



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

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR  
 THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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.**

	<u>Group</u>					
	<u>Fourth Quarter</u>			<u>Year-To-Date</u>		
	Q4 2017 (Unaudited) S\$	Q4 2016 (Unaudited) S\$	Increase/ (Decrease) %	31/12/2017 (Unaudited) S\$	31/12/2016 (Audited) S\$	Increase/ (Decrease) %
Revenue	7,945,522	7,205,428	10.3%	29,901,563	28,674,632	4.3%
Other operating income	14,799	55,863	-73.5%	215,007	266,009	-19.2%
Consumables and medical supplies used	(1,415,110)	(1,220,926)	15.9%	(4,562,370)	(4,365,796)	4.5%
Employee remuneration expense	(3,350,352)	(4,374,792)	-23.4%	(11,997,595)	(11,003,716)	9.0%
Depreciation of plant and equipment	(157,427)	(107,010)	47.1%	(524,148)	(380,160)	37.9%
Other operating expense	(984,313)	(786,896)	25.1%	(3,162,978)	(2,794,993)	13.2%
<b>Profit from operations</b>	<b>2,053,119</b>	<b>771,667</b>	<b>&gt;100.0%</b>	<b>9,869,479</b>	<b>10,395,976</b>	<b>-5.1%</b>
Finance income	17,695	90,967	-80.5%	57,373	135,880	-57.8%
Finance expense	(59,708)	(449,399)	-86.7%	(238,834)	(449,399)	-46.9%
<b>Net finance expense</b>	<b>(42,013)</b>	<b>(358,432)</b>	<b>-88.3%</b>	<b>(181,461)</b>	<b>(313,519)</b>	<b>-42.1%</b>
<b>Profit before income tax</b>	<b>2,011,106</b>	<b>413,235</b>	<b>&gt;100.0%</b>	<b>9,688,018</b>	<b>10,082,457</b>	<b>-3.9%</b>
Income tax credit/(expense)	7,246	351,645	-97.9%	(1,180,958)	(1,278,779)	-7.6%
<b>Profit for the period/year</b>	<b>2,018,352</b>	<b>764,880</b>	<b>&gt;100.0%</b>	<b>8,507,060</b>	<b>8,803,678</b>	<b>-3.4%</b>
Other comprehensive income, at nil tax	-	-	-	-	-	-
<b>Total comprehensive income for the period/year</b>	<b>2,018,352</b>	<b>764,880</b>	<b>&gt;100.0%</b>	<b>8,507,060</b>	<b>8,803,678</b>	<b>-3.4%</b>

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

	<u>Group</u>		<u>Company</u>	
	31/12/2017 (Unaudited) S\$	31/12/2016 (Audited) S\$	31/12/2017 (Unaudited) S\$	31/12/2016 (Audited) S\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	26,929,999	26,929,999	-	-
Plant and equipment	1,638,262	1,554,794	128,580	91,709
Available-for-sale financial assets	-	148,411	-	148,411
Deferred tax assets	12,019	10,450	-	7,652
Investment in subsidiaries	-	-	34,330,536	34,328,536
	<b>28,580,280</b>	<b>28,643,654</b>	<b>34,459,116</b>	<b>34,576,308</b>
<b>Current assets</b>				
Inventories	1,601,717	2,152,469	-	-
Trade and other receivables	2,518,334	2,092,939	217,860	261,184
Amounts due from subsidiaries (non-trade)	-	-	3,460,029	1,732,832
Cash and cash equivalents	16,426,295	21,376,324	7,065,907	10,548,940
	<b>20,546,346</b>	<b>25,621,732</b>	<b>10,743,796</b>	<b>12,542,956</b>
<b>Total assets</b>	<b>49,126,626</b>	<b>54,265,386</b>	<b>45,202,912</b>	<b>47,119,264</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	29,645,500	29,645,500	29,645,500	29,645,500
Reserves	13,854,145	11,998,487	13,690,955	9,340,068
<b>Total equity</b>	<b>43,499,645</b>	<b>41,643,987</b>	<b>43,336,455</b>	<b>38,985,568</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	109,825	66,601	1,561	-
Trade and other payables	-	3,761,166	-	3,761,166
	<b>109,825</b>	<b>3,827,767</b>	<b>1,561</b>	<b>3,761,166</b>
<b>Current liabilities</b>				
Trade and other payables	3,811,730	7,052,275	1,864,896	4,372,530
Deferred revenue	445,279	380,343	-	-
Current tax liabilities	1,260,147	1,361,014	-	-
	<b>5,517,156</b>	<b>8,793,632</b>	<b>1,864,896</b>	<b>4,372,530</b>
<b>Total liabilities</b>	<b>5,626,981</b>	<b>12,621,399</b>	<b>1,866,457</b>	<b>8,133,696</b>
<b>Total equity and liabilities</b>	<b>49,126,626</b>	<b>54,265,386</b>	<b>45,202,912</b>	<b>47,119,264</b>

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

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

None.

(B) the amount repayable after one year:

None.

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

None.

(D) details of any collaterals.

None.

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

	<u>Group</u>			
	<u>Fourth Quarter</u>		<u>Year-To-Date</u>	
	Q4 2017	Q4 2016	31/12/2017	31/12/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	S\$	S\$	S\$	S\$
<b>Cash Flows from Operating Activities</b>				
Profit before taxation	2,011,106	413,235	9,688,018	10,082,457
Adjustments for:				
Depreciation of plant and equipment	157,427	107,010	524,148	380,160
Plant and equipment written off	10,755	56	11,219	1,758
Impairment of investment in available-for-sale financial assets	148,411	-	148,411	-
Interest income	(17,695)	(90,967)	(57,373)	(135,880)
Interest expense	59,708	449,399	238,834	449,399
Operating profit before working capital changes	2,369,712	878,733	10,553,257	10,777,894
Changes in inventories	684,337	158,463	550,752	69,204
Changes in trade and other receivables	(259,251)	564,576	(488,585)	(528,647)
Changes in trade and other payables	(3,706,653)	1,592,261	(7,222,409)	1,489,652
Cash generated from operations	(911,855)	3,194,033	3,393,015	11,808,103
Income tax credit received/(paid)	41,171	40,515	(1,240,170)	(1,455,507)
<b>Net cash (used in)/generated from operating activities</b>	<b>(870,684)</b>	<b>3,234,548</b>	<b>2,152,845</b>	<b>10,352,596</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of subsidiaries, net of cash acquired	-	-	-	(6,000,000)
Purchase of plant and equipment	(180,540)	(112,395)	(572,035)	(845,430)
Interest received	260	9,444	120,563	49,174
<b>Net cash used in investing activities</b>	<b>(180,280)</b>	<b>(102,951)</b>	<b>(451,472)</b>	<b>(6,796,256)</b>

	<b>Group</b>			
	<b>Fourth Quarter</b>		<b>Year-To-Date</b>	
	Q4 2017	Q4 2016	31/12/2017	31/12/2016
	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$	(Audited) S\$
<b>Cash Flows from Financing Activities</b>				
Dividends paid to shareholders	-	-	(6,651,402)	(6,389,160)
<b>Net cash used in financing activities</b>	-	-	<b>(6,651,402)</b>	<b>(6,389,160)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,050,964)</b>	<b>3,131,597</b>	<b>(4,950,029)</b>	<b>(2,832,820)</b>
Cash and cash equivalents at beginning of period	17,477,259	18,244,727	21,376,324	24,209,144
<b>Cash and cash equivalents at end of period</b>	<b>16,426,295</b>	<b>21,376,324</b>	<b>16,426,295</b>	<b>21,376,324</b>

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

<b><u>The Group</u> (Audited)</b>	<b>Share Capital S\$</b>	<b>Capital Reserve S\$</b>	<b>Merger Reserve S\$</b>	<b>Retained Earnings S\$</b>	<b>Total S\$</b>
At 1 January 2016	14,428,020	1,771,070	(1,695,311)	9,508,210	24,011,989
<b>Total comprehensive income for the period</b>					
Profit for the year	-	-	-	8,803,678	8,803,678
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	8,803,678	8,803,678
<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Issuance of new ordinary shares related to business combination	15,217,480	-	-	-	15,217,480
Dividends paid to shareholders	-	-	-	(6,389,160)	(6,389,160)
<b>At 31 December 2016</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>(1,695,311)</b>	<b>11,922,728</b>	<b>41,643,987</b>

<b><u>The Group</u> (Unaudited)</b>	<b>Share Capital S\$</b>	<b>Capital Reserve S\$</b>	<b>Merger Reserve S\$</b>	<b>Retained Earnings S\$</b>	<b>Total S\$</b>
At 1 January 2017	29,645,500	1,771,070	(1,695,311)	11,922,728	41,643,987
<b>Total comprehensive income for the period</b>					
Profit for the year	-	-	-	8,507,060	8,507,060
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	8,507,060	8,507,060

<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(6,651,402)	(6,651,402)
<b>At 31 December 2017</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>(1,695,311)</b>	<b>13,778,386</b>	<b>43,499,645</b>

<b><u>The Company</u></b> <b><u>(Audited)</u></b>	<b>Share Capital</b> <b>S\$</b>	<b>Capital Reserve</b> <b>S\$</b>	<b>Merger Reserve</b> <b>S\$</b>	<b>Retained Earnings</b> <b>S\$</b>	<b>Total</b> <b>S\$</b>
At 1 January 2016	14,428,020	1,771,070	-	6,751,881	22,950,971
<b>Total comprehensive income for the period</b>					
Profit for the year	-	-	-	7,206,277	7,206,277
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	7,206,277	7,206,277

<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Issuance of new ordinary shares related to business combination	15,217,480	-	-	-	15,217,480
Dividends paid to shareholders	-	-	-	(6,389,160)	(6,389,160)
<b>At 31 December 2016</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>-</b>	<b>7,568,998</b>	<b>38,985,568</b>

<b><u>The Company</u></b> <b><u>(Unaudited)</u></b>	<b>Share Capital</b> <b>S\$</b>	<b>Capital Reserve</b> <b>S\$</b>	<b>Merger Reserve</b> <b>S\$</b>	<b>Retained Earnings</b> <b>S\$</b>	<b>Total</b> <b>S\$</b>
At 1 January 2017	29,645,500	1,771,070	-	7,568,998	38,985,568
<b>Total comprehensive income for the period</b>					
Profit for the year	-	-	-	11,002,289	11,002,289
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	11,002,289	11,002,289

<b>Transactions with owners of the Company, recognised directly in equity</b>					
<b>Contributions by and distributions to owners of the Company</b>					
Dividends paid to shareholders	-	-	-	(6,651,402)	(6,651,402)
<b>At 31 December 2017</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>-</b>	<b>11,919,885</b>	<b>43,336,455</b>

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

	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 <sup>1</sup>	238,401,501	-
At 31 December 2017	476,803,002	29,645,500

Note:

<sup>1</sup> On 15 May 2017, the Company 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	
	31/12/2017	31/12/2016
Issued ordinary shares	476,803,002	238,401,501

The Company does not have any treasury shares as at 31 December 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 FY 2017 are consistent with those applied in the financial statements for FY 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 and revised FRS and INT FRS that are effective for financial 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.**

	<u>Group</u>			
	<u>Fourth Quarter</u>		<u>Year-To-Date</u>	
	Q4 2017 (Unaudited) S\$	Q4 2016 (Unaudited) S\$	31/12/2017 (Unaudited) S\$	31/12/2016 (Audited) S\$
Profit attributable to equity holders of the Company (S\$)	2,018,352	764,880	8,507,060	8,803,678
Weighted average number of ordinary shares <sup>2</sup>	476,803,002	476,803,002	476,803,002	474,252,814
Basic and diluted earnings per share based on the weighted average number of ordinary shares (cents)	0.42	0.16	1.78	1.86

Note:

Basic and diluted earnings per share for the quarters and financial years ended 31 December 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 year.

The Company did not have any stock options or dilutive potential ordinary shares during the quarters and financial years ended 31 December 2017 and 2016.

<sup>2</sup> For better comparison of the Group's performance, the weighted average number of ordinary shares for the current and prior financial years 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.**

	<u>Group</u>		<u>Company</u>	
	31/12/2017 (Unaudited)	31/12/2016 (Audited)	31/12/2017 (Unaudited)	31/12/2016 (Audited)
Net assets value (S\$)	43,499,645	41,643,987	43,336,455	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 <sup>3</sup> (cents)	9.12	8.73	9.09	8.18

Note:

<sup>3</sup> The calculation of net asset value per ordinary share as at 31 December 2016 was adjusted for the Share Split. The number of ordinary shares after the Share Split is 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

#### Q4 2017 vs. Q4 2016

	Q4 2017 (S\$)	Q4 2016 (S\$)	Increase/ (Decrease) (S\$)	%
Revenue	7,945,522	7,205,428	740,094	10.3%
Other operating income	14,799	55,863	(41,064)	(73.5%)
Consumables and medical supplies used	(1,415,110)	(1,220,926)	194,184	15.9%
Employee remuneration expense	(3,350,352)	(4,374,792)	(1,024,440)	(23.4%)
Depreciation of plant and equipment	(157,427)	(107,010)	50,417	47.1%
Other operating expense	(984,313)	(786,896)	197,417	25.1%
<b>Profit from operations</b>	<b>2,053,119</b>	<b>771,667</b>	<b>1,281,452</b>	<b>&gt;100.0%</b>
Finance income	17,695	90,967	(73,272)	(80.5%)
Finance expense	(59,708)	(449,399)	(389,691)	(86.7%)
<b>Net finance expense</b>	<b>(42,013)</b>	<b>(358,432)</b>	<b>(316,419)</b>	<b>(88.3%)</b>
<b>Profit before income tax</b>	<b>2,011,106</b>	<b>413,235</b>	<b>1,597,871</b>	<b>&gt;100.0%</b>
Income tax credit	7,246	351,645	(344,399)	(97.9%)
<b>Profit for the period</b>	<b>2,018,352</b>	<b>764,880</b>	<b>1,253,472</b>	<b>&gt;100.0%</b>

FY 2017 vs. FY 2016

	FY 2017 (S\$)	FY 2016 (S\$)	Increase/ (Decrease) (S\$)	%
Revenue	29,901,563	28,674,632	1,226,931	4.3%
Other operating income	215,007	266,009	(51,002)	(19.2%)
Consumables and medical supplies used	(4,562,370)	(4,365,796)	196,574	4.5%
Employee remuneration expense	(11,997,595)	(11,003,716)	993,879	9.0%
Depreciation of plant and equipment	(524,148)	(380,160)	143,988	37.9%
Other operating expense	(3,162,978)	(2,794,993)	367,985	13.2%
<b>Profit from operations</b>	<b>9,869,479</b>	<b>10,395,976</b>	<b>(526,497)</b>	<b>(5.1%)</b>
Finance income	57,373	135,880	(78,507)	(57.8%)
Finance expense	(238,834)	(449,399)	(210,565)	(46.9%)
<b>Net finance expense</b>	<b>(181,461)</b>	<b>(313,519)</b>	<b>(132,058)</b>	<b>(42.1%)</b>
<b>Profit before income tax</b>	<b>9,688,018</b>	<b>10,082,457</b>	<b>(394,439)</b>	<b>(3.9%)</b>
Income tax expense	(1,180,958)	(1,278,779)	(97,821)	(7.6%)
<b>Profit for the year</b>	<b>8,507,060</b>	<b>8,803,678</b>	<b>(296,618)</b>	<b>(3.4%)</b>

**Revenue**Q4 2017 vs. Q4 2016

Revenue increased by S\$0.7 million or 10.3% from S\$7.2 million for the three months period ended 31 December 2016 ("**Q4 2016**") to S\$7.9 million for the three months period ended 31 December 2017 ("**Q4 2017**"). The increase is attributed to:

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

FY 2017 vs. FY 2016

Revenue increased by S\$1.2 million or 4.3% from S\$28.7 million for the financial year ended 31 December 2016 (“**FY 2016**”) to S\$29.9 million for the financial year ended 31 December 2017 (“**FY 2017**”). The increase is attributed to:

- The increase of S\$1.0 million and S\$0.6 million revenue from our Cancer-related and O&G segment respectively;
- Revenue contribution of S\$0.1 million from our new Paediatrics segment; offset by
- The decrease of S\$0.5 million revenue from our Dermatology segment.

**Other Operating Income**

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

Q4 2017 vs. Q4 2016

Other operating income decreased by S\$41,000 or 73.5% for Q4 2017 as compared to Q4 2016. The decrease is due to:

- Lower sponsorship income of S\$36,000 received from fewer sponsors, and
- Lower government grants of S\$5,000 received.

FY 2017 vs. FY 2016

Other operating income decreased by S\$51,000 or 19.2% for FY 2017 as compared to FY 2016. The decrease is due to:

- Lower government grants of S\$77,000 received; offset by
- Higher sponsorship income of S\$4,000; and
- Higher clinic rental rebates of S\$22,000 received from a lessor.

**Consumables and Medical Supplies Used**

In general, the O&G, Cancer-related and Paediatrics practices uses lesser 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, who are Breast Surgeon and GynaeOncologist, perform their major procedures in the hospitals and thus, the consumables and medical supplies are taken care of and billed by the hospitals.

Q4 2017 vs. Q4 2016

Consumables and medical supplies used increased by S\$0.2 million or 15.9%. The increase is attributed mainly to increase in consumables and medical supplies used by most of our segments arising from an increase in patient loads for Q4 2017.

Consumables and medical supplies used as a percentage of the Group's revenue increased slightly by 0.9% from 16.9% for Q4 2016 to 17.8% for Q4 2017. This is due mainly to higher consumables and medical used by our Dermatology segment.

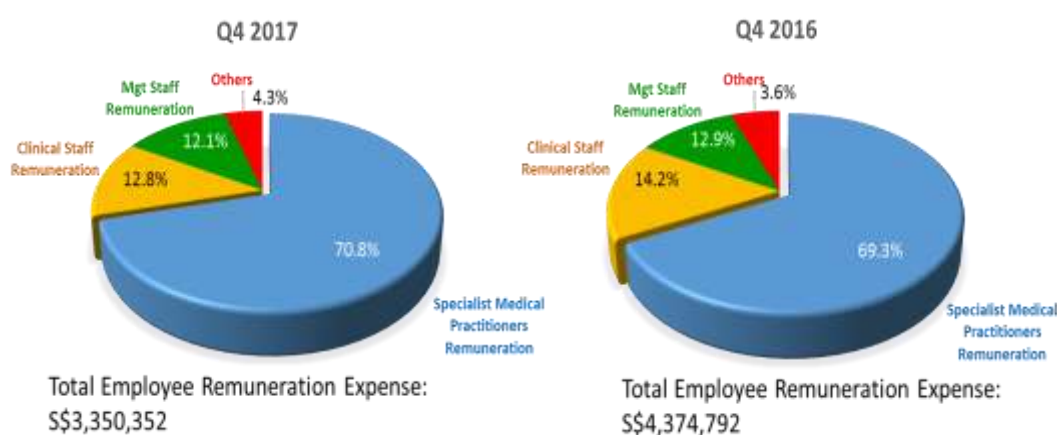
FY 2017 vs. FY 2016

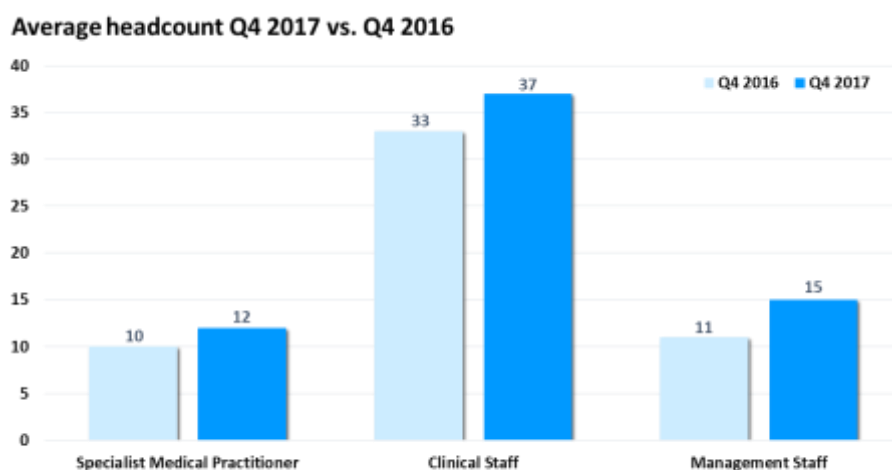
Consumables and medical supplies used increased by S\$0.2 million or 4.5%. The increase is attributed mainly to increase in consumables and medical supplies used by our O&G and Cancer-related segment arising from an increase in patient loads in FY 2017.

Consumables and medical supplies used as a percentage of the Group's revenue remained consistent at 15.2% for FY 2017 and FY 2016.

**Employee Remuneration Expense**

Q4 2017 vs. Q4 2016

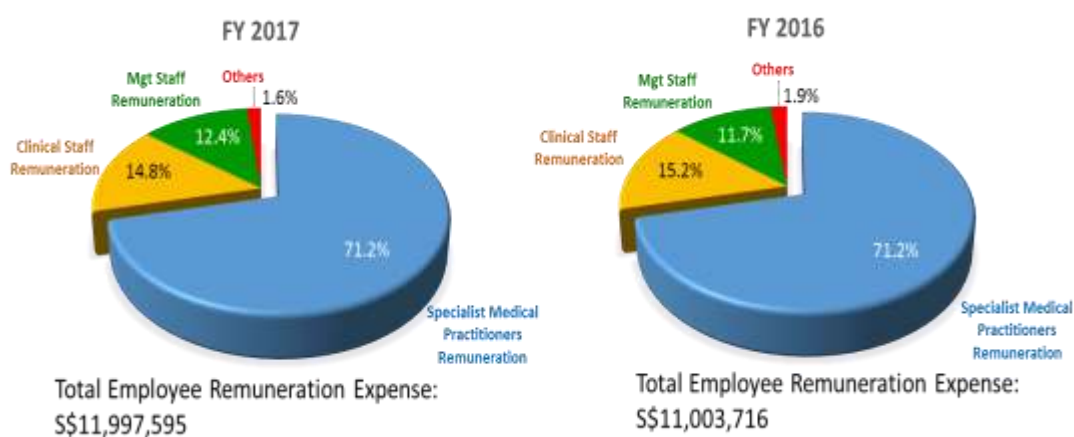


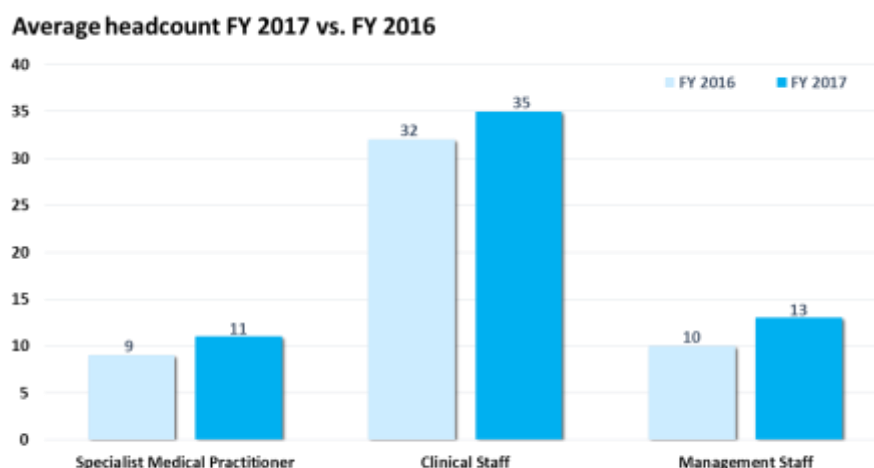


Employee remuneration expense decreased by S\$1.0 million or 23.4% from S\$4.4 million for Q4 2016 to S\$3.4 million for Q4 2017. The decrease is due mainly to the quarterly accrual of bonuses for specialist medical practitioners, clinical and management staff in FY 2017. In FY 2016, the whole of the bonus expense was accounted for in Q4 2016 when they were declared and paid.

Accordingly, employee remuneration expense as a percentage of the Group's revenue decreased by 18.5% from 60.7% in Q4 2016 to 42.2% in Q4 2017 as a result of the change in the way the bonus expense was recorded in FY 2017.

FY 2017 vs. FY 2016





Employee remuneration expense increased by S\$1.0 million or 9.0% from S\$11.0 million for FY 2016 to S\$12.0 million for FY 2017. The increase is due to:

- An increase of S\$0.6 million for variable incentive bonus of a few specialist medical practitioners;
- An increase of S\$0.1 million for SOG-SK Lim Breast and General Surgicare Clinic (“**SK Lim Clinic**”) which started in May 2016;
- An increase of S\$0.2 million for SOG-SC Hong Clinic for Women (“**SC Hong Clinic**”) which started in July 2016; and
- Employee remuneration expense of S\$0.1 million from our new Paediatrics segment which started in July 2017.

Employee remuneration expense as a percentage of the Group’s revenue increased by 1.7% from 38.4% for FY 2016 to 40.1% for FY 2017 as our new clinics are building up their patient loads.

## Depreciation of Plant and Equipment

### Q4 2017 vs. Q4 2016

Depreciation of plant and equipment increased by S\$50,000 or 47.1% from S\$107,000 for Q4 2016 to S\$157,000 for Q4 2017. The increase is attributed mainly to the depreciation charge arising from:

- The three new ultrasound machines acquired for our O&G and Cancer-related clinics in 2017.
- The two new laser machines acquired for SOG Dermatology Clinic in June 2017 and August 2017; and

- The renovation of Heng Clinic for Women (“**Heng Clinic**”) and our new corporate office at Mountbatten Square in May 2017 and July 2017 respectively.

Depreciation as a percentage of the Group’s revenue increased by 0.5% from 1.5% for Q4 2016 to 2.0% for Q4 2017 due mainly to the rate of increase in depreciation which is higher than the rate of increase in revenue contribution from our Dermatology segment.

#### FY 2017 vs. FY 2016

Depreciation increased by S\$0.1 million or 37.9% from S\$0.4 million for FY 2016 to S\$0.5 million for FY 2017. The increase is attributed mainly to the depreciation charge arising from:

- The three new ultrasound machines acquired for our O&G and Cancer-related clinics in 2017;
- The two new laser machines acquired for SOG Dermatology Clinic in June 2017 and August 2017 respectively; and
- The renovation of Heng Clinic, our new corporate office and PAED-Central Clinic in May 2017, July 2017 and November 2017 respectively.

Depreciation as a percentage of the Group’s revenue increased by 0.5% from 1.3% for FY 2016 to 1.8% for FY 2017 due mainly to the rate of increase in depreciation which is higher than the rate of increase in revenue contribution from our Dermatology segment.

### **Other Operating Expense**

#### Q4 2017 vs. Q4 2016

Other operating expense increased by S\$0.2 million or 25.1% from S\$0.8 million for Q4 2016 to S\$1.0 million for Q4 2017. The increase is attributed to:

- An additional impairment charge of S\$0.1 million on our investment in an available-for-sale financial asset (see discussion under “Non-Current Assets” below); and
- S\$0.1 million incurred by our new Paediatrics segment in Q4 2017.

Other operating expense as a percentage of the Group’s revenue increased by 1.5% from 10.9% for Q4 2016 to 12.4% for Q4 2017 due mainly to the rate of increase in other operating expense which is higher than the rate of increase in revenue contribution from our new Paediatrics segment as it is building up its patient loads.

FY 2017 vs. FY 2016

Other operating expense increased by S\$0.4 million or 13.2% from S\$2.8 million for FY 2016 to S\$3.2 million for FY 2017. The increase is attributed to:

- An additional impairment charge of S\$0.1 million on our investment in an available-for-sale financial asset as discussed under “Non-Current Assets below;
- S\$0.1 million incurred by our new Paediatrics segment in FY 2017;
- The increase in rental expense of S\$0.1 million for a few clinics and our new corporate office; and
- The increase of S\$0.1 million in medical professional indemnity insurances for O&G Specialists.

Other operating expense as a percentage of the Group’s revenue increased by 0.9% from 9.7% for FY 2016 to 10.6% for FY 2017 due mainly to the rate of increase in other operating expense which is higher than the rate of increase in revenue contribution from our newly recruited specialist medical practitioners as compared to the senior specialist medical practitioners.

**Finance Income**

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

Q4 2017 vs. Q4 2016

Finance income decreased by S\$73,000 or 80.5% from S\$91,000 for Q4 2016 to S\$18,000 for Q4 2017. The decrease is due to lesser cash being placed on fixed deposit.

FY 2017 vs. FY 2016

Finance income decreased by S\$79,000 or 57.8% from S\$136,000 for FY 2016 to S\$57,000 for FY 2017. The decrease is due to lesser cash being placed on fixed deposit.

**Finance Expense**

Finance expense relates to the unwinding of the discount implicit (i.e. non-cash flows item) in the second and third cash tranche consideration of S\$4.0 million for each tranche due on 1 January 2017 and 1 January 2018 respectively (the “**contingent consideration**”) for the acquisition of the entire rights, title and interest of Dr. Joyce Lim Teng Ee and in the business and medical practices of



JL Laser & Surgery Centre Pte. Ltd., JL Esthetic Research Centre Pte. Ltd. and JL Dermatology Pte. Ltd. on 1 January 2016 (the “**JL Acquisition**”).

As at 31 December 2017, the contingent consideration for the JL Acquisition was fully paid.

Q4 2017 vs. Q4 2016

Finance expense decreased by S\$0.4 million or 86.7% from S\$0.4 million for Q4 2016 to S\$59,000 for Q4 2017. The decrease is due to the quarterly accrual of finance expense for Q4 2017. In FY 2016, the whole of the finance expense was recorded when the cash consideration was paid in Q4 2016.

FY 2017 vs. FY 2016

Finance expense decreased by S\$0.2 million or 46.9% from S\$0.4 million for FY 2016 to S\$0.2 million for FY 2017 as the second cash tranche consideration was paid off in January 2017.

**Profit Before Income Tax**

Q4 2017 vs. Q4 2016

As a result of the explanations above, profit before income tax increased by S\$1.6 million from S\$0.4 million for Q4 2016 to S\$2.0 million for Q4 2017.

FY 2017 vs. FY 2016

As a result of the explanations above, profit before income tax decreased by S\$0.4 million or 3.9% from S\$10.1 million for FY 2016 to S\$9.7 million for FY 2017.

**Income Tax Expense**

Q4 2017 vs. Q4 2016

Income tax credit decreased by S\$0.3 million or more than 100.0% due to higher over-provision of income tax expense in prior quarters for FY 2016.

FY 2017 vs. FY 2016

Income tax expense decreased by S\$98,000 or 7.6% due mainly to lower profits in FY 2017.

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

**Non-Current Assets**

As at 31 December 2017, non-current assets amounted to S\$28.6 million or 58.2% of the Group's total assets. Non-current assets consist of the following:

- Goodwill of S\$26.9 million or 94.2% of the Group's total non-current assets. This comprises:
  1. S\$446,000 and S\$396,000 for the acquisition of Beh's Clinic for Women Pte. Ltd. and Choo Wan Ling Women's Clinic Pte. Ltd. in 2014 respectively, and
  2. S\$26.1 million for the JL Acquisition in 2016.
- Plant and equipment of S\$1.6 million or 5.7% of the Group's total non-current assets. Plant and equipment increased by S\$83,000 or 5.4%. The increase is attributed to the plant and equipment additions of S\$0.6 million, offset by its corresponding depreciation charge and write-offs of S\$0.5 million and S\$12,000 respectively in FY 2017.
- Available-for-sale financial assets represent the cost of investment in SG Meditech Pte. Ltd. of S\$0.2 million less impairment charge. The carrying amount of S\$0.1 million as at 31 December 2016 was fully impaired as at 31 December 2017. The impairment charge amounted to S\$0.1 million for FY 2017.
- Deferred tax assets of S\$12,000 or less than 0.1% of the Group's total non-current assets, arising from the deductible temporary differences related to the Group's plant and equipment.

### **Current Assets**

As at 31 December 2017, current assets amounted to S\$20.5 million or 41.8% of the Group's total assets. Current assets consist of the following:

- Inventories of S\$1.6 million or 7.8% of the Group's total current assets. The decrease of S\$0.5 million or 25.6% is due mainly to lower inventories held by our Dermatology segment as at 31 December 2017.
- Trade and other receivables of S\$2.5 million or 12.2% of the Group's total current assets. The increase of S\$0.4 million or 20.3% is due mainly to the prepayment for other operating expenses such as medical professional indemnity insurances and inventories.
- Cash and cash equivalents of S\$16.4 million or 80.0% of the Group's total current assets. The decrease of S\$4.9 million or 23.2% is due mainly to:
  1. The payment of S\$3.8 million (S\$4.0 million less FY 2015 final dividend of S\$234,617 paid to Dr. Joyce Lim in respect of the 20,401,501 consideration shares allotted to her) and S\$4.0 million each for the second and third tranche cash

consideration in January 2017 and December 2017 for the JL Acquisition respectively;

2. S\$3.7 million and S\$2.9 million paid for FY 2016 final dividend and FY 2017 interim dividend respectively; offset by
3. S\$9.9 million net cash inflows from operating activities in FY 2017.

### **Non-Current Liabilities**

As at 31 December 2017, non-current liabilities amounted to S\$0.1 million or 1.9% 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 31 December 2017, current liabilities amounted to S\$5.5 million or 98.1% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S\$3.8 million or 69.1% of the Group's total current liabilities. The decrease of S\$3.2 million or 46.0% is due to:
  1. S\$3.8 million of contingent consideration which relates to the present value of the third tranche cash consideration payable for the JL Acquisition due on 1 January 2018 which was paid in December 2017; offset by
  2. The increase of S\$0.6 million in accrual for FY 2017 variable incentive bonus for a few specialist medical practitioners.
- Deferred revenue of S\$0.4 million, or 8.1% of the Group's total current liabilities, relates to antenatal and aesthetics package fees collected upfront from patients for consultations and/or procedures that have yet to be performed. The increase of S\$0.1 million or 17.1% is due to the increase in antenatal and aesthetics package fees received.
- Current tax liabilities of S\$1.3 million, or 22.8% of the Group's total current liabilities, comprising income tax payable for FY 2017.

## Shareholders' Equity

As at 31 December 2017, shareholder's equity of S\$43.5 million comprises the following:

- Issued and fully paid share capital of S\$29.6 million.
- Reserves of S\$13.9 million comprising:
  1. Capital reserve of S\$1.8 million representing 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;
  2. Retained earnings of S\$13.8 million; offset by
  3. Merger reserve of S\$1.7 million representing the difference between the consideration paid by the Company and the fair value of the net assets of Heng Clinic and KW Lee Clinic & Surgery for Women Pte. Ltd. acquired by the Company.

## Review of the Group's Cash Flows

### Net Cash Generated from Operating Activities

For Q4 2017, there was a net cash outflow of S\$0.9 million from operating activities. This comprises operating cash inflows before changes in working capital of S\$2.4 million, net working capital outflows of S\$3.2 million and income tax credit of S\$41,000 received. The net working capital outflows of S\$3.2 million is attributed mainly to:

1. S\$4.0 million paid for the third tranche cash consideration for the JL Acquisition; offset by
2. Decrease in inventories of S\$0.7 million due to lesser inventories held by our Dermatology segment as at 31 December 2017.

For FY 2017, the Group generated a net cash inflow from operating activities of S\$2.2 million which is a decrease of S\$8.1 million or 79.2% as compared to S\$10.3 million in FY 2016. The decrease is due mainly to the payment of S\$4.0 million each for the second and third cash consideration for the JL Acquisition.

### **Net Cash Used in Investing Activities**

For Q4 2017, net cash used in investing activities amounted to S\$0.2 million which was attributed to the renovation cost of S\$0.2 million paid for PAED-Central Clinic and our new corporate office.

For FY 2017, the net cash used in investing activities amounted to S\$0.5 million which was attributed mainly to the acquisition of plant and equipment in FY 2017.

### **Net Cash used in Financing Activities**

For Q4 2017, there was no cash flows movement for financing activities.

For FY 2017, the net cash used in financing activities amounted to S\$6.7 million which was attributed to the payment of FY 2016 final dividend of S\$3.8 million, and FY 2017 interim dividend of S\$2.9 million, to shareholders in May 2017 and August 2017 respectively.

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

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

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

As at the date of this Announcement, the Board of Directors is 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 extended its services through the offering of 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 continue to be moderate for FY 2018.

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.**

In view of our Group's performance in FY 2017, the Board of Directors has recommended a final one-tier exempt dividend of 0.89 Singapore cents per share in respect of FY 2017 ("Final Dividend"). Together with the interim dividend payment of 0.61 Singapore cents per share made on 4 September 2017, the total dividend payment for FY 2017 represents 83.9% of the net profit after tax of the year.

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

Interim dividend (per share)	0.61 Singapore cents
Final dividend (per share)	0.89 Singapore cents
<b>Total dividend for FY 2017 (per share)</b>	<b>1.50 Singapore cents</b>

Note:

The lower dividend per share is due largely to the Share Split of 2 for 1 on 15 May 2017.

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

Interim dividend (per share)	1.53 Singapore cents
Final dividend (per share)	1.57 Singapore cents
<b>Total dividend for FY 2016 (per share)</b>	<b>3.10 Singapore cents</b>

**(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 proposed Final Dividend, if approved by the shareholders of the Company at the Annual General Meeting to be held on 20 April 2018, will be paid on 18 May 2018.

**(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, subject to the approval of the shareholders of the Company to the proposed Final Dividend at the Annual General Meeting to be held on 20 April 2018, the Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 2 May 2018 for the purpose of determining entitlements of ordinary shareholders to the tax exempt (one-tier) Final Dividend of 0.89 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 2 May 2018 will be registered before entitlements to the Final 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 2 May 2018 will be entitled to the Final Dividend. Payment of the Final Dividend, if approved by the members at the Annual General Meeting to be held on 20 April 2018, will be made on 18 May 2018.

**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 is as follows:

Use of IPO proceeds	Amount Allocated S\$'000	Amount Utilised S\$'000	Amount Unutilised S\$'000
Expansion of business operations <sup>4</sup>	3,000	(481)	2,519
Investments in healthcare professionals and synergistic businesses <sup>5</sup>	6,000	(6,000)	-
Working capital purposes	200	-	200
<b>Total</b>	<b>9,200</b>	<b>(6,481)</b>	<b>2,719</b>

Note:

<sup>4</sup> The amount of S\$0.5 million for the expansion of business operations category has been utilised for the set-up cost of the following clinics:

- S\$0.2 million for SK Lim Clinic, located at Mount Elizabeth Novena Specialist Centre #06-53 in May 2016;
- S\$0.2 million for SC Hong Clinic, located at Mount Alvernia Medical Centre #07-62 in July 2016; and
- S\$0.1 million for PAED-Central Clinic, located at 11A Boon Tiong Road #01-11 in November 2017.

<sup>5</sup> The amount of S\$6.0 million for 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.

## PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

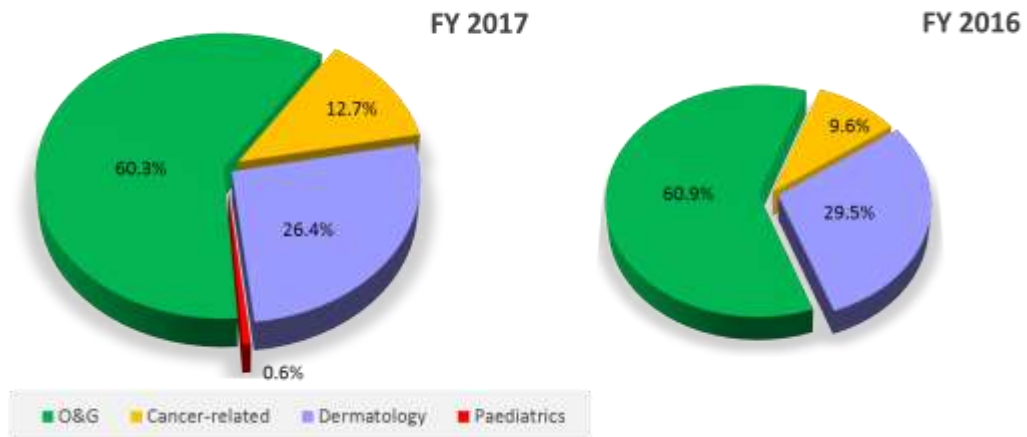
### 15 Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

In FY 2017, the Group continues to grow and establishes the new Paediatrics segment. We are delighted to successfully recruit two Paediatricians, Dr. Lim Xue Yan and Dr. Irene Teo, in July 2017 and November 2017 respectively.

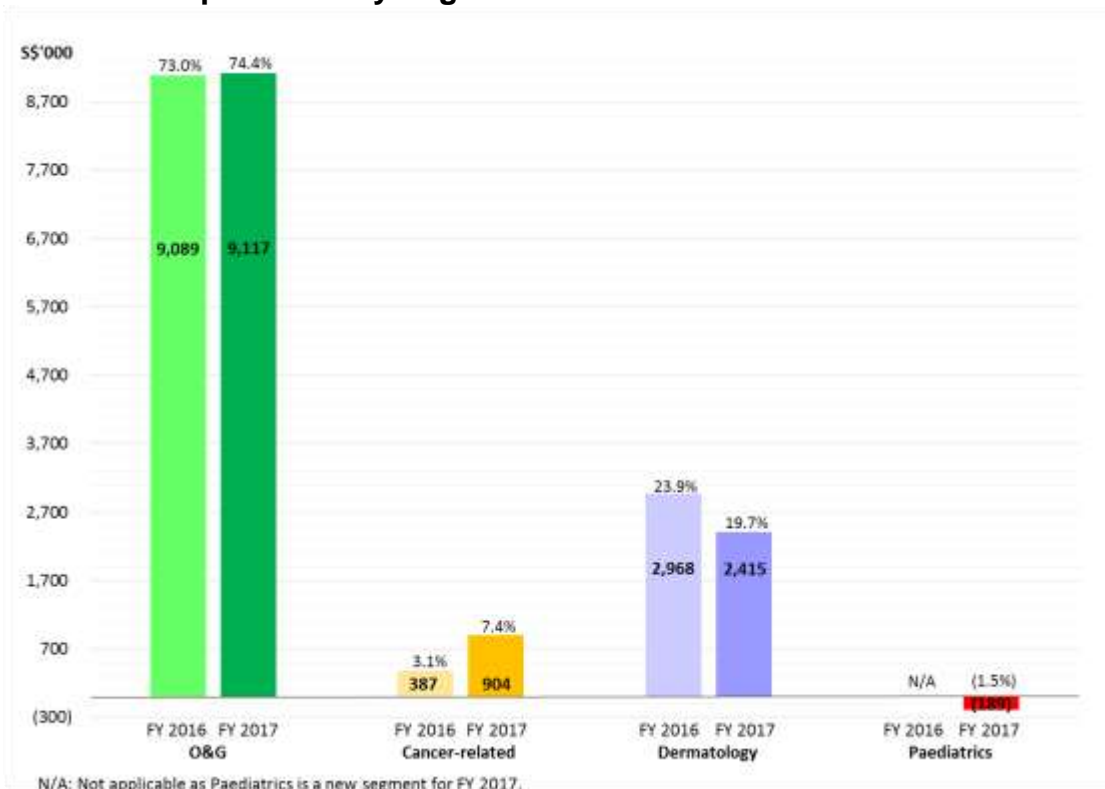
As at 31 December 2017, the Group has four operating segments namely: O&G, Cancer-related, Dermatology and Paediatrics.



### Revenue by Segment



### Profit from Operations by Segment



	O&G	Dermatology	Cancer-Related	Paediatrics	Corporate	Adjustment & Elimination	Total
<u>2017</u>	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Revenue</b>							
External	18,027,300	7,887,185	3,787,108	199,970	-	-	29,901,563
Inter-segment	87,496	-	-	115	-	(87,611)	-
Total revenue	18,114,796	7,887,185	3,787,108	200,085	-	(87,611)	29,901,563
<b>Segment Results</b>							
Segment profit/(loss) from operations	9,117,485	2,414,698	903,771	(189,487)	(2,376,988)	-	9,869,479
Finance income							57,373
Finance expense							(238,834)
Profit before income tax							9,688,018
Income tax expense							(1,180,958)
Profit for the year							<b>8,507,060</b>
<u>2016</u>	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Revenue</b>							
External	17,445,658	8,466,335	2,762,639	-	-	-	28,674,632
Inter-segment	82,023	-	580	-	-	(82,603)	-
Total revenue	17,527,681	8,466,335	2,763,219	-	-	(82,603)	28,674,632
<b>Segment Results</b>							
Segment profit/(loss) from operations	9,089,090	2,968,475	386,656	-	(2,048,245)	-	10,395,976
Finance income							135,880
Finance expense							(449,399)
Profit before income tax							10,082,457
Income tax expense							(1,278,779)
Profit for the year							<b>8,803,678</b>

**16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to item 8.

**17 A breakdown of revenue as follows:**

	<b>2017</b>	<b>2016</b>	<b>Increase/ (Decrease)</b>
	<b>S\$</b>	<b>S\$</b>	<b>%</b>
Revenue reported for the first half year	14,247,800	13,942,258	2.2%
Operating profit after tax reported for the first half year	<u>4,142,038</u>	<u>4,427,073</u>	<u>(6.4%)</u>
Revenue reported for the second half year	15,653,763	14,732,374	6.3%
Operating profit after tax reported for the second half year	<u>4,365,022</u>	<u>4,376,605</u>	<u>(0.3%)</u>

**18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

Please refer to item 11 for the Final Dividend declared in respect of FY 2017.

		<b>2017</b>	<b>2016</b>
		<b>S\$</b>	<b>S\$</b>
Final dividend paid in respect of the previous financial year	One-tier tax exempt	3,742,904	2,741,617
Interim dividend paid in respect of the current financial year	One-tier tax exempt	2,908,498	3,647,543
		<u>6,651,402</u>	<u>6,389,160</u>

**Proposed dividends to the Company's shareholders but not recognised as a liability as at**

		<b>31 December 2017 (Unaudited) S\$</b>	<b>31 December 2016 (Audited) S\$</b>
Final dividend	One-tier tax exempt	<u>4,243,547</u>	<u>3,742,904</u>

**19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Heng Tong Bwee	63	Sister of Dr. Heng Tung Lan (our Executive Chairman and substantial shareholder)	<ul style="list-style-type: none"> <li>• Chief Administrative Officer</li> <li>• 2014</li> </ul>	No change

**20 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. HENG TUNG LAN  
EXECUTIVE CHAIRMAN  
14 FEBRUARY 2018

*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, #01-05 Hong Leong Building, Singapore 048581. Telephone number: (65) 6415 9886.*