical practitioners, and an increase in average clinical and management staff headcount from 39 in 1H 2016 to 47 in 1H 2017 to support the new clinics.

Employee benefits expense as a percentage of the Group's revenue increased by 2.1% from 37.4% for 1H 2016 to 39.5% for 1H 2017 mainly due to the seniority of the specialist medical practitioners recruited.

Depreciation of Plant and Equipment

Q2 2017 vs. Q2 2016
Depreciation of plant and equipment increased by S$31,000 or 34.2% from S$91,000 for Q2 2016 to S$122,000 in Q2 2017. The increase is mainly attributed to:

- The purchase of a new laser machine for SOG Dermatology Clinic in December 2016, and
- The purchase of three new ultrasound machines for Heng Clinic for Women ("**Heng Clinic**"), SK Lim Clinic and SC Hong Clinic in March 2017, January 2017 and August 2016 respectively.

Depreciation as a percentage of the Group's revenue increased by 0.5% from 1.2% for Q2 2016 to 1.7% for Q2 2017 mainly due to a lower revenue contribution from our Dermatology and O&G segments in Q2 2017.

1H 2017 vs. 1H 2016
Depreciation increased by S$73,000 or 43.7% from S$167,000 for 1H 2016 to S$240,000 for 1H 2017. The increase is mainly attributed to the purchase of a new laser machine and three new ultrasound machines as discussed above.

Depreciation as a percentage of the Group's revenue increased by 0.5% from 1.2% for 1H 2016 to 1.7% for 1H 2017 mainly due to a lower revenue contribution from our Dermatology segment in 1H 2017.

Other Operating Expense

Q2 2017 vs. Q2 2016
Other operating expense increased by S$0.1 million or 13.8% from S$0.6 million for Q2 2016 to S$0.7 million for Q2 2017. The increase is mainly attributed to:

- The increase of other operating expense of S$34,000 incurred by SK Lim Clinic which started operations in May 2016; and

- The increase of other operating expense of S$38,000 incurred by SC Hong Clinic which started operations in July 2016.

Other operating expense as a percentage of the Group's revenue increased by 1.4% from 8.9% for Q2 2016 to 10.3% for Q2 2017 mainly due to a lower revenue contribution from the newly recruited specialist medical practitioners as compared to the senior specialist medical practitioners.

1H 2017 vs. 1H 2016
For 1H 2017, other operating expense increased by S$33,000 or 2.4% from S$1.3 million for 1H 2016 to S$1.4 million for 1H 2017. The increase is mainly attributed to:

- The increase of other operating expense of S$84,000 incurred by SK Lim Clinic which started operations in May 2016;

- The increase of other operating expense of S$89,000 incurred by SC Hong Clinic which started operations in July 2016; offset by

- The decrease of other operating expense of S$131,000 incurred by the Company. The decrease is due to an one-off professional and legal fees of S$115,000 incurred in relation to the Acquisition of JL in Q1 2016.

As a result of our overall cost containment effort, other operating expense as a percentage of the Group's revenue remained consistent at 9.8% for both comparative periods.

Finance Income

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

Q2 2017 vs. Q2 2016
Finance income decreased by S$25,000 or 56.1% from S$44,000 for Q2 2016 to S$19,000 for Q2 2017. The decrease is due to lower fixed deposit interest.

1H 2017 vs. 1H 2016
Finance income decreased by S$19,000 or 42.7% from S$44,000 for 1H 2016 to S$25,000 for 1H 2017. The decrease is due to lower fixed deposit interest.

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 (actual payment of S$4.0 million for each tranche due on 1 January 2017 and 1 January 2018 respectively for the Acquisition of JL.

Q2 2017 vs. Q2 2016
As the second cash tranche consideration was paid off in January 2017, the finance expense decreased by S$53,000 or 46.9% from S$113,000 for Q2 2016 to S$60,000 for Q2 2017. The finance expense for Q2 2017 relates to the third cash tranche consideration due on 1 January 2018.

1H 2017 vs. 1H 2016
Finance expense decreased by S$105,000 or 46.9% from S$224,000 for 1H 2016 to S$119,000 for 1H 2017. The decrease is as discussed above.

Profit Before Income Tax

Q2 2017 vs. Q2 2016
As a result of the above, profit before income tax decreased by S$0.3 million or 9.9% from S$2.9 million for Q2 2016 to S$2.6 million for Q2 2017.

1H 2017 vs. 1H 2016
Profit before income tax decreased by S$0.2 million or 3.7% from S$5.1 million for 1H 2016 to S$4.9 million for 1H 2017.

Income Tax Expense

Q2 2017 vs. Q2 2016
Income tax expense increased by S$56,000 or 14.9% due to lesser tax rebates and allowances for FY 2017 as compared to FY 2016.

1H 2017 vs. 1H 2016
Income tax expense increased by S$94,000 or 13.9% as discussed above.

Review of the Group's Financial Position

Non-Current Assets

As at 30 June 2017, non-current assets amounted to S$28.7 million or 56.8% of the Group's total assets. Non-current assets consist of the following:

- Goodwill of S$26.9 million or 94.0% 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 Acquisition of JL in 2016.

- Plant and equipment of S$1.6 million or 5.5% of the Group's total non-current assets. Plant and equipment increased by S$7,000 or 0.5%. The slight increase is attributed to the purchase of plant and equipment offset by the depreciation charge in 1H 2017.

- Available-for-sale financial assets of $0.1 million or 0.5% of the Group's total non-current assets. The balance represents the cost of investment in SG Meditech Pte. Ltd. of S$0.2 million less impairment charge of S$0.1 million as at 30 June 2017.

- Deferred tax assets of S$12,000 or less than 0.1% of the Group's total non-current assets, arising from the timing differences in tax payables of the Group's plant and equipment.

Current Assets

As at 30 June 2017, current assets amounted to S$21.8 million or 43.2% of the Group's total assets. Current assets consist of the following:

- Inventories of S$2.0 million or 9.3% of the Group's total current assets. The decrease of S$0.1 million or 5.9% is mainly due to lesser inventories held by our Dermatology segment as at 30 June 2017.

- Trade and other receivables of S$2.1 million or 9.7% of the Group's total current assets. The slight increase of S$27,000 or 1.3% is mainly due to the prepayment for other operating expenses such as medical professional indemnity insurance.

- Cash and cash equivalents of S$17.7 million or 81.0% of the Group's total current assets. The decrease of S$3.7 million or 17.4% is mainly due to the payment of the second tranche cash consideration of S$3.8 million (S$4.0 million less FY 2015 final dividend of S$234,617 received by Dr. Joyce Lim in respect of the 20,401,501 consideration shares allotted) for the Acquisition of JL in January 2017.

Non-Current Liabilities

As at 30 June 2017, non-current liabilities amounted to S$79,000 or 0.9% of the Group's total liabilities. Non-current liabilities consist of only deferred tax liabilities.

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

Current Liabilities

As at 30 June 2017, current liabilities amounted to S$8.3 million or 99.1% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S$6.4 million or 76.9% of the Group's total current liabilities. The decrease of S$0.7 million or 9.3% is mainly due to the payout of FY 2016 incentive bonuses to our specialist medical practitioners in June 2017.

- Deferred revenue of S$0.4 million, or 5.3% of the Group's total current liabilities, relates to antenatal package fees collected upfront from patients for consultations that have yet to be performed. The increase of S$65,000 or 17.0% is due to the increase in antenatal package fees received in 1H 2017.

- Current tax liabilities of S$1.5 million, or 17.8% of the Group's total current liabilities, comprise of income tax payables for of S$0.7 million and S$0.8 million for FY 2016 and 1H 2017 respectively.

Shareholders' Equity

As at 30 June 2017, shareholder's equity of S$42.0 million comprises of the following:

- Issued and fully paid share capital of S$29.6 million.

- Reserves of S$12.4 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 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$12.3 million; offset by

3. Merger reserve of S$1.7 million represents the difference between the consideration paid by the Company and 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 Q2 2017, there was a net cash inflow of S$1.0 million from operating activities. This comprises operating cash inflows before changes in working capital of S$2.7 million, net working capital outflows of S$1.1 million and income tax paid of S$0.6 million. The net working capital outflows of S$1.1 million is mainly due to the payout of FY 2016 incentive bonuses to our specialist medical practitioners in June 2017.

For 1H 2017, the Group generated a net cash inflow from operating activities of S$3.9 million which is a decrease of S$0.8 million or 17.2% as compared to S$4.7 million in the previous corresponding period. The decrease is mainly due to the change in the incentive bonus payout period to our specialist medical practitioners. The FY 2016 incentive bonus was paid out in June 2017 whilst the FY 2015 incentive bonus was paid out in July 2016.

Net Cash Used in Investing Activities

For Q2 2017, net cash used in investing activities amounted to S$33,000 which was mainly attributed to the renovation of Heng Clinic at Parkway East Medical Centre.

For 1H 2017, the net cash used in investing activities amounted to S$3.9 million which was mainly attributed to the payment of the second tranche cash consideration of S$3.8 million for the Acquisition of JL in January 2017.

Net Cash used in Financing Activities

For Q2 2017 and 1H 2017, the net cash used in financing activities amounted to S$3.7 million which was attributed to the FY 2016 final dividend paid to shareholders in May 2017.

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 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 ("**SAR**"), Middle East Respiratory Syndrome ("**MERS**") and Zika virus, which could severely affect private healthcare visitations.

On 1 July 2017, the Group has extended its services through the offering of maiden general paediatrics and adolescent medicine services. With the new Paediatrics segment, it allows the Group to continue to take care of our existing patients and their newborns. As this is a new segment and in a start-up phase, the Group expects the contribution from this segment to be moderate for FY 2017.

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.

Interim cash dividend of S$2,908,498 has been declared.

(B) (i) Amount per share

0.61 Singapore cents per share (based on 476,803,002 shares).

Note: The decline in the dividend per share was largely due to the Share Split on 15 May 2017.

(B)(ii) Previous corresponding period

1.53 Singapore cents per share (based on 238,401,501 shares).

(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)

The dividend is one-tier tax exempt.

(D) The date the dividend is payable

The dividend will be paid on 4 September 2017.

(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.

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 22 August 2017 for the purpose of determining entitlements of ordinary shareholders to the one-tier tax exempt Interim Dividend of 0.61 Singapore cents per ordinary share for FY 2017.

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00, Singapore 068898, up to 5:00 p.m. on 22 August 2017 will be registered before entitlements to the Interim Dividend are determined. Members whose securities accounts with The Central Depository (Pte) Ltd. are credited with the Company's ordinary shares as at 5:00 p.m. on 22 August 2017 will be entitled to the Interim Dividend.

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

Not applicable.

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[5]	3,000	(401)	2,599
Investments in healthcare professionals and synergistic businesses[6]	6,000	(6,000)	-
Working capital purposes	200	-	200
Total	**9,200**	**(6,401)**	**2,799**

Note:

[5] The amount of S$0.4 million from the expansion of business operations category has been utilised for the set-up cost of the following new clinics:

- S$0.2 million for SK Lim Clinic, located at Mount Elizabeth Novena Specialist Centre #06-53 in May 2016; and
- S$0.2 million for SC Hong Clinic, located at Mount Alvernia Medical Centre #07-62 in July 2016.

[6] 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)

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 second quarter and half year ended 30 June 2017 to be false or misleading in any material aspect.

16 Confirmation pursuant to Rule 720(1)

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. NG KOON KENG
CHIEF EXECUTIVE OFFICER
10 AUGUST 2017

*This Announcement has been prepared by the Company and its content has been reviewed by the Company's Sponsor, Hong Leong Finance Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this Announcement. This Announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Announcement including the correctness of any of the statements or opinions made or reports contained in this Announcement.*

The contact person for the Sponsor is Mr. Tang Yeng Yuen, Vice-President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581. Telephone number: (65) 6415 9886.