



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

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2018**

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

	<u>Group</u>					
	<u>Fourth Quarter</u>			<u>Year-To-Date</u>		
	Q4 2018 (Unaudited) S\$	Q4 2017 (Unaudited) S\$	Increase/ (Decrease) %	31/12/2018 (Unaudited) S\$	31/12/2017 (Audited) S\$	Increase/ (Decrease) %
Revenue	8,786,178	7,945,522	10.6%	34,681,080	29,901,563	16.0%
Other operating income	48,972	14,799	>100.0%	1,424,617	215,007	>100.0%
Consumables and medical supplies used	(1,078,055)	(1,415,110)	-23.8%	(4,872,795)	(4,562,370)	6.8%
Employee remuneration expense	(3,749,647)	(3,350,352)	11.9%	(13,543,088)	(11,997,595)	12.9%
Depreciation of plant and equipment	(139,140)	(157,427)	-11.6%	(554,089)	(524,148)	5.7%
Other operating expense	(947,473)	(984,313)	-3.7%	(3,482,424)	(3,162,978)	10.1%
Profit from operations	2,920,835	2,053,119	42.3%	13,653,301	9,869,479	38.3%
Impairment of goodwill	(2,800,000)	-	N/M	(2,800,000)	-	N/M
Finance income	29,235	17,695	65.2%	78,014	57,373	36.0%
Finance expense	-	(59,708)	N/M	-	(238,834)	N/M
Net finance income/(expense)	29,235	(42,013)	N/M	78,014	(181,461)	N/M
Profit before income tax	150,070	2,011,106	-92.5%	10,931,315	9,688,018	12.8%
Income tax (expense)/credit	(126,902)	7,246	N/M	(1,783,480)	(1,180,958)	51.0%
Profit for the period	23,168	2,018,352	-98.9%	9,147,835	8,507,060	7.5%
Other comprehensive income, at nil tax	-	-	-	-	-	-
Total comprehensive income for the period	23,168	2,018,352	-98.9%	9,147,835	8,507,060	7.5%

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>	
	31/12/2018 (Unaudited) S\$	31/12/2017 (Audited) S\$	31/12/2018 (Unaudited) S\$	31/12/2017 (Audited) S\$
ASSETS				
Non-current assets				
Goodwill	24,129,999	26,929,999	-	-
Plant and equipment	1,412,461	1,638,262	127,425	128,580
Deferred tax assets	1,130	12,019	-	-
Investment in subsidiaries	-	-	34,331,536	34,330,536
	25,543,590	28,580,280	34,458,961	34,459,116
Current assets				
Inventories	1,656,595	1,601,717	-	-
Trade and other receivables	2,981,948	2,518,334	129,982	217,860
Amounts due from subsidiaries (non-trade)	-	-	3,816,377	3,460,029
Cash and cash equivalents	21,546,078	16,426,295	8,783,142	7,065,907
	26,184,621	20,546,346	12,729,501	10,743,796
Total assets	51,728,211	49,126,626	47,188,462	45,202,912
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	29,645,500	29,645,500	29,645,500	29,645,500
Reserves	14,944,009	13,854,145	15,367,894	13,690,955
Total equity	44,589,509	43,499,645	45,013,394	43,336,455
Non-current liabilities				
Deferred tax liabilities	139,705	109,825	10,374	1,561
	139,705	109,825	10,374	1,561
Current liabilities				
Trade and other payables	4,738,616	3,811,730	732,999	788,876
Amounts due to subsidiaries (non-trade)	-	-	1,361,359	1,076,020
Deferred revenue	437,570	445,279	-	-
Current tax liabilities	1,822,811	1,260,147	70,336	-
	6,998,997	5,517,156	2,164,694	1,864,896
Total liabilities	7,138,702	5,626,981	2,175,068	1,866,457
Total equity and liabilities	51,728,211	49,126,626	47,188,462	45,202,912

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 2018 (Unaudited) S\$	Q4 2017 (Unaudited) S\$	31/12/2018 (Unaudited) S\$	31/12/2017 (Audited) S\$
Cash Flows from Operating Activities				
Profit before taxation	150,070	2,011,106	10,931,315	9,688,018
Adjustments for:				
Depreciation of plant and equipment	139,140	157,427	554,089	524,148
Plant and equipment written off	-	10,755	209	11,219
Impairment of goodwill	2,800,000	-	2,800,000	-
Impairment of investment in available-for-sale financial assets	-	148,411	-	148,411
Interest income	(29,235)	(17,695)	(78,014)	(57,373)
Interest expense	-	59,708	-	238,834
Operating profit before working capital changes	3,059,975	2,369,712	14,207,599	10,553,257
Changes in inventories	(162,504)	684,337	(54,878)	550,752
Changes in trade and other receivables	(21,128)	(259,251)	(455,925)	(488,585)
Changes in trade and other payables	719,776	(3,706,653)	884,598	(7,222,409)
Cash generated from operations	3,596,119	(911,855)	14,581,394	3,393,015
Income tax (paid)/credit received	-	41,171	(1,180,047)	(1,240,170)
Net cash generated from/(used in) operating activities	3,596,119	(870,684)	13,401,347	2,152,845
Cash Flows from Investing Activities				
Purchase of plant and equipment	(156,759)	(180,540)	(293,918)	(572,035)
Interest received	10,461	260	70,325	120,563
Net cash used in investing activities	(146,298)	(180,280)	(223,593)	(451,472)

	Group			
	Fourth Quarter		Year-To-Date	
	Q4 2018	Q4 2017	31/12/2018	31/12/2017
	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$	(Audited) S\$
Cash Flows from Financing Activities				
Dividends paid to shareholders	-	-	(8,057,971)	(6,651,402)
Net cash used in financing activities	-	-	(8,057,971)	(6,651,402)
Net increase/(decrease) in cash and cash equivalents	3,449,821	(1,050,964)	5,119,783	(4,950,029)
Cash and cash equivalents at beginning of period	18,096,257	17,477,259	16,426,295	21,376,324
Cash and cash equivalents at end of period	21,546,078	16,426,295	21,546,078	16,426,295

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.

Group (Audited)	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	-	-	-	6,488,708	6,488,708
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	6,488,708	6,488,708
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Dividends paid to shareholders	-	-	-	(6,651,402)	(6,651,402)
At 30 September 2017	29,645,500	1,771,070	(1,695,311)	11,760,034	41,481,293
At 1 October 2017	29,645,500	1,771,070	(1,695,311)	11,760,034	41,481,293
Total comprehensive income for the period					
Profit for the period	-	-	-	2,018,352	2,018,352
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	2,018,352	2,018,352
At 31 December 2017	29,645,500	1,771,070	(1,695,311)	13,778,386	43,499,645

<u>Group</u> <u>(Unaudited)</u>	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2018	29,645,500	1,771,070	(1,695,311)	13,778,386	43,499,645
Total comprehensive income for the period					
Profit for the period	-	-	-	9,124,667	9,124,667
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	9,124,667	9,124,667
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Dividends paid to shareholders	-	-	-	(8,057,971)	(8,057,971)
At 30 September 2018	29,645,500	1,771,070	(1,695,311)	14,845,082	44,566,341
At 1 October 2018	29,645,500	1,771,070	(1,695,311)	14,845,082	44,566,341
Total comprehensive income for the period					
Profit for the period	-	-	-	23,168	23,168
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	23,168	23,168
At 31 December 2018	29,645,500	1,771,070	(1,695,311)	14,868,250	44,589,509
<u>Company</u> <u>(Audited)</u>	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2017	29,645,500	1,771,070	-	7,568,998	38,985,568
Total comprehensive income for the period					
Profit for the period	-	-	-	8,368,180	8,368,180
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	8,368,180	8,368,180
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Dividends paid to shareholders	-	-	-	(6,651,402)	(6,651,402)
At 30 September 2017	29,645,500	1,771,070	-	9,285,776	40,702,346
At 1 October 2017	29,645,500	1,771,070	-	9,285,776	40,702,346
Total comprehensive income for the period					
Profit for the period	-	-	-	2,634,109	2,634,109
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	2,634,109	2,634,109
At 31 December 2017	29,645,500	1,771,070	-	11,919,885	43,336,455

<u>Company</u> <u>(Unaudited)</u>	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2018	29,645,500	1,771,070	-	11,919,885	43,336,455
Total comprehensive income for the period					
Profit for the period	-	-	-	9,881,941	9,881,941
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	9,881,941	9,881,941
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Dividends paid to shareholders	-	-	-	(8,057,971)	(8,057,971)
At 30 September 2018	29,645,500	1,771,070	-	13,743,855	45,160,425
At 1 October 2018	29,645,500	1,771,070	-	13,743,855	45,160,425
Total comprehensive income for the period					
Loss for the period	-	-	-	(147,031)	(147,031)
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	(147,031)	(147,031)
At 31 December 2018	29,645,500	1,771,070	-	13,596,824	45,013,394

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

As at 31 December 2018, there are no changes in the Company's share capital since the end of the previous period reported on i.e. 30 September 2018.

The Company did not have any treasury shares, subsidiary holdings, outstanding options and convertibles as at 31 December 2018 and 31 December 2017.

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

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

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

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

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

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

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

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

The figures have not been audited or reviewed by auditors.

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

Not applicable.

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

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

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

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

There are no changes to the Group’s current accounting policies or material adjustments on transition to the new framework. The adoption of the new SFRS(I) and its related interpretations is assessed to have no significant impact to the Group’s consolidated financial statements on the date of transition and for the current financial period reported on.

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

	<u>Group</u>			
	<u>Fourth Quarter</u>		<u>Year-To-Date</u>	
	Q4 2018	Q4 2017	31/12/2018	31/12/2017
	(Unaudited) S\$	(Unaudited) S\$	(Unaudited) S\$	(Audited) S\$
Profit attributable to equity holders of the Company (S\$)	23,168	2,018,352	9,147,835	8,507,060
Weighted average number of ordinary shares	476,803,002	476,803,002	476,803,002	476,803,002
Basic and diluted earnings per share based on the weighted average number of ordinary shares (cents)	0.00	0.42	1.92	1.78

Note:

Basic and diluted earnings per share for the quarters and financial years ended 31 December 2018 and 2017 are computed using the net profit after tax divided by the weighted average number of ordinary shares issued and outstanding at the end of each quarter and financial year.

The Company did not have any stock options or dilutive potential ordinary shares during the quarters and financial years ended 31 December 2018 and 2017.

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

	<u>Group</u>		<u>Company</u>	
	31/12/2018 (Unaudited)	31/12/2017 (Audited)	31/12/2018 (Unaudited)	31/12/2017 (Audited)
Net assets value (S\$)	44,589,509	43,499,645	45,013,394	43,336,455
Net assets value per ordinary share based on the total number of issued shares as at end of the period/year reported on (cents)	9.35	9.12	9.44	9.09

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

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

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

Review of the Group's Performance

Q4 2018 vs. Q4 2017

	Q4 2018 (S\$)	Q4 2017 (S\$)	Increase/ (Decrease) (S\$)	%
Revenue	8,786,178	7,945,522	840,656	10.6%
Other operating income	48,972	14,799	34,173	>100.0%
Consumables and medical supplies used	(1,078,055)	(1,415,110)	(337,055)	(23.8%)
Employee remuneration expense	(3,749,647)	(3,350,352)	399,295	11.9%
Depreciation of plant and equipment	(139,140)	(157,427)	(18,287)	(11.6%)
Other operating expense	(947,473)	(984,313)	(36,840)	(3.7%)
Profit from operations	2,920,835	2,053,119	867,716	42.3%
Impairment of goodwill	(2,800,000)	-	2,800,000	N/M
Finance income	29,235	17,695	11,540	65.2%

	Q4 2018 (S\$)	Q4 2017 (S\$)	Increase/ (Decrease) (S\$)	%
Finance expense	-	(59,708)	(59,708)	N/M
Net finance income/(expense)	29,235	(42,013)	71,248	N/M
Profit before income tax	150,070	2,011,106	(1,861,036)	(92.5%)
Income tax (expense)/credit	(126,902)	7,246	134,148	N/M
Profit for the period	23,168	2,018,352	(1,995,184)	(98.9%)

FY 2018 vs. FY 2017

	FY 2018 (S\$)	FY 2017 (S\$)	Increase/ (Decrease) (S\$)	%
Revenue	34,681,080	29,901,563	4,779,517	16.0%
Other operating income	1,424,617	215,007	1,209,610	>100.0%
Consumables and medical supplies used	(4,872,795)	(4,562,370)	310,425	6.8%
Employee remuneration expense	(13,543,088)	(11,997,595)	1,545,493	12.9%
Depreciation of plant and equipment	(554,089)	(524,148)	29,941	5.7%
Other operating expense	(3,482,424)	(3,162,978)	319,446	10.1%
Profit from operations	13,653,301	9,869,479	3,783,822	38.3%
Impairment of goodwill	(2,800,000)	-	2,800,000	N/M
Finance income	78,014	57,373	20,641	36.0%
Finance expense	-	(238,834)	(238,834)	N/M
Net finance income/(expense)	78,014	(181,461)	259,475	N/M
Profit before income tax	10,931,315	9,688,018	1,243,297	12.8%
Income tax expense	(1,783,480)	(1,180,958)	602,522	51.0%
Profit for the period	9,147,835	8,507,060	640,775	7.5%

N/M: Not meaningful.

Revenue

Q4 2018 vs. Q4 2017

Revenue increased by S\$0.9 million or 10.6% from S\$7.9 million for the three months period ended 31 December 2017 (“**Q4 2017**”) to S\$8.8 million for the three months period ended 31 December 2018 (“**Q4 2018**”). The increase is attributed to:

- The increase of S\$0.5 million and S\$0.3 million revenue from our Obstetrics & Gynaecology (“**O&G**”) and Cancer-related segments in Q4 2018 respectively;
- The increase in revenue contribution of S\$0.2 million from our Paediatrics segment due to contributions from the new SOG Children (Paediatrics-Gastroenterology Liver) Clinic which started operations in November 2018; offset by
- The slight decrease of S\$0.1 million from our Dermatology segment in Q4 2018.

FY 2018 vs. FY 2017

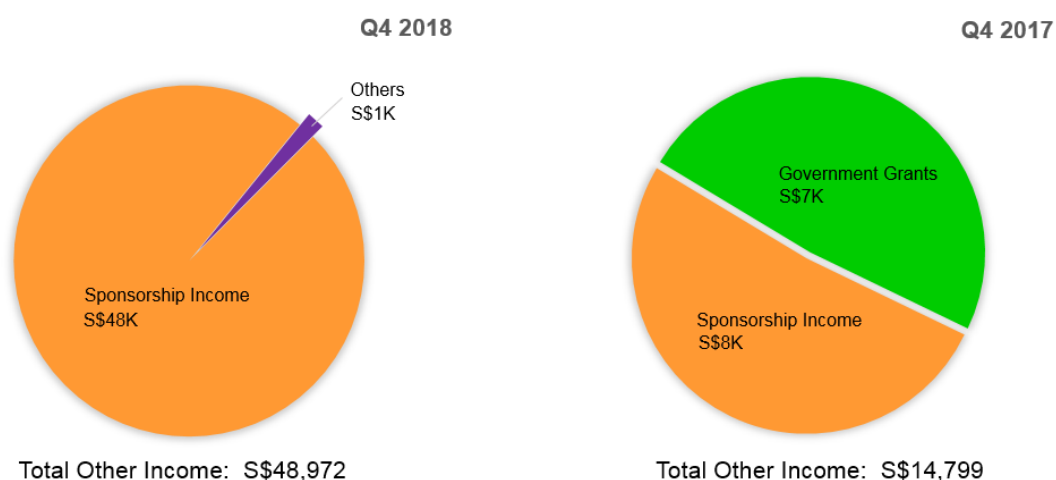
Revenue increased by S\$4.8 million or 16.0% from S\$29.9 million for the full year ended 31 December 2017 (“**FY 2017**”) to S\$34.7 million for the full year ended 31 December 2018 (“**FY 2018**”). The increase is attributed to:

- The increase of S\$2.7 million and S\$1.5 million revenue from our O&G and Cancer-related segment for FY 2018 respectively; and
- The increase in revenue contribution of S\$0.8 million from our new Paediatrics segment, SOG Children (Paediatrics-East) Clinic, SOG Children (Paediatrics-Central) Clinic and SOG Children (Paediatrics-Gastroenterology Liver) Clinic (collectively, “**PAED Clinics**”) which started operations in July 2017, November 2017 and November 2018 respectively; offset by
- The decrease in revenue of S\$0.2 million from our Dermatology segment for FY 2018.

Other Operating Income

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

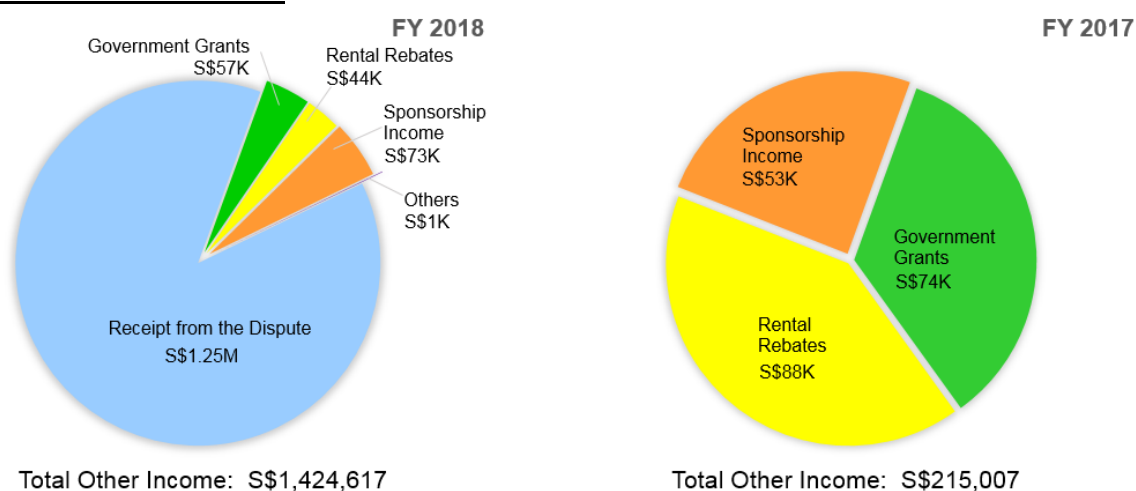
Q4 2018 vs. Q4 2017



Other operating income increased by S\$34,000 for Q4 2018 as compared to Q4 2017. The increase is attributed mainly to:

- The increase in sponsorship income of S\$40,000; offset by
- The absence of S\$7,000 government grants received in Q4 2017 following the conclusion of the Temporary Employment Credit scheme in 2017.

FY 2018 vs. FY 2017



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

Consumables and Medical Supplies Used

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

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

Q4 2018 vs. Q4 2017

Consumables and medical supplies used decreased by S\$0.3 million or 23.8% from S\$1.4 million for Q4 2017 to S\$1.1 million for Q4 2018. The decrease is attributed mainly to lower medication sales and consumables used in procedures by our Dermatology segment.

Consumables and medical supplies used as a percentage of the Group's revenue decreased by 5.5% from 17.8% for Q4 2017 to 12.3% for Q4 2018 due mainly to lower consumables and medical supplies used by our Dermatology segment and high revenue contributions from our O&G, Cancer-related and Paediatrics segments which use lesser consumables and medical supplies.

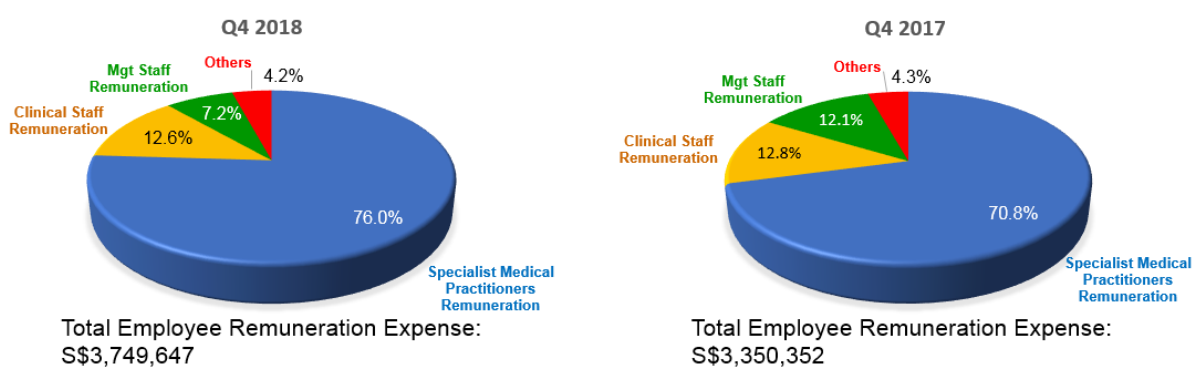
FY 2018 vs. FY 2017

Consumables and medical supplies used increased by S\$0.3 million or 6.8% from S\$4.6 million for FY 2017 to S\$4.9 million for FY 2018. The increase is attributed mainly to increase in consumables and medical supplies used by our O&G, Cancer-related and Paediatrics segment arising from an increase in patient loads in FY 2018.

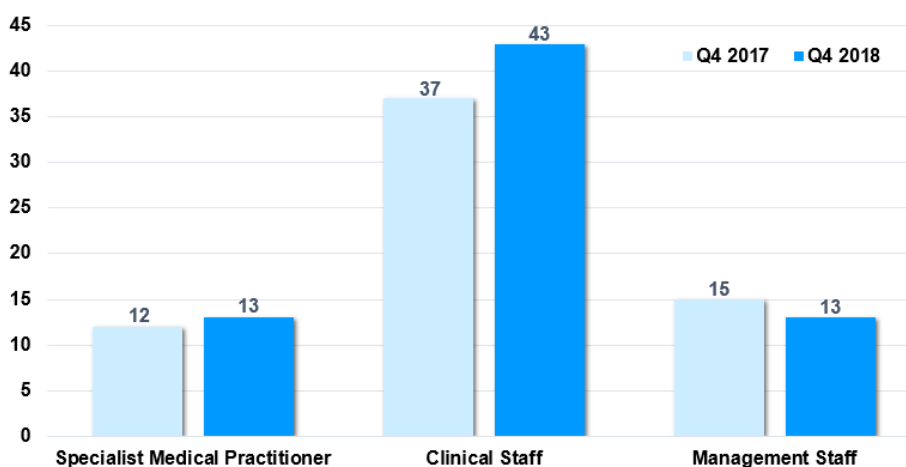
Consumables and medical supplies used as a percentage of the Group's revenue decreased by 1.2% from 15.3% for FY 2017 to 14.1% for FY 2018 due mainly to higher revenue contributions from our O&G, Cancer-related and Paediatrics segments which use lesser consumables and medical supplies.

Employee Remuneration Expense

Q4 2018 vs. Q4 2017



Average Headcount Q4 2018 vs. Q4 2017

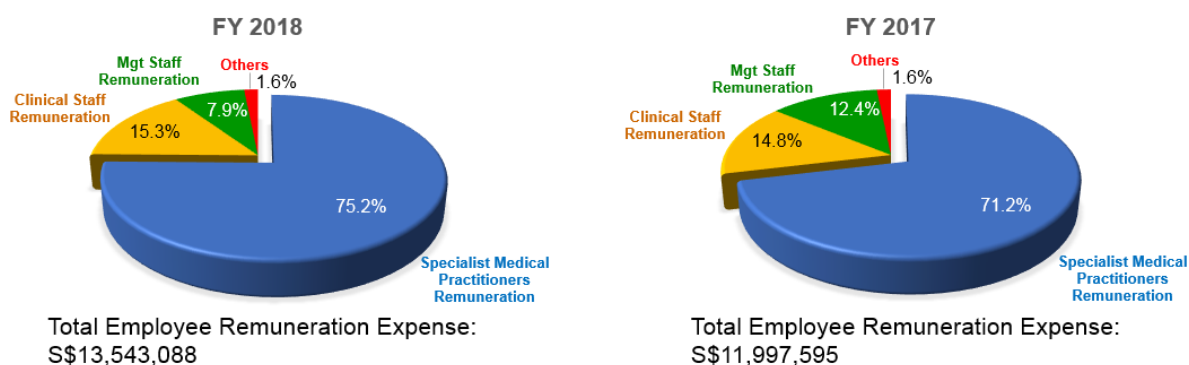


Employee remuneration expense increased by S\$0.4 million or 11.9% from S\$3.3 million for Q4 2017 to S\$3.7 million for Q4 2018. The increase is due mainly to:

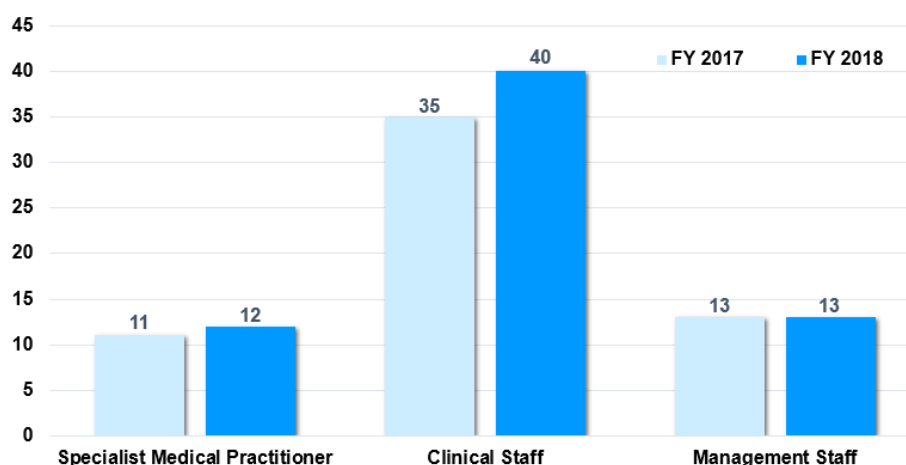
- An increase of S\$0.3 million for incentive bonus for a few specialist medical practitioners; and
- An increase in employee remuneration expense of S\$0.1 million from SOG Children (Paediatrics-Gastroenterology Liver) Clinic (“**PAED-Gastro Clinic**”) which started operations in November 2018.

Employee remuneration expense as a percentage of the Group’s revenue increased by 0.5% from 42.2% in Q4 2017 to 42.7% in Q4 2018 as our new PAED-Gastro Clinic is building up its patient load.

FY 2018 vs. FY 2017



Average Headcount FY 2018 vs. FY 2017



Employee remuneration expense increased by S\$1.5 million or 12.9% from S\$12.0 million for FY 2017 to S\$13.5 million for FY 2018. The increase is due to:

- An increase of S\$1.0 million for FY 2018 incentive bonus for a few specialist medical practitioners; and
- Increase in employee remuneration expense of S\$0.7 million from our new Paediatrics segment which started in July 2017; offset by
- A decrease of S\$0.2 million for FY 2018 bonuses for management staff at our corporate office.

Employee remuneration expense as a percentage of the Group's revenue decreased by 1.0% from 40.1% for FY 2017 to 39.1% for FY 2018 as the rate of increase in revenue contribution from our O&G and Cancer-related segments is higher than the rate of increase in employee remuneration expense.

Depreciation of Plant and Equipment

Q4 2018 vs. Q4 2017

Depreciation of plant and equipment decreased by S\$18,000 or 11.6% from S\$157,000 for Q4 2017 to S\$139,000 for Q4 2018. The decrease is attributed mainly to some of the plant and equipment which have been fully depreciated in FY 2018.

FY 2018 vs. FY 2017

Depreciation of plant and equipment increased by S\$30,000 or 5.7% from S\$524,000 for FY 2017 to S\$554,000 for FY 2018. The increase is attributed mainly to the depreciation charge arising from:

- New ultrasound machines acquired for SOG-Cindy Pang Clinic for Women & GynaeOncology in September 2017 and SOG-Radhika Breast & General Surgicare Clinic in March 2018; and
- The renovation of our new PAED-Central Clinic and PAED-Gastro Clinic in November 2017 and November 2018 respectively.

Depreciation as a percentage of the Group's revenue decreased slightly by 0.2% from 1.8% for FY 2017 to 1.6% for FY 2018 as the rate of increase in revenue contribution from our O&G and Cancer-related segment is higher than the rate of increase in depreciation.

Other Operating Expense

Q4 2018 vs. Q4 2017

Other operating expense decreased by S\$37,000 or 3.7% from S\$984,000 for Q4 2017 to S\$947,000 for Q4 2018. The decrease is attributed mainly to:

- Impairment charge of S\$148,000 on investment in unquoted equity in Q4 2017 as compared to none in Q4 2018; offset by
- An increase in advertising expenses, donations, medical professional indemnity insurance premiums for our specialist medical practitioners, office supplies and sponsorship expenses amounting to S\$111,000.

Other operating expense as a percentage of the Group's revenue decreased by 1.6% from 12.4% for Q4 2017 to 10.8% for Q4 2018 as revenue contribution from our O&G and Cancer-related segments continues to increase, coupled with the absence of impairment charge on investment.

FY 2018 vs. FY 2017

Other operating expense increased by S\$0.3 million or 10.1% from S\$3.2 million for FY 2017 to S\$3.5 million for FY 2018. The increase is attributed mainly to:

- An increase in advertising expenses, medical professional indemnity insurance premiums for our specialist medical practitioners and rental expenses amounting to S\$0.3 million; and
- A non-recurring professional and legal fees of S\$0.1 million incurred for the Dispute; offset by
- Impairment charge of S\$0.1 million on investment in unquoted equity in FY 2017 as compared to none in FY 2018.

Other operating expense as a percentage of the Group's revenue decreased by 0.6% from 10.6% for FY 2017 to 10.0% for FY 2018 as the rate of increase in revenue contribution from our O&G and Cancer-related segments is higher than the rate of increase in other operating expense.

Impairment of goodwill

Impairment of goodwill of S\$2.8 million relates to the excess of the carrying amount of the cash generating unit ("**CGU**") over the recoverable amount of the CGU as at 31 December 2018 of our Dermatology segment.

Finance Income

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

Q4 2018 vs. Q4 2017

Finance income increased by S\$11,000 or 65.2% from S\$18,000 in Q4 2017 to S\$29,000 in Q4 2018. The increase is due to more cash being placed in fixed deposit and higher fixed deposit interest rates.

FY 2018 vs. FY 2017

Finance income increased by S\$21,000 or 36.0% from S\$57,000 for FY 2017 to S\$78,000 for FY 2018. The increase is due to more cash being placed in fixed deposit and higher fixed deposit interest rates.

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 in her business and medical practices on 1 January 2016 (“**JL Acquisition**”).

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

Profit Before Income Tax

Q4 2018 vs. Q4 2017

As a result of the above, profit before income tax decreased by S\$1.8 million or 92.5% from S\$2.0 million in Q4 2017 to S\$0.2 million in Q4 2018. Excluding the impairment of goodwill of S\$2.8 million, the Group’s profit before income tax would have been S\$3.0 million, an increase of S\$1.0 million or 46.7%.

FY 2018 vs. FY 2017

As a result of the above, profit before income tax increased by S\$1.2 million or 12.8% from S\$9.7 million in FY 2017 to S\$10.9 million in FY 2018. Excluding the impairment of goodwill of S\$2.8 million and the non-recurring income of S\$1.1 million arising from the Dispute, net of professional and legal fees, profit before income tax would have been S\$12.6 million, an increase of S\$2.9 million or 29.4%.

Income Tax Expense

Q4 2018 vs. Q4 2017

Income tax expense increased by S\$0.1 million due mainly to higher profits from operations, excluding the impact of impairment of goodwill in Q4 2018.

FY 2018 vs. FY 2017

Income tax expense increased by S\$0.6 million or 51.0% due mainly to higher profits from operations, excluding the impact of impairment of goodwill in FY 2018.

Review of the Group's Financial Position

Non-Current Assets

As at 31 December 2018, non-current assets amounted to S\$25.5 million or 49.4% of the Group's total assets. Non-current assets consist of the following main items:

- Goodwill of S\$24.1 million or 94.5% of the Group's total non-current assets, which comprises:
 1. S\$446,000 and S\$396,000 for the acquisition of Beh's Clinic for Women Pte. Ltd. and Choo Wan Ling Women's Clinic Pte. Ltd. in 2014 respectively; and
 2. S\$23.3 million for the JL Acquisition.

The decrease of S\$2.8 million or 10.4% from S\$26.9 million as at 31 December 2017 to S\$24.1 million as at 31 December 2018 is due to the impairment of goodwill for the JL Acquisition for FY 2018.

- Plant and equipment of S\$1.4 million or 5.5% of the Group's total non-current assets. Plant and equipment decreased by S\$0.2 million or 13.8% from S\$1.6 million as at 31 December 2017 to S\$1.4 million as at 31 December 2018. The decrease is attributed to the depreciation charge of S\$0.5 million offset by the plant and equipment additions of S\$0.3 million for FY 2018.

Current Assets

As at 31 December 2018, current assets amounted to S\$26.2 million or 50.6% of the Group's total assets. Current assets consist of the following:

- Inventories of S\$1.7 million or 6.3% of the Group's total current assets. The increase of S\$0.1 million or 3.4% from S\$1.6 million as at 31 December 2017 to S\$1.7 million as at 31 December 2018 is due mainly to higher inventories balance held by our Dermatology and Paediatrics segments as at 31 December 2018.
- Trade and other receivables of S\$3.0 million or 11.4% of the Group's total current assets. The increase of S\$0.5 million or 18.4% from S\$2.5 million as at 31 December 2017 to S\$3.0 million as at 31 December 2018 is due mainly to the increase in our specialist medical practitioners' professional fees due from hospitals and insurance companies. The outstanding professional fees are fairly current with no significant collection issues.

- Cash and cash equivalents of S\$21.5 million or 82.3% of the Group's total current assets. The increase of S\$5.1 million or 31.1% from S\$16.4 million as at 31 December 2017 to S\$21.5 million as at 31 December 2018 is due mainly to:
 1. S\$13.4 million net cash inflows from operating activities for FY 2018; offset by
 2. S\$4.2 million and S\$3.8 million for FY 2017 final dividend and FY 2018 interim dividend paid to shareholders respectively; and
 3. Purchase of plant and equipment of \$0.3 million in FY 2018.

Non-Current Liabilities

Non-current liabilities remained fairly consistent at S\$0.1 million or 2.0% of the Group's total liabilities as at 31 December 2017 and 31 December 2018. Non-current liabilities consist of only deferred tax liabilities.

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

Current Liabilities

As at 31 December 2018, current liabilities amounted to S\$7.0 million or 98.0% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S\$4.7 million or 67.7% of the Group's total current liabilities. The increase of S\$0.9 million or 24.3% from S\$3.8 million as at 31 December 2017 to S\$4.7 million as at 31 December 2018 is due mainly to increase in accrual for FY 2018 incentive bonus for our specialist medical practitioners.
- Deferred revenue remained fairly consistent with that of as at 31 December 2017's, at S\$0.4 million or 6.3% of the Group's total current liabilities. It relates to antenatal, aesthetics and vaccination package fees collected upfront from patients for consultations and/or procedures that have yet to be performed.
- Current tax liabilities of S\$1.8 million, or 26.0% of the Group's total current liabilities, comprising income tax payables for FY 2018.

Shareholders' Equity

As at 31 December 2018, shareholder's equity of S\$44.6 million comprises the following:

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

The increase in reserves of S\$1.0 million from S\$13.9 million as at 31 December 2017 to S\$14.9 million as at 31 December 2018 is due to profit for the year of S\$9.1 million offset by dividend of S\$8.1 million paid to shareholders in FY 2018.

Review of the Group's Cash Flows

Net Cash Generated from/(used in) Operating Activities

For Q4 2018, there was a net cash inflow of S\$3.6 million from operating activities. This comprises operating cash inflows before changes in working capital of S\$3.0 million and net working capital inflows of S\$0.6 million. The net working capital inflow of S\$0.6 million is due mainly to:

- Increase in accrual of S\$0.8 million for Q4 2018 incentive bonus for our specialist medical practitioners; offset by
- Increase in inventories of \$0.2 million due to higher inventories held by our Dermatology and Paediatrics segment as at 31 December 2018.

For FY 2018, the Group generated a net cash inflow from operating activities of S\$13.4 million, which is an increase of S\$11.2 million or more than 100.0%, as compared to S\$2.2 million in FY2017. The increase is due mainly to:

- Absence of payment of S\$4.0 million each for the second and third cash consideration for the JL Acquisition in FY 2017; and

- Higher profit before taxation of S\$4.0 million, excluding the non-cash goodwill impairment of S\$2.8 million in FY 2018 as compared to FY 2017.

Net Cash Used in Investing Activities

For Q4 2018, the net cash used in investing activities amounted to S\$146,000 which was attributed to:

- Purchase of plant and equipment of S\$157,000; offset by
- Interest received of S\$11,000 from our fixed deposit placement.

For FY 2018, the net cash used in investing activities amounted to S\$224,000 which was attributed to:

- Purchase of plant and equipment of S\$294,000; offset by
- Interest received of S\$70,000 from our fixed deposit placement.

Net Cash Used in Financing Activities

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

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

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

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

As at the date of this Announcement, the Board of Directors are not aware of any significant change in trends and competitive conditions that will significantly affect the Group's operations and businesses. The Singapore Government has not changed its policy on or actions in encouraging population growth nor has there been any macro health risks.

In 2018, we continue to grow both our Paediatrics and Dermatology segments with the addition of a Paediatrician and a Dermatologist in November and December 2018 respectively. This would position the Group well to grow strategically.

Barring any unforeseen circumstances, the Board of Directors expects the Group to remain profitable in the next reporting period and 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 2018, the Board of Directors has recommended a final one-tier exempt dividend of 0.90 Singapore cents per share in respect of FY 2018 ("**Final Dividend**"). Together with the interim dividend payment of 0.80 Singapore cents per share made on 3 September 2018, the total dividend payment for FY 2018 represents 88.6% of the net profit after tax of the year.

(B)(i) Amount per share

Interim dividend (per share)	0.80 Singapore cents
Final dividend (per share)	0.90 Singapore cents
Total dividend for FY 2018 (per share)	1.70 Singapore cents

(B)(ii) Previous corresponding period

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

(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 26 April 2019, will be paid on 24 May 2019.

(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 26 April 2019, the Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 9 May 2019 for the purpose of determining entitlements of ordinary shareholders to the tax exempt (one-tier) Final Dividend of 0.90 Singapore cents per ordinary share for FY 2018.

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 9 May 2019 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 9 May 2019 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 26 April 2019, will be made on 24 May 2019.

12 If no dividend has been declared (recommended), a statement to that effect, and the reason(s) for the decision.

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 ¹	3,000	(582)	2,418
Investments in healthcare professionals and synergistic businesses ²	6,000	(6,000)	-
Working capital purposes	200	-	200
Total	9,200	(6,582)	2,618

Note:

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

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

² 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.

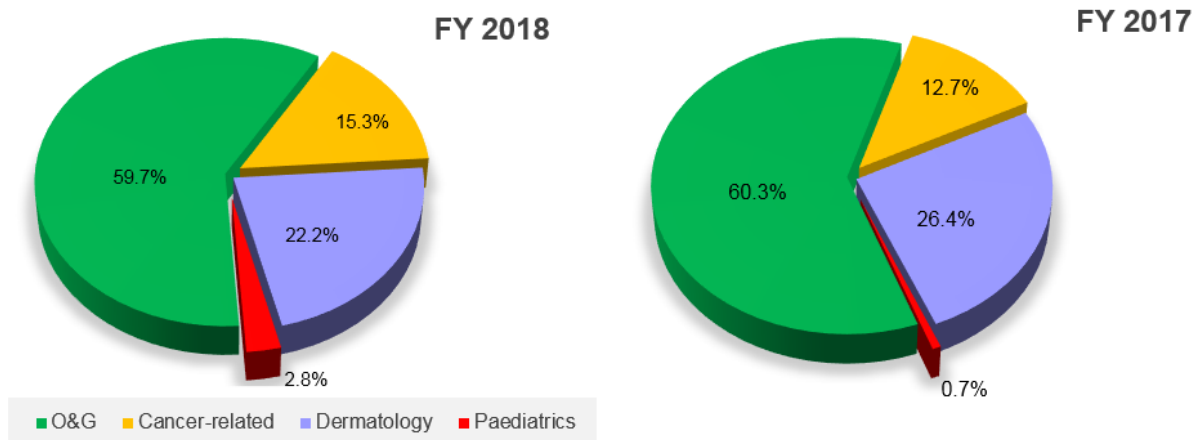
PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

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.

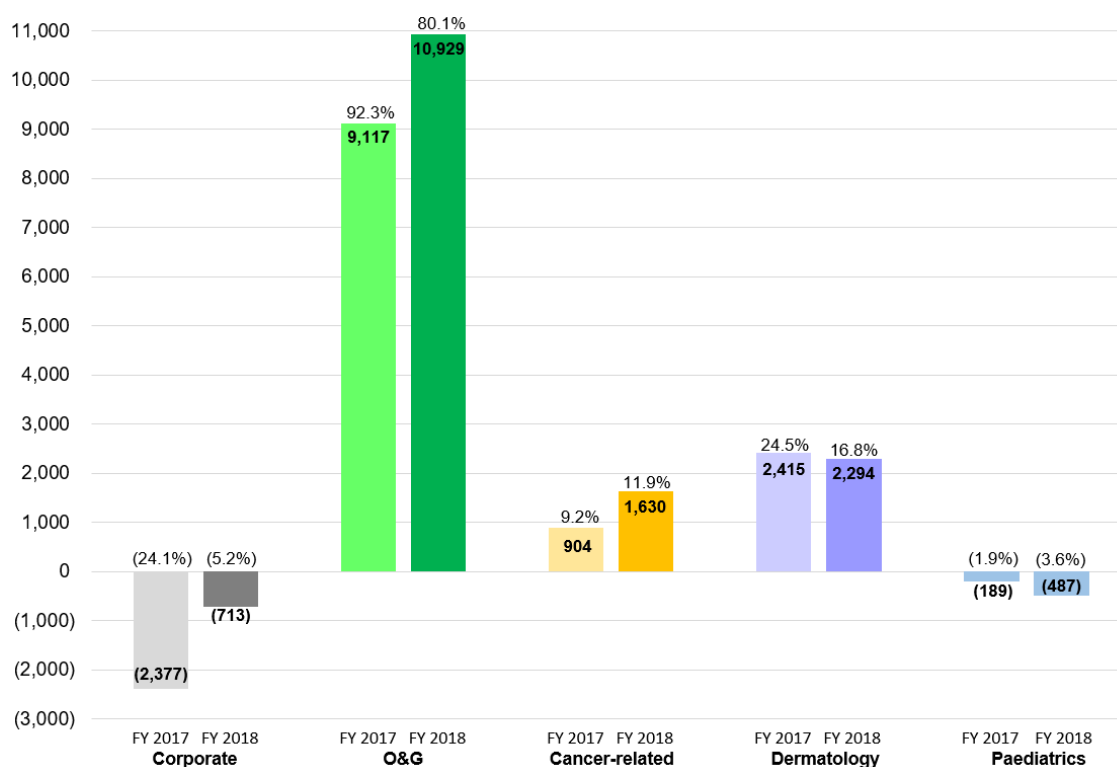
In FY 2018, the Group continues to grow its Paediatrics and Dermatology segments. We are delighted to have successfully recruited another Paediatrician, Dr. Christina Ong, in November 2018 and Dermatologist, Dr. Liew Hui Min, in December 2018.

As at 31 December 2018, the Group has four operating segments namely: O&G, Cancer-related, Dermatology and Paediatrics.

Revenue by Segment



Profit from Operations by Segment



Singapore O&G Ltd.

	O&G	Dermatology	Cancer-Related	Paediatrics	Corporate	Adjustment & Elimination	Total
<u>2018</u>	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Revenue							
External	20,696,388	7,716,341	5,310,755	957,596	-	-	34,681,080
Inter-segment	91,272	-	507	9,376	-	101,155	-
Total revenue	<u>20,787,660</u>	<u>7,716,341</u>	<u>5,311,262</u>	<u>966,972</u>	<u>-</u>	<u>101,155</u>	<u>34,681,080</u>
Segment Results							
Segment profit/(loss) from operations	10,928,590	2,293,778	1,630,490	(486,564)	(712,993)	-	13,653,301
Impairment of goodwill							(2,800,000)
Finance income							78,014
Finance expense							-
Profit before income tax							<u>10,931,315</u>
Income tax expense							<u>(1,783,480)</u>
Profit for the year							<u><u>9,147,835</u></u>
<u>2017</u>	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Revenue							
External	18,027,300	7,887,185	3,787,108	199,970	-	-	29,901,563
Inter-segment	87,496	-	-	115	-	(87,611)	-
Total revenue	<u>18,114,796</u>	<u>7,887,185</u>	<u>3,787,108</u>	<u>200,085</u>	<u>-</u>	<u>(87,611)</u>	<u>29,901,563</u>
Segment Results							
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							<u>9,688,018</u>
Income tax expense							<u>(1,180,958)</u>
Profit for the year							<u><u>8,507,060</u></u>

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:

	<u>Group</u> 2018 S\$	2017 S\$	Increase/ (Decrease) %
Revenue reported for the first half year	16,832,731	14,247,800	2,584,931
Operating profit after tax reported for the first half year	6,228,603	4,142,038	2,086,565
Revenue reported for the second half year	17,848,349	15,653,763	2,194,586
Operating profit after tax reported for the second half year	2,919,232	4,365,022	(1,445,790)

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 2018.

		2018 S\$	2017 S\$
Final dividend paid in respect of the previous financial year	One-tier tax exempt	4,243,547	3,742,904
Interim dividend paid in respect of the current financial year	One-tier tax exempt	3,814,424	2,908,498
		<u>8,057,971</u>	<u>6,651,402</u>

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

		31 December 2018 (Unaudited) S\$	31 December 2017 (Audited) S\$
Final dividend	One-tier tax exempt	<u>4,291,227</u>	<u>4,243,547</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	64	Sister of Dr. Heng Tung Lan (our Executive Director and substantial shareholder)	<ul style="list-style-type: none"> Chief Administrative Officer 2014 	No change

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

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

BY ORDER OF THE BOARD

DR. BEH SUAN TIONG
EXECUTIVE CHAIRMAN
15 FEBRUARY 2019

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

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

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