



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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT
FOR HALF YEAR ENDED 30 JUNE 2016**

- 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>		
	1H 2016 (Unaudited) S\$	1H 2015 (Unaudited) S\$	Increase/ (Decrease) %
Revenue	13,942,258	7,724,336	80.5%
Other operating income	123,596	119,074	3.8%
Consumables and medical supplies used	(2,031,772)	(812,543)	150.1%
Employee benefits expense	(4,305,909)	(2,579,114)	67.0%
Depreciation of plant and equipment	(167,150)	(118,006)	41.6%
Other operating expense	(1,364,501)	(1,088,935)	25.3%
Profit from operations	6,196,522	3,244,812	91.0%
Finance income	43,913	23,004	90.9%
Finance expense	-	-	-
Net finance income/(expense)	43,913	23,004	90.9%
Profit before income tax	6,240,435	3,267,816	91.0%
Income tax expense	(1,068,500)	(555,578)	92.3%
Profit for the period	5,171,935	2,712,238	90.7%
Other comprehensive income, at nil tax	-	-	-
Total comprehensive income for the period	5,171,935	2,712,238	90.7%

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.

	Group		Company	
	30/6/2016 (Unaudited) S\$	31/12/2015 (Audited) S\$	30/6/2016 (Unaudited) S\$	31/12/2015 (Audited) S\$
ASSETS				
Non-current assets				
Goodwill*	26,929,999	842,295	-	-
Plant and equipment	1,220,658	678,680	124,735	141,719
Available-for-sale financial assets	148,411	148,411	148,411	148,411
Investment in subsidiaries	-	-	34,328,536	6,030,906
	28,299,068	1,669,386	34,601,682	6,321,036
Current assets				
Inventories	2,417,154	278,452	-	23,632
Trade and other receivables	2,311,059	1,477,586	2,282,111	1,984,067
Cash and cash equivalents	19,865,245	24,209,144	6,208,319	16,423,903
	24,593,458	25,965,182	8,490,430	18,431,602
Total assets	52,892,526	27,634,568	43,092,112	24,752,638
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	29,645,500	14,428,020	29,645,500	14,428,020
Reserves	12,014,287	9,583,969	5,572,660	8,522,951
Total equity	41,659,787	24,011,989	35,218,160	22,950,971
Non-current liabilities				
Deferred tax liabilities	85,536	85,536	-	-
Trade and other payables	3,536,592	-	3,536,592	-
	3,622,128	85,536	3,536,592	-
Current liabilities				
Trade and other payables	5,629,248	1,648,992	4,305,668	1,751,120
Deferred revenue	463,248	379,693	31,692	50,547
Current tax liabilities	1,518,115	1,508,358	-	-
	7,610,611	3,537,043	4,337,360	1,801,667
Total liabilities	11,232,739	3,622,579	7,873,952	1,801,667
Total equity and liabilities	52,892,526	27,634,568	43,092,112	24,752,638

* Goodwill comprises of: (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, and (2) S\$26.1 million for the acquisition of the entire rights, title and interest of Dr. Joyce Lim Teng Ee 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, the "Targets") in the Target's business and medical practices on 1 January 2016 (the "Acquisition of JL").

For the Acquisition of JL, the purchase price allocation exercise is still in progress and is expected to be finalised by 31 December 2016. The goodwill of S\$26.1 million includes the excess in fair value of the purchase consideration: (1) S\$15.2 million in shares (i.e. 20,401,501 new shares at S\$0.7459 weighted average price of SOG share on 31 December 2015), (2) S\$14.0 million in cash payable in three tranches – first tranche of S\$6.0 million paid on 1 January 2016, and remaining two tranches of S\$4.0 million (fair value of S\$3.5 million each) to be paid on 1 January 2017 and 2018 respectively, over the acquired net tangible asset of S\$2.2 million.

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.

	1H 2016 (Unaudited) S\$	<u>Group</u> 1H 2015 (Unaudited) S\$
Cash Flows from Operating Activities		
Profit before taxation	6,240,435	3,267,816
Adjustments for:		
Depreciation of plant and equipment	167,150	118,006
Plant and equipment written off	1,703	-
Interest income	(43,913)	(23,004)
Operating profit before working capital changes	6,365,375	3,362,818
Changes in inventories	(195,481)	(34,601)
Changes in trade and other receivables	(833,473)	123,815
Changes in trade and other payables	391,416	(692,139)
Cash generated from operations	5,727,837	2,759,893
Income tax paid	(1,058,743)	(59,230)
Net cash generated from operating activities	4,669,094	2,700,663
Cash Flows from Investing Activities		
Acquisition of businesses, net of cash acquired ¹	(6,000,000)	-
Purchase of plant and equipment	(315,289)	(302,483)
Interest received	43,913	23,004
Net cash used in investing activities	(6,271,376)	(279,479)

	1H 2016 (Unaudited) S\$	<u>Group</u> 1H 2015 (Unaudited) S\$
Cash Flows from Financing Activities		
Net proceeds from share issuance at IPO	-	10,215,405
Dividends paid to shareholders	(2,741,617)	(1,482,400)
Net cash (used in)/generated from financing activities	(2,741,617)	8,733,005
Net (decrease)/increase in cash and cash equivalents		
	(4,343,899)	11,154,189
Cash and cash equivalents at beginning of period	24,209,144	11,276,114
Cash and cash equivalents at end of period	19,865,245	22,430,303

Note:

¹ In 1H 2016, the Group utilised the IPO proceeds to pay the first tranche of the purchase consideration of S\$6.0 million for the Acquisition of JL.

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>The Group</u> (Unaudited)	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2015	4,212,615	1,771,070	(1,695,311)	7,567,685	11,856,059
Total comprehensive income for the period					
Profit for the period	-	-	-	2,712,238	2,712,238
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	2,712,238	2,712,238
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Proceeds from share issuance at IPO	10,900,000	-	-	-	10,900,000
Share issuance cost	(684,595)	-	-	-	(684,595)
Dividends paid to shareholders	-	-	-	(1,482,400)	(1,482,400)
At 30 June 2015	14,428,020	1,771,070	(1,695,311)	8,797,523	23,301,302

<u>The Group</u> <u>(Unaudited)</u>	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	-	-	-	5,171,935	5,171,935
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	5,171,935	5,171,935
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Issue of 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)	11,938,528	41,659,787

<u>The Company</u> <u>(Unaudited)</u>	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2015	4,212,615	1,771,070	-	4,724,128	10,707,813
Total comprehensive income for the period					
Profit for the period	-	-	-	5,727,350	5,727,350
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	5,727,350	5,727,350
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Proceeds from share issuance at IPO	10,900,000	-	-	-	10,900,000
Share issuance cost	(684,595)	-	-	-	(684,595)
Dividends paid to shareholders	-	-	-	(1,482,400)	(1,482,400)
At 30 June 2015	14,428,020	1,771,070	-	8,969,078	25,168,168

<u>The Company</u> <u>(Unaudited)</u>	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					
Profit/(loss) for the period	-	-	-	(208,674)	(208,674)
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	(208,674)	(208,674)
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Issue of 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	-	3,801,590	35,218,160

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 also the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	Number of Ordinary Shares	Issued and Paid-up Share Capital S\$
At 1 January 2016	218,000,000	14,428,020
Issuance of new ordinary shares ²	20,401,501	15,217,480
At 30 June 2016	238,401,501	29,645,500

Note:

² Pursuant to the Acquisition of JL, the Company has issued 20,401,501 new ordinary shares with a fair value of S\$0.7459 each for a total consideration of S\$15,217,480. The fair value of these shares is the weighted average share price at the completion date of the Acquisition.

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	
	30/6/2016	31/12/2015
Issued ordinary shares	238,401,501	218,000,000

The Company does not have any treasury shares as at 30 June 2016 and 31 December 2015.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares 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 2016 are consistent with those applied in the financial statements for the year ended 31 December 2015.

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 2016. 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.

	<u>1H 2016</u> (Unaudited)	<u>Group</u>	<u>1H 2015</u> (Unaudited)
Profit attributable to equity holders of the Company (S\$)	5,171,935		2,712,238
Weighted average number of ordinary shares	233,301,126		181,666,667
Basic and diluted earnings per share based on the weighted average number of ordinary shares (Cents)	2.22		1.49
<u>For illustrative purposes³</u> <u>(Based on 238,401,501 shares)</u>			
Basic and diluted earnings per share (Cents)	2.17		1.14

Note:

Basic and diluted earnings per share for the financial periods ended 30 June 2016 and 2015 have been computed by dividing the net profit after tax by the 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 financial periods ended 30 June 2016 and 2015.

³ Earnings per share is calculated based on the net profit after tax for the financial periods ended 30 June 2016 and 2015 and 238,401,501 shares of the Company for illustration purposes only.

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>	
	<u>30/6/2016</u> (Unaudited)	<u>31/12/2015</u> (Audited)	<u>30/6/2016</u> (Unaudited)	<u>31/12/2015</u> (Audited)
Net assets value (S\$)	41,659,787	24,011,989	35,218,160	22,950,971
Net assets value per ordinary share based on the total number of issued shares as at end of the year reported on ⁴ (Cents)	17.47	11.01	14.77	10.53

Note:

⁴ The calculation of net asset value per ordinary share was based on 238,401,501 shares as at 30 June 2016 (31 December 2015: 218,000,000).

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

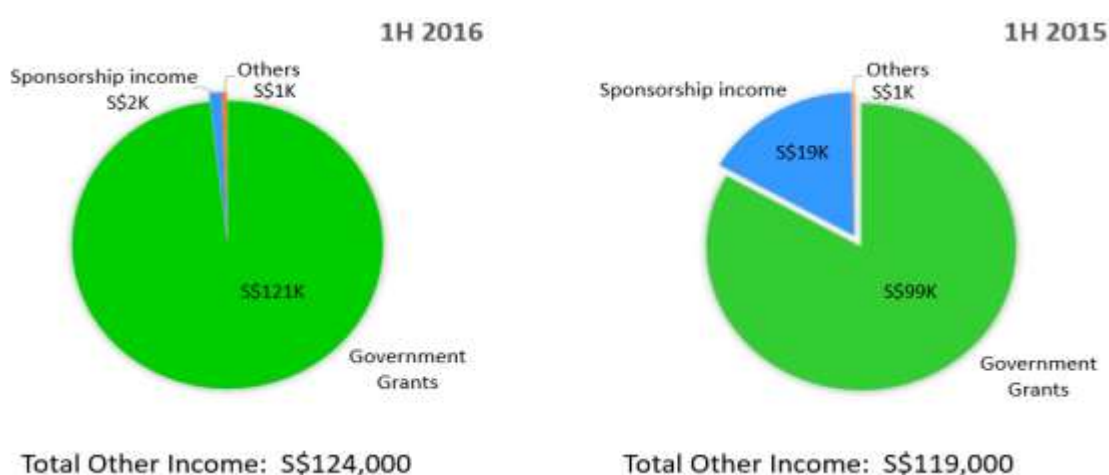
	1H 2016 (\$)	1H 2015 (\$)	Increase/ (Decrease) (\$)	%	The increase or (decline) in 1H 2016 as compared to 1H 2015 is mainly due to:
Revenue	13,942,258	7,724,336	6,217,922	80.5%	<ul style="list-style-type: none"> Revenue contribution of S\$4.3 million from our new Dermatology segment (SOG Dermatology clinic); and Increase in patient loads for our O&G and Cancer-related segment.
Other Operating Income	123,596	119,074	4,522	3.8%	<ul style="list-style-type: none"> More government grants such as Wage Credit Scheme ("WCS") and Special Employment Credit ("SEC") received.
Consumables and Medical Supplies Used	(2,031,772)	(812,543)	1,219,229	150.1%	<ul style="list-style-type: none"> S\$0.9 million of consumables and medical supplies used in our SOG Dermatology clinic; and An additional S\$0.2 million and S\$0.1 million of consumables and medical supplies used in our O&G and Cancer-related segment respectively.
Employee Benefits Expense	(4,305,909)	(2,579,114)	1,726,795	67.0%	<ul style="list-style-type: none"> Salary and benefits expense of our new Dermatologist who started in January 2016; and Increase in clinical staff average headcount from 22 in 1H 2015 to 30 in 1H 2016.
Depreciation	(167,150)	(118,006)	49,144	41.6%	<ul style="list-style-type: none"> Plant and equipment from the Acquisition of JL; and Acquisition of a new laser machine for SOG Dermatology clinic.
Other Operating Expenses	(1,364,501)	(1,088,935)	275,566	25.3%	<ul style="list-style-type: none"> Operating expense of S\$0.3 million incurred by our new SOG Dermatology clinic.
Profit from Operations	6,196,622	3,244,812	2,951,710	91.0%	
Net Finance Income/ (Expense)	43,913	23,004	20,909	90.9%	<ul style="list-style-type: none"> Finance income relates to interest income earned from the placement of cash surplus with financial institutions. Increase due to placement of more cash surplus in fixed deposit arrangements in 1H 2016.
Profit before Income Tax	6,240,435	3,267,816	2,972,619	91.0%	
Income Tax Expense	(1,068,500)	(555,578)	512,922	92.3%	<ul style="list-style-type: none"> Higher profits in 1H 2016.
Profit for the Period	5,171,935	2,712,238	2,459,697	90.7%	

Revenue

Revenue increased by S\$6.2 million or 80.5% from S\$7.7 million for the financial period ended 30 June 2015 (“1H 2015”) to S\$13.9 million for the financial period ended 30 June 2016 (“1H 2016”). The increase is attributed to:

- Revenue contribution of S\$4.3 million from our new Dermatology segment (SOG Dermatology Clinic) in 1H 2016, and
- The increase in patient loads for our Obstetrics & Gynaecology (“O&G”) and Cancer-related segments in 1H 2016.

Other Operating Income



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

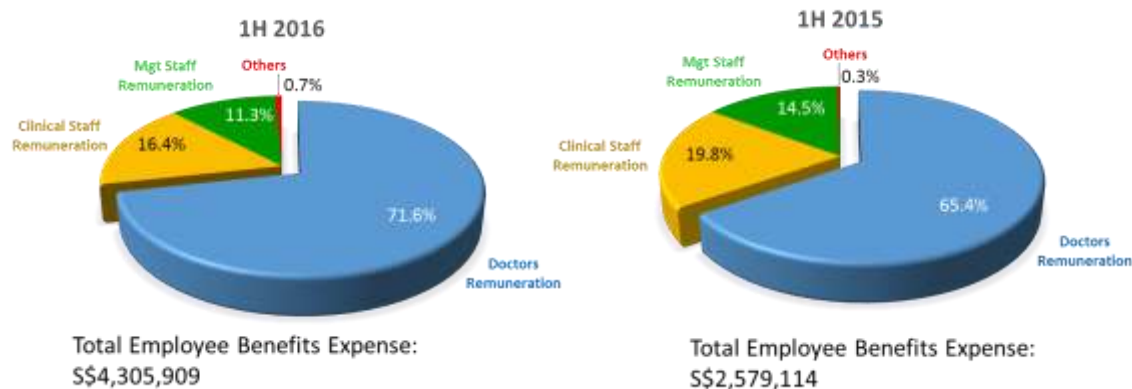
Other operating income increased by S\$5,000 or 3.8% from S\$119,000 for 1H 2015 to S\$124,000 for 1H 2016. The slight increase is due to more government grants such as Wage Credit Scheme (“WCS”) and Special Employment Credit (“SEC”) received in 1H 2016.

Consumables and Medical Supplies Used

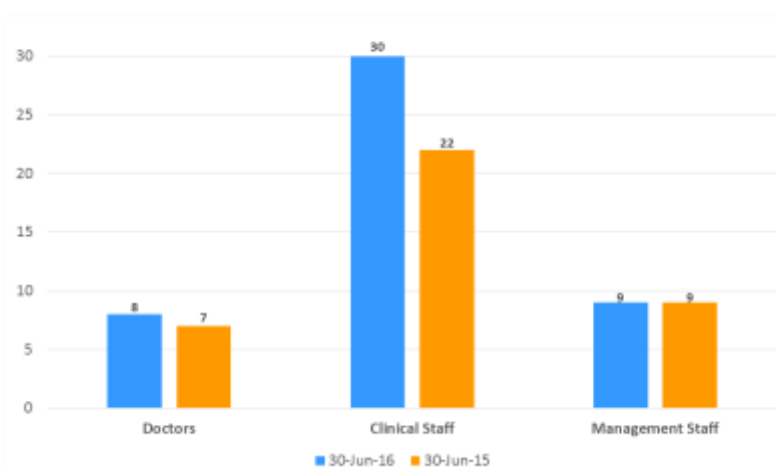
Consumables and medical supplies used increased by S\$1.2 million or 150.1% from S\$0.8 million for 1H 2015 to S\$2.0 million for 1H 2016. The increase in consumables and medical supplies used is attributed to S\$0.9 million of consumables and medical supplies used in our SOG Dermatology Clinic, and an additional S\$0.2 million and S\$0.1 million of consumables and medical supplies used in our O&G and Cancer-related segment respectively. The specialities of Dermatology and Cancer generally require more consumables and medical supplies than that of O&G speciality.

Consumables and medical supplies used as a percentage of the Group's revenue rose by 4.1% from 10.5% in 1H 2015 to 14.6% in 1H 2016. As noted, this is mainly because our SOG Dermatology and Cancer Specialist clinics require and use more consumables and medical supplies.

Employee Benefits Expense



Average Headcount 1H 2016 vs. 1H 2015



Employee benefits expense increased by S\$1.7 million or 67.0% from S\$2.6 million in 1H 2015 to S\$4.3 million in 1H 2016. The increase is mainly due to the salary and benefits expense of the Dermatologist who started in January 2016, and the increase in clinical staff average headcount from 22 in 1H 2015 to 30 in 1H 2016.

However, employee benefits expense as a percentage of the Group's revenue decreased by 2.5% from 33.4% in 1H 2015 to 30.9% in 1H 2016 mainly due to our ability to more efficiently deploy management staff such as in the integration of our new dermatology business without any headcount increase. However, to ensure that we get the most out of the acquisition, management is currently in the process of reviewing our future requirements so that we can continue to render sufficient support to our clinics and maximise our efficiency.

Depreciation of Plant and Equipment

Depreciation of plant and equipment increased by S\$49,000 or 41.6% from S\$118,000 in 1H 2015 to S\$167,000 in 1H 2016. The increase is mainly due to the plant and equipment from the Acquisition of JL and the acquisition of a new laser machine for SOG Dermatology Clinic in 1H 2016.

Depreciation as a percentage of the Group's revenue decreased by 0.3% from 1.5% in 1H 2015 to 1.2% in 1H 2016 mainly due to a higher revenue contribution from our SOG Dermatology Clinic.

Other Operating Expense

Other operating expense increased by S\$0.3 million or 25.3% from S\$1.1 million in 1H 2015 to S\$1.4 million in 1H 2016. The increase is mainly attributed to the operating expense of S\$0.3 million incurred by our SOG Dermatology Clinic.

Other operating expense as a percentage of the Group's revenue decreased by 4.3% from 14.1% in 1H 2015 to 9.8% in 1H 2016 mainly due to a higher revenue contribution from our SOG Dermatology Clinic.

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 deposits. The Group does not invest in any sophisticated financial products or derivatives.

The increase is due to placement of more cash surplus into fixed deposit arrangements during 1H 2016.

Profit Before Income Tax

As a result of the above, profit before income tax increased by S\$3.0 million or 91.0% from S\$3.2 million for 1H 2015 to S\$6.2 million for 1H 2016.

Income Tax Expense

Income tax expense increased by S\$0.5 million or 92.3% due to higher profits in 1H 2016.

Review of the Group's Financial Position

Non-Current Assets

As at 30 June 2016, non-current assets amounted to S\$28.3 million or 53.5% of the Group's total assets. Non-current assets consist of the following:

- Goodwill of S\$26.9 million or 95.2% of the Group's total non-current assets, comprises of: (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, and (2) S\$26.1 million for the Acquisition of JL on 1 January 2016.
- Plant and equipment of S\$1.2 million or 4.3% of the Group's total non-current assets. Plant and equipment increased by S\$0.5 million or 79.9%. The increase is mainly due to the plant and equipment from the Acquisition of JL and the acquisition of a new laser machine for SOG Dermatology Clinic in 1H 2016.
- 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 2016.

Current Assets

As at 30 June 2016, current assets amounted to S\$24.6 million or 46.5% of the Group's total assets. Current assets consist of the following:

- Inventories of S\$2.4 million or 9.8% of the Group's total current assets. The increase is mainly due to the inventories from the Acquisition of JL on 1 January 2016.
- Trade and other receivables of S\$2.3 million or 9.4% of the Group's total current assets. The increase of S\$0.8 million or 56.4% is mainly due to:
 1. S\$0.3 million in rental deposits for our new clinics;
 2. S\$0.4 million in prepayment of medical supplies and renovation for our new clinics; and
 3. S\$0.1 million increase in doctor's professional fees due from the hospitals and insurance companies. We are currently working with the hospitals and insurance companies to get the outstanding trade receivables settled.
- Cash and cash equivalents of S\$19.9 million or 80.8% of the Group's total current assets. The decrease of S\$4.3 million or 17.9% is mainly due to:
 1. S\$6.0 million paid for the first tranche cash consideration for the Acquisition of JL;
 2. S\$2.7 million paid for FY 2015 final dividend;
 3. S\$0.3 million paid for the acquisition of new plant and equipment; offset by
 4. S\$4.7 million net cash inflows from operating activities in 1H 2016.

Non-Current Liabilities

As at 30 June 2016, non-current liabilities amounted to S\$3.6 million or 32.2% of the Group's total liabilities. Non-current liabilities consist of the following:

- Deferred tax liabilities of S\$85,000, or 2.4% of the Group's total current liabilities, arose from the timing differences in tax payables.
- Trade and other payables consist of contingent consideration. Contingent consideration of \$3.5 million, or 97.6% of the Group's total current liabilities. The contingent consideration is the fair value of the third tranche cash consideration payable for the Acquisition of JL due on 1 January 2018.

Current Liabilities

As at 30 June 2016, current liabilities amounted to S\$7.6 million or 67.8% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S\$5.6 million or 74.0% of the Group's total current liabilities. The increase of S\$4.0 million or 241.4% is mainly due to the fair value of second tranche cash consideration for the Acquisition of JL due on 1 January 2017.
- Deferred revenue of S\$0.5 million, or 6.1% 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\$0.1 million or 22.0% is due to the increase in antenatal package fees received.
- Current tax liabilities of S\$1.5 million, or 19.9% of the Group's total current liabilities, comprise of income tax payables for 1H 2016 and FY 2015.

Shareholders' Equity

As at 30 June 2016, shareholder's equity of S\$41.7 million comprises of the following:

- Issued and fully paid share capital of S\$29.6 million. The increase of S\$15.2 million is due to the consideration shares issued to Dr. Joyce Lim in February 2016 for the Acquisition of JL.
- Reserves of S\$12.0 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 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\$11.9 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 for Women Pte. Ltd. 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

There was a net cash inflows of S\$4.7 million from operating activities for 1H 2016. This comprises of operating cash inflows before changes in working capital of S\$6.4 million, net working capital outflows of S\$0.6 million and income tax paid of S\$1.1 million.

The net working capital outflows of S\$0.6 million is mainly due to the increase in rental deposits and prepayment of medical supplies and renovation for our new clinics in 1H 2016.

Net Cash Used in Investing Activities

Net cash used in investing activities amounted to S\$6.3 million which was mainly attributed to the first tranche cash consideration of S\$6.0 million for the Acquisition of JL and the acquisition of new plant and equipment of S\$0.3 million.

Net Cash Generated from Financing Activities

Net cash used in financing activities amounted to S\$2.7 million which was attributed to FY 2015 final dividend paid to shareholders in May 2016.

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 the "barring any unforeseen circumstances, the Board of Directors expects the Group to remain profitable in 2016". The Group was profitable in 1H 2016.

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

Barring any unforeseen circumstances, the Board of Directors expects the Group to remain profitable in 2H 2016.

- 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\$3.6 million has been declared.

(B)(i) Amount per share

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

(B)(ii) Previous corresponding period

0.88 Singapore cents per share (based on 218,000,000 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 1 September 2016.

(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 2016

for the purpose of determining entitlements of ordinary shareholders to the one-tier tax exempt Interim Dividend of 1.53 Singapore cents per ordinary share for FY 2016.

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 2016 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 2016 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:

	Amount Allocated S\$'000	Amount Utilised S\$'000	Amount Unutilised S\$'000
Use of IPO proceeds			
Expansion of business operations ⁵	3,000	(186)	2,814
Investments in healthcare professionals and synergistic businesses ⁶	6,000	(6,000)	-
Working capital purposes	200	-	200
Total	9,200	(6,186)	3,014

Note:

⁵ The amount of S\$0.2 million from the expansion of business operations category has been utilised for the set-up cost of our new clinic, SOG-SK Lim Breast & General Surgicare Clinic, located at Mount Elizabeth Novena Specialist Centre #06-53 in 1H 2016.

⁶The amount of S\$6.0 million from the investments in healthcare professionals and synergistic businesses category has been utilised to pay the first tranche of the purchase 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 the knowledge, nothing has come to their attention which may render the unaudited interim financial statements of the Group and the Company for the financial period ended 30 June 2016 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 (VICTOR)
CHIEF EXECUTIVE OFFICER
11 AUGUST 2016

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. Telephone number: (65) 6415 9886.