



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

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2016**

PART I – INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

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>		
	2016 [^] (Unaudited) S\$	2015 (Audited) S\$	Increase/ (Decrease) %
Revenue	28,674,632	16,412,739	74.7%
Other operating income	266,009	182,016	46.1%
Consumables and medical supplies used	(4,365,796)	(1,857,776)	135.0%
Employee benefits expense	(11,003,716)	(6,283,428)	75.1%
Depreciation of plant and equipment	(380,160)	(240,006)	58.4%
Other operating expense	(2,794,993)	(2,158,519)	29.5%
Profit from operations	10,395,976	6,055,026	71.7%
Finance income	135,880	126,573	7.4%
Finance expense [#]	(449,399)	-	>100%
Net finance income/(expense)	(313,519)	126,573	>100%
Profit before income tax	10,082,457	6,181,599	63.1%
Income tax expense	(1,278,779)	(840,274)	52.2%
Profit for the year	8,803,678	5,341,325	64.8%
Other comprehensive income, at nil tax	-	-	-
Total comprehensive income for the year	8,803,678	5,341,325	64.8%

Note:

- Financial year ended 31 December 2015 ("FY2015" or "2015").
- Financial year ended 31 December 2016 ("FY2016" or "2016").

Notes to the Income Statement and Statement of Comprehensive Income:

On 31 December 2015, the Group completed the acquisition of the entire rights, title and interest of Dr. Joyce Lim Teng Ee ("Dr. Joyce Lim") and JL Laser & Surgery Centre Pte. Ltd. ("JLLSC"), JL Esthetic Research Centre Pte. Ltd. ("JLERC") and JL Dermatology Pte. Ltd. ("JLD", and together with JLLSC and JLERC, collectively known as the "Targets"), in the Target's business and medical practices on 1 January 2016 (the "Acquisition of JL"). Accordingly, the financial performance of the Acquisition of JL was consolidated in the Group's financial statements with effect from 1 January 2016.

The purchase consideration for the Acquisition of JL are as follows:

1. S\$15.2 million in shares (i.e. 20,401,501 new shares at S\$0.7459 weighted average price of SOG share on 31 December 2015),
2. S\$14.0 million in cash payable in three tranches:
 - a) First tranche of S\$6.0 million paid on 1 January 2016,
 - b) Second tranche of S\$4.0 million (fair value of S\$3.5 million as at acquisition date) paid in January 2017, and
 - c) Third tranche of S\$4.0 million (fair value of S\$3.5 million as at acquisition date) to be paid on 1 January 2018.

As at 31 December 2016, the Group has been finalised and completed the price purchase allocation exercise for the Acquisition of JL. Part of the goodwill (please refer to Page 3 for the other parts) arose from S\$14.0 million in cash payable in three tranches: first tranche of S\$6.0 million paid on 1 January 2016; second tranche of S\$4.0 million (fair value of S\$3.5 million as at acquisition date) paid in January 2017; and the third tranche of S\$4.0 million (fair value of S\$3.5 million as at acquisition date) to be paid on 1 January 2018.

In accordance with FRS 103 *Business Combinations*, the second and third cash tranche needs to be fair valued and accounted for in this Announcement. The effect of the unwinding of discount implicit in fair value of the second and third cash tranche (being the difference between what we paid and the fair value), as at acquisition date (i.e. 31 December 2015) and the reporting date (i.e. 31 December 2016), must then be accounted for as finance expense and taken to the profit and loss account. As such, there is no cash flows implication and is merely an accounting entry.

It is expected that the finance expense for the unwinding of the discount implicit on the third cash consideration to be S\$239,000 for the year ending 31 December 2017.

^ The Group has paid and/or accrued S\$2.0 million for FY 2016 bonuses for Specialist Medical Practitioners, clinical and management staff in December 2016. The following illustrates the Group's profit for the periods if a portion of these bonuses were accrued in our Half Year Announcement for the financial period ended 30 June 2016:

	2016 (Unaudited) S\$	2H 2016 (Unaudited) S\$	Reported 1H 2016 (Unaudited) S\$	Adjusted 2H 2016 (Unaudited) S\$	Adjusted 1H 2016 (Unaudited) S\$
Revenue	28,674,632	14,732,374	13,942,258	14,732,374	13,942,258
Other operating income	266,009	142,413	123,596	142,413	123,596
Consumables and medical supplies used	(4,365,796)	(2,334,024)	(2,031,772)	(2,334,024)	(2,031,772)
Employee benefits expense	(11,003,716)	(6,697,807)	(4,305,909)	(5,784,837)	(5,218,879)
Depreciation of plant and equipment	(380,160)	(213,010)	(167,150)	(213,010)	(167,150)
Other operating expense	(2,794,993)	(1,430,492)	(1,364,501)	(1,430,492)	(1,364,501)
Profit from operations	10,395,976	4,199,454	6,196,522	5,112,424	5,283,552
Finance income	135,880	91,967	43,913	91,967	43,913
Finance expense	(449,399)	(449,399)	-	(224,700)	(224,699)
Net finance income/(expense)	(313,519)	(357,432)	43,913	(132,733)	(180,786)
Profit before income tax	10,082,457	3,842,022	6,240,435	4,979,691	5,102,766
Income tax expense	(1,278,779)	(210,279)	(1,068,500)	(603,086)	(675,693)
Profit for the year	8,803,678	3,631,743	5,171,935	4,376,605	4,427,073
Other comprehensive income, at nil tax	-	-	-	-	-
Total comprehensive income for the year	8,803,678	3,631,743	5,171,935	4,376,605	4,427,073

Note:

- Financial period ended 30 June 2016 ("1H 2016").
- Financial period ended 31 December 2016 ("2H 2016").

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

	Note	Group		Company	
		31/12/2016 (Unaudited) S\$	31/12/2015 (Audited) S\$	31/12/2016 (Unaudited) S\$	31/12/2015 (Audited) S\$
ASSETS					
Non-current assets					
Goodwill	A	26,929,999	842,295	-	-
Plant and equipment		1,554,794	678,680	91,709	141,719
Available-for-sale financial assets		148,411	148,411	148,411	148,411
Deferred tax assets		10,450	-	7,652	-
Investment in subsidiaries		-	-	34,328,536	6,030,906
		28,643,654	1,669,386	34,576,308	6,321,036
Current assets					
Inventories		2,152,469	278,452	-	23,632
Trade and other receivables	B	2,092,939	1,477,586	1,994,016	1,984,067
Cash and cash equivalents		21,376,324	24,209,144	10,548,940	16,423,903
		25,621,732	25,965,182	12,542,956	18,431,602
Total assets		54,265,386	27,634,568	47,119,264	24,752,638
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		29,645,500	14,428,020	29,645,500	14,428,020
Reserves		11,998,487	9,583,969	9,340,068	8,522,951
Total equity		41,643,987	24,011,989	38,985,568	22,950,971
Non-current liabilities					
Deferred tax liabilities		66,601	85,536	-	-
Trade and other payables	C	3,761,166	-	3,761,166	-
		3,827,767	85,536	3,761,166	-
Current liabilities					
Trade and other payables	C	7,052,275	1,648,992	4,372,530	1,751,120
Deferred revenue		380,343	379,693	-	50,547
Current tax liabilities		1,361,014	1,508,358	-	-
		8,793,632	3,537,043	4,372,530	1,801,667
Total liabilities		12,621,399	3,622,579	8,133,696	1,801,667
Total equity and liabilities		54,265,386	27,634,568	47,119,264	24,752,638

Notes to the Statement of Financial Position:

A. Goodwill comprises the following:

- (i) 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
- (ii) S\$26.1 million for the Acquisition of JL.

The purchase price allocation exercise for the Acquisition of JL has been finalised and accounted for in this Announcement. The goodwill of S\$26.1 million includes the excess in fair value of the purchase consideration: (1) S\$15.2 million in shares (i.e. 20,401,501 new shares at S\$0.7459 weighted average price of SOG share on 31 December 2015), (2) S\$14.0 million in cash payable in three tranches – first tranche of S\$6.0 million paid on 1 January 2016, second tranche of S\$4.0 million (fair value of S\$3.5 million as at acquisition date) paid in January 2017, and the third tranche of S\$4.0 million (fair value of S\$3.5 million as at acquisition date) to be paid on 1 January 2018, over the acquired net tangible assets of S\$2.2 million.

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

	Group		Company	
	31/12/2016 (Unaudited) S\$	31/12/2015 (Audited) S\$	31/12/2016 (Unaudited) S\$	31/12/2015 (Audited) S\$
Current				
Trade receivables	1,338,515	1,096,948	12,222	123,777
Amounts due from subsidiaries (non-trade)	-	-	1,732,832	1,609,116
Deposits	344,285	146,337	98,582	108,153
Other receivables	86,707	86,617	86,707	82,727
Loans and receivables	1,769,507	1,329,902	1,930,343	1,923,773
Prepayments	323,432	147,684	63,673	60,294
	2,092,939	1,477,586	1,994,016	1,984,067

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

	Group		Company	
	31/12/2016 (Unaudited) S\$	31/12/2015 (Audited) S\$	31/12/2016 (Unaudited) S\$	31/12/2015 (Audited) S\$
Non-current				
Contingent consideration*	3,761,166	-	3,761,166	-
Current				
Trade payables	839,749	290,650	282,273	220,818
Accrued operating expense	1,813,596	863,849	189,162	334,285
Amounts due to subsidiaries (non-trade)	-	-	119,021	1,147,917
Amounts due to director (non-trade)	244,000	244,000	-	-
Other payables	389,547	250,493	16,691	48,100
Contingent consideration*	3,765,383	-	3,765,383	-
	7,052,275	1,648,992	4,372,530	1,751,120

* The non-current contingent consideration relates to the fair value of the third tranche cash consideration payable for the Acquisition of JL due on 1 January 2018; whilst, the current contingent consideration relates to the fair value of the second tranche cash consideration payable for the Acquisition of JL due on 1 January 2017. The second tranche cash consideration was subsequently paid in January 2017.

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>	
	2016 (Unaudited) S\$	2015 (Audited) S\$
Cash Flows from Operating Activities		
Profit before taxation	10,082,457	6,181,599
Adjustments for:		
Depreciation of plant and equipment	380,160	240,006
Plant and equipment written-off	1,758	1,880
Impairment of investment in available-for-sale financial assets	-	101,589
Impairment of subsidiary due to voluntary liquidation	-	2
Interest expense	449,399	-
Interest income	(135,880)	(126,573)
Operating profit before working capital changes	10,777,894	6,398,503
Changes in inventories	69,204	(73,592)
Changes in trade and other receivables	(528,647)	286,623
Changes in trade and other payables	1,489,652	(1,012)
Cash generated from operations	11,808,103	6,610,522
Income tax paid	(1,455,507)	(217,831)
Net cash generated from operating activities	10,352,596	6,392,691

	<u>Group</u>	
	2016 (Unaudited) S\$	2015 (Audited) S\$
Cash Flows from Investing Activities		
Acquisition of subsidiaries, net of cash acquired ¹	(6,000,000)	-
Purchase of plant and equipment ^{1A}	(845,430)	(318,113)
Interest received	49,174	43,847
Net cash used in investing activities	(6,796,256)	(274,266)
Cash Flows from Financing Activities		
Net proceeds from share issuance at IPO	-	10,215,405
Dividends paid to shareholders	(6,389,160)	(3,400,800)
Net cash (used in)/generated from financing activities	(6,389,160)	6,814,605
Net (decrease)/increase in cash and cash equivalents	(2,832,820)	12,933,030
Cash and cash equivalents at beginning of year	24,209,144	11,276,114
Cash and cash equivalents at end of year	21,376,324	24,209,144

Note:

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

^{1A} During the financial year ended 31 December 2016, the Group acquired plant and equipment with an aggregate cost of S\$994,000 (2015: S\$319,000) of which S\$149,000 (2015: S\$1,000) was included in trade payables. Cash payment of S\$845,000 (2015: S\$318,000) was made to purchase plant and equipment.

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

<u>The Group</u> <u>(Unaudited)</u>	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2015	4,212,615	1,771,070	(1,695,311)	7,567,685	11,856,059
Total comprehensive income for the period					
Profit for the period	-	-	-	5,341,325	5,341,325
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	5,341,325	5,341,325
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Proceeds from share issuance at IPO	10,900,000	-	-	-	10,900,000
Share issuance cost	(684,595)	-	-	-	(684,595)
Dividends paid to shareholders	-	-	-	(3,400,800)	(3,400,800)
Total contributions by and distributions to owners	10,215,405	-	-	(3,400,800)	6,814,605
At 31 December 2015	14,428,020	1,771,070	(1,695,311)	9,508,210	24,011,989

<u>The Group</u> <u>(Unaudited)</u>	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2016	14,428,020	1,771,070	(1,695,311)	9,508,210	24,011,989
Total comprehensive income for the period					
Profit for the period	-	-	-	8,803,678	8,803,678
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	8,803,678	8,803,678
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Issue of ordinary shares related to business combination	15,217,480	-	-	-	15,217,480
Dividends paid to shareholders	-	-	-	(6,389,160)	(6,389,160)
Total contributions by and distributions to owners	15,217,480	-	-	(6,389,160)	8,828,320
At 31 December 2016	29,645,500	1,771,070	(1,695,311)	11,922,728	41,643,987

<u>The Company</u> <u>(Unaudited)</u>	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2015	4,212,615	1,771,070	-	4,724,128	10,707,813
Total comprehensive income for the period					
Profit for the period	-	-	-	5,428,553	5,428,553
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	5,428,553	5,428,553
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Proceeds from share issuance at IPO	10,900,000	-	-	-	10,900,000
Share issuance cost	(684,595)	-	-	-	(684,595)
Dividends paid to shareholders	-	-	-	(3,400,800)	(3,400,800)
Total contributions by and distributions to owners	10,215,405	-	-	(3,400,800)	6,814,605
At 31 December 2015	14,428,020	1,771,070	-	6,751,881	22,950,971

<u>The Company</u> <u>(Unaudited)</u>	Share Capital S\$	Capital Reserve S\$	Merger Reserve S\$	Retained Earnings S\$	Total S\$
At 1 January 2016	14,428,020	1,771,070	-	6,751,881	22,950,971
Total comprehensive income for the period					
Profit for the period	-	-	-	7,206,277	7,206,277
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	7,206,277	7,206,277
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Issue of ordinary shares related to business combination	15,217,480	-	-	-	15,217,480
Dividends paid to shareholders	-	-	-	(6,389,160)	(6,389,160)
Total contributions by and distributions to owners	15,217,480	-	-	(6,389,160)	8,828,320
At 31 December 2016	29,645,500	1,771,070	-	7,568,998	38,985,568

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

	Number of Ordinary Shares	Issued and Paid-up Share Capital S\$
At 1 January 2016	218,000,000	14,428,020
Issuance of new shares ²	20,401,501	15,217,480
At 31 December 2016	238,401,501	29,645,500

Note:

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

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

	Number of Ordinary Shares	
	31/12/2016	31/12/2015
Issued ordinary shares	238,401,501	218,000,000

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

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

Not applicable.

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

The figures have not been audited or reviewed by auditors.

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

Not applicable.

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

Except as disclosed in Section 5 below, the accounting policies and methods of computation used in the consolidated financial statements for FY 2016 are consistent with those applied in the financial statements for FY 2015.

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

The Group adopted a number of new or revised FRS and INT FRS that are effective for annual periods beginning on or after 1 January 2016. The adoption of these FRS and INT FRS has no significant impact on the Group's consolidated financial statements.

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

	<u>Group</u>	
	2016 (Unaudited)	2015 (Audited)
Profit attributable to equity holders of the Company (S\$)	8,803,678	5,341,325
Weighted average number of ordinary shares	235,851,313	199,833,333
Basic and diluted earnings per share based on the weighted average number of ordinary shares (Cents)	3.73	2.67
<u>For illustrative purposes³</u>		
<u>(Based on 238,401,501 shares)</u>		
Basic and diluted earnings per share (Cents)	3.69	2.24

Note:

Basic and diluted earnings per share for the financial years ended 31 December 2015 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 financial year.

The Company did not have any stock options or dilutive potential ordinary shares during the financial years ended 31 December 2015 and 2016.

³ Earnings per share is computed using the net profit after tax for the financial years ended 31 December 2015 and 2016 divided by 238,401,501 shares of the Company as at 31 December 2016 for illustration purposes only.

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

	<u>Group</u>		<u>Company</u>	
	31/12/2016 (Unaudited)	31/12/2015 (Audited)	31/12/2016 (Unaudited)	31/12/2015 (Audited)
Net assets value (S\$)	41,643,987	24,011,989	38,985,568	22,950,971
Net assets value per ordinary share based on the total number of issued shares as at end of the year (Cents) ⁴	17.47	11.01	16.35	10.53

Note:

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

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

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

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

Review of the Group's Performance

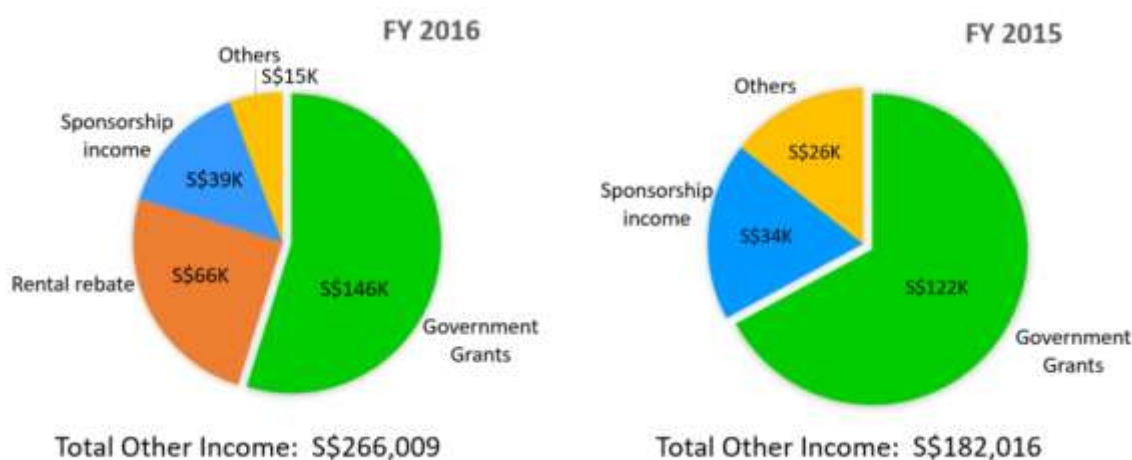
	FY 2016 (S\$)	FY 2015 (S\$)	Increase/ (Decrease) (S\$)	%	The increase or (decline) in FY 2016 as compared to FY 2015 is mainly due to:
Revenue	28,674,632	16,412,739	12,261,893	74.7%	<ul style="list-style-type: none"> S\$8.5 million from Dermatology segment; and Remaining due to increase in patient loads from O&G and Cancer-related segments.
Other operating income	266,009	182,016	83,993	46.1%	<ul style="list-style-type: none"> More government grants such as Wage Credit Scheme and Special Employment Credit received in FY 2016; and Clinic rental rebate of S\$66,000 received in FY 2016.
Consumables and medical supplies used	(4,365,796)	(1,857,776)	2,508,020	135.0%	<ul style="list-style-type: none"> S\$2.0 million of consumables and medical supplies used by Dermatology segment (due to nature of that business); and Only a modest additional S\$0.3 million and S\$0.2 million of consumables and medical supplies used by O&G and Cancer-related segments respectively.
Employee benefits expense	(11,003,716)	(6,283,428)	4,720,288	75.1%	<ul style="list-style-type: none"> Three new Specialist Medical Practitioners; and Increase in clinical staff average headcount from 22 for FY 2015 to 32 for FY 2016.
Depreciation of plant and equipment	(380,160)	(240,006)	140,154	58.4%	<ul style="list-style-type: none"> Plant and equipment from the Acquisition of JL; Acquisition of a new laser machine; and Acquisition of two new ultrasound machines.
Other operating expense	(2,794,993)	(2,158,519)	636,474	29.5%	<ul style="list-style-type: none"> Other operating expense of S\$0.5 million incurred by Dermatology segment (due to nature of that business).
Profit from operations	10,395,976	6,055,026	4,340,950	71.7%	
Finance income	135,880	126,573	9,307	7.4%	<ul style="list-style-type: none"> Interest income earned from cash and deposits.
Finance expense	(449,399)	-	449,399	>100%	<ul style="list-style-type: none"> An accounting (i.e. non-cash flows item) finance expense related to the Acquisition of JL.
Net finance income/ (expense)	(313,519)	126,573	440,092	>100%	
Profit before income tax	10,082,457	6,181,599	3,900,858	63.1%	
Income tax expense	(1,278,779)	(840,274)	438,505	52.2%	<ul style="list-style-type: none"> Higher profits in FY 2016.
Profit for the year	8,803,678	5,341,325	3,462,353	64.8%	

Revenue

Revenue increased by S\$12.3 million or 74.7% from S\$16.4 million for FY 2015 to S\$28.7 million for FY 2016. The increase is mainly attributed to:

- The revenue contribution of S\$8.5 million from our new Dermatology segment (SOG Dermatology Clinic), and
- The increase in patient loads from our Obstetrics & Gynaecology (“O&G”) and Cancer-related segments in FY 2016.

Other Operating Income



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

Other operating income increased by S\$84,000 or 46.1% from S\$182,000 for FY 2015 to S\$266,000 for FY 2016. The increase is mainly due to more government grants such as Wage Credit Scheme and Special Employment Credit received, and the rental rebate of S\$66,000 received in FY 2016.

Consumables and Medical Supplies Used

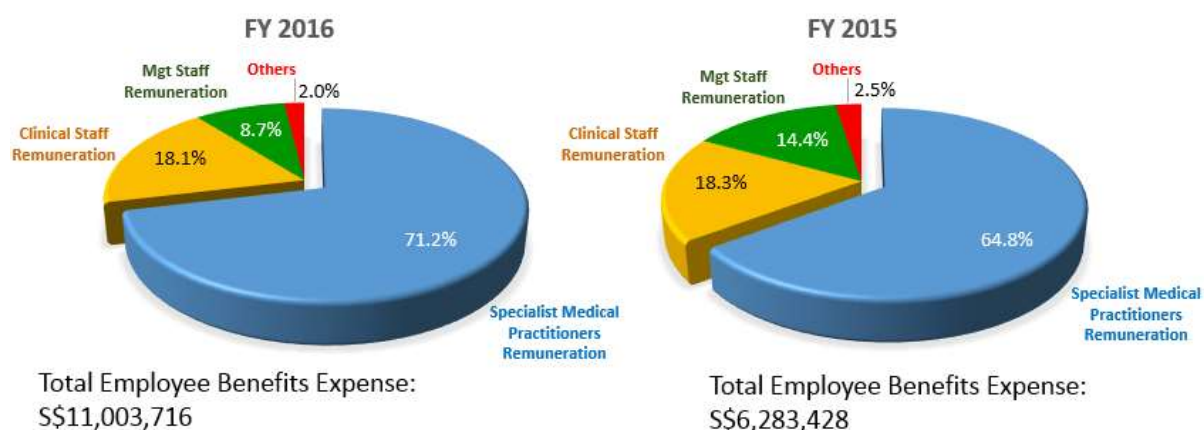
In general, the speciality of O&G uses fewer consumables and medical supplies as compared to the speciality of Dermatology which requires more consumables and medical supplies. Our Cancer-related segment uses the least consumables and medical supplies as our Cancer Specialists are Breast Surgeons and GynaeOncologist who performed most of their procedures in third parties’ hospitals (where the patients pay the hospitals for supplies used).

Consumables and medical supplies used increased by S\$2.5 million or 135.0% from S\$1.9 million for FY 2015 to S\$4.4 million for FY 2016. The

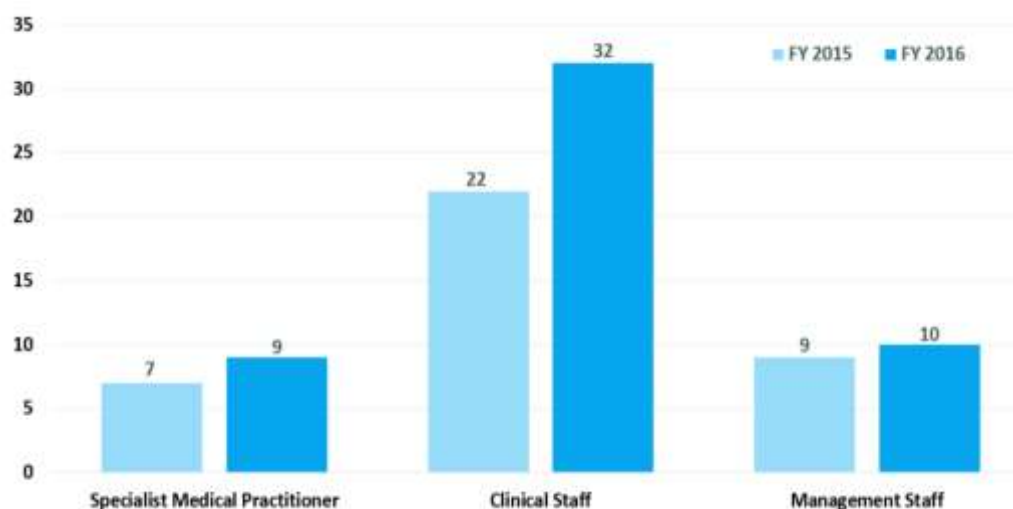
increase in consumables and medical supplies used is attributed to S\$2.0 million of consumables and medical supplies used in our SOG Dermatology Clinic, and an additional S\$0.3 million and S\$0.2 million of consumables and medical supplies used in our O&G and Cancer-related clinics respectively.

Consumables and medical supplies used as a percentage of the Group's revenue rose by 3.9% from 11.3% for FY 2015 to 15.2% for FY 2016. As noted, this is mainly because our SOG Dermatology Clinic requires and uses more consumables and medical supplies.

Employee Benefits Expense



Average Headcount for FY 2016 vs. FY 2015



Employee benefits expense increased by S\$4.7 million or 75.1% from S\$6.3 million for FY 2015 to S\$11.0 million for FY 2016. The increase is mainly due to the salary and benefits expense of three new Specialist Medical Practitioners, and the increase in clinical staff average headcount from 22 for FY 2015 to 32 for FY 2016.

The three new Specialist Medical Practitioners are as follows:

1. Dr. Joyce Lim Teng Ee, Dermatologist
(joined the Group in January 2016)
2. Dr. Lim Siew Kuan, Breast & General Surgeon
(joined in the Group in May 2016)
3. Dr. Hong Sze Ching, Obstetrician and Gynaecologist
(joined in the Group in July 2016)

Employee benefits expense as a percentage of the Group's revenue increased slightly by 0.1% from 38.3% for FY 2015 to 38.4% for FY 2016 due to the seniority of certain newly recruited Specialist Medical Practitioners.

Depreciation of Plant and Equipment

Depreciation of plant and equipment increased by S\$140,000 or 58.4% from S\$240,000 for FY 2015 to S\$380,000 for FY 2016. The increase is mainly attributed to:

- Plant and equipment arising from the Acquisition of JL,
- The purchase of a new laser machine for SOG Dermatology Clinic, and
- The purchase of two new ultrasound machines for SOG-SK Lim Breast & General Surgicare Clinic ("SK Lim Clinic") and SOG-SC Hong Clinic for Women ("SC Hong Clinic").

Depreciation as a percentage of the Group's revenue decreased by 0.2% from 1.5% for FY 2015 to 1.3% for FY 2016 mainly due to higher revenue contribution from our SOG Dermatology Clinic in FY 2016.

Other Operating Expense

Other operating expense increased by S\$0.6 million or 29.5% from S\$2.2 million for FY 2015 to S\$2.8 million for FY 2016. The increase is mainly attributed to the other operating expense of S\$0.5 million incurred by our SOG Dermatology Clinic in FY 2016.

Other operating expense as a percentage of the Group's revenue decreased by 3.5% from 13.2% for FY 2015 to 9.7% for FY 2016 mainly due to a higher revenue contribution from our SOG Dermatology Clinic in FY 2016.

Finance Income

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

The increase is due to placement of more cash surplus into fixed deposit arrangements.

Finance Expense

Finance expense relates to the unwinding of the discount implicit (i.e. non-cash flows item) in the second and third cash tranche consideration (actual payment of S\$4.0 million for each tranche due on 1 January 2017 and 1 January 2018 respectively (the “Non-Operating Segment Expense”)) for the Acquisition of JL.

It is expected that the finance expense for the unwinding of the discount implicit on the third cash consideration to be S\$239,000 for the year ending 31 December 2017.

Please refer to Page 2 for more information.

Profit Before Income Tax

As a result of the above, profit before income tax increased by S\$3.9 million or 63.1% from S\$6.2 million for FY 2015 to S\$10.1 million for FY 2016.

Income Tax Expense

Income tax expense increased by S\$0.4 million or 52.2% from S\$0.8 million for FY 2015 to S\$1.2 million for FY 2016.

Review of the Group’s Financial Position

Non-Current Assets

As at 31 December 2016, non-current assets amounted to S\$28.6 million or 52.8% of the Group’s total assets. Non-current assets consist of the following:

- Goodwill of S\$26.9 million or 94.0% of the Group’s total non-current assets, comprises:
 1. S\$446,000 and S\$396,000 for the acquisition of Beh’s Clinic for Women Pte. Ltd. and Choo Wan Ling Women’s Clinic Pte. Ltd. in 2014, and

2. S\$26.1 million for the Acquisition of JL on 1 January 2016.
- Plant and equipment of S\$1.6 million or 5.4% of the Group's total non-current assets. Plant and equipment increased by S\$0.9 million or 129.1%. The increase is attributed to:
 1. Plant and equipment from the Acquisition of JL,
 2. Acquisition of a new laser machine for SOG Dermatology Clinic, and
 3. Acquisition of two new ultrasound machines for SK Lim Clinic and SC Hong Clinic.
 - Available-for-sale financial assets of S\$0.1 million or 0.5% of the Group's total non-current assets. The balance represents the cost of investment in SG Meditech Pte. Ltd. of S\$0.2 million less impairment charge of S\$0.1 million as at 31 December 2016.
 - Deferred tax asset of S\$10,000 or less than 0.1% of the Group's total non-current assets, arising from the timing differences in tax payables of the Group's plant and equipment.

Current Assets

As at 31 December 2016, current assets amounted to S\$25.6 million or 47.2% of the Group's total assets. Current assets consist of the following:

- Inventories of S\$2.1 million or 8.4% of the Group's total current assets. The increase is mainly due to the inventories at our SOG Dermatology Clinic.
- Trade and other receivables of S\$2.1 million or 8.2% of the Group's total current assets. The increase of S\$0.6 million or 41.6% is mainly due to:
 1. S\$0.2 million in rental deposits for our new clinics;
 2. S\$0.2 million increase in our Specialist Medical Practitioner's professional fees due from hospitals and insurance companies. These trade receivables are mainly current trade receivables with no significant collection issues. We are monitoring these trade receivables closely;
 3. S\$0.1 million in prepayment for a new laser machine for our SOG Dermatology Clinic to be delivered at a later date; and

4. S\$0.1 million in prepayment for other operating expenses such as medical professional indemnity insurances for our Specialist Medical Practitioners.
- Cash and cash equivalents of S\$21.4 million or 83.4% of the Group's total current assets. The decrease of S\$2.8 million or 11.7% is mainly due to:
 1. S\$6.0 million paid for the first tranche cash consideration for the Acquisition of JL;
 2. S\$2.7 million and S\$3.6 million paid for FY 2015 final dividend and FY 2016 interim dividend respectively;
 3. S\$0.8 million paid for the acquisition of new plant and equipment; offset by
 4. S\$10.4 million net cash inflows from operating activities in FY 2016.

Non-Current Liabilities

As at 31 December 2016, non-current liabilities amounted to S\$3.8 million or 30.3% of the Group's total liabilities. Non-current liabilities consist of the following:

- Deferred tax liabilities of S\$67,000 or 1.7% of the Group's total non-current liabilities, arising from the timing differences in tax payables of the Group's plant and equipment.
- Trade and other payables consist of contingent consideration. Contingent consideration of \$3.8 million or 98.3% of the Group's total non-current liabilities. The contingent consideration is the present value of the third tranche cash consideration of S\$4.0 million as at 31 December 2016 for the Acquisition of JL due on 1 January 2018.

Current Liabilities

As at 31 December 2016, current liabilities amounted to S\$8.8 million or 69.7% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S\$7.0 million or 80.2% of the Group's total current liabilities. The increase of S\$5.4 million or 327.7% is mainly due to:
 1. S\$3.8 million of contingent consideration which relates to the present value of the second tranche cash consideration of S\$4.0 million as at 31 December 2016 for the Acquisition of JL due on 1 January 2017;

2. S\$1.0 million of accrual for Specialist Medical Practitioner's bonuses for FY 2016; and
 3. S\$0.6 million of trade payables due to slower payment trend in December 2016.
- Deferred revenue of S\$0.4 million, or 4.3% of the Group's total current liabilities, relates to antenatal package fees collected upfront from patients for consultations that have yet to be performed. Deferred revenue remained consistent as at 31 December 2016 as compared to 31 December 2015.
 - Current tax liabilities of S\$1.4 million, or 15.5% of the Group's total current liabilities, comprise of income tax payables for FY 2016.

Shareholders' Equity

As at 31 December 2016, shareholder's equity of S\$41.6 million comprises the following:

- Issued and fully paid share capital of S\$29.6 million. The increase of S\$15.2 million is due to the consideration shares issued to Dr. Joyce Lim in February 2016 for the Acquisition of JL.
- Reserves of S\$12.0 million which comprise of:
 1. Capital reserve of S\$1.8 million representing the difference between the fair value of the purchase consideration paid by the Company and the net assets of Choo Wan Ling Women's Clinic Pte. Ltd. and Beh's Clinic for Women Pte. Ltd. acquired by the Company in 2014;
 2. Retained earnings of S\$11.9 million; offset by
 3. Merger reserve of S\$1.7 million representing the difference between the consideration paid by the Company and the net assets of Heng Clinic for Women Pte. Ltd. and K W Lee Clinic & Surgery for Women Pte. Ltd. acquired by the Company.

Review of the Group's Cash Flows

Net Cash Generated from Operating Activities

There was a net cash inflow of S\$10.4 million generated from operating activities. This comprises operating cash inflows before changes in working capital of S\$10.8 million, net working capital inflows of S\$1.1 million and income tax paid of S\$1.5 million.

The net working capital inflows of S\$1.1 million is mainly due to the increase in trade and other payables which relates to the accrual of Specialist Medical Practitioners' FY 2016 incentive bonuses.

Net Cash Used in Investing Activities

Net cash used in investing activities amounted to S\$6.8 million which is mainly due to:

- S\$6.0 million paid for the first tranche cash consideration for the Acquisition of JL; and
- S\$0.8 million paid for the acquisition of new plant and equipment.

Net Cash used in Financing Activities

Net cash used in financing activities amounted to S\$6.4 million which was attributed to S\$2.7 million and S\$3.6 million paid for FY 2015 final dividend and FY 2016 interim dividend respectively.

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

Not applicable.

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

As at the date of this Announcement, the Board of Directors are not aware of any significant change in trends and competitive conditions that will significantly affect the Group's operations and businesses. The Singapore Government has not changed its policy on or actions in encouraging population growth nor has there been any macro health risks, such as Severe Acute Respiratory ("SAR"), Middle East Respiratory Syndrome ("MERS") and Zika virus, which could severely affect private healthcare visitations.

Barring any unforeseen circumstances, the Board of Directors expects the Group to remain profitable in 2017.

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 performance of the Group in FY 2016, the Board of Directors has recommended a final one-tier tax exempt dividend of 1.57 Singapore cents per share in respect of FY 2016 ("Final Dividend"), together with an interim dividend of 1.53 Singapore cents per share which had been paid on 1 September 2016, will constitute 83.9% of FY 2016 net profit after tax.

(B)(i) Amount per share

1.57 Singapore cents per share for a full year dividend of 3.10 Singapore cents per share (based on 238,401,501 shares).

(B)(ii) Previous corresponding period

1.15 Singapore cents per share for a full year dividend of 2.03 Singapore cents per share (based on 238,401,501 shares).

(C) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated)

The dividend is one-tier tax exempt.

(D) The date the dividend is payable

The proposed Final Dividend, if approved by the shareholders of the Company at the Annual General Meeting to be held on 21 April 2017, will be paid on 15 May 2017.

(E) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders of the Company to the proposed Final Dividend at the Annual General Meeting to be held on 21 April 2017, the Share Transfer Books and Register of Members of the Company will be closed at 5:00 p.m. on 2 May 2017 for the purpose of determining entitlements of ordinary shareholders to the tax exempt (one-tier) Final Dividend of 1.57 Singapore cents per ordinary share for FY 2016.

Duly completed registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00, Singapore 068898, up to 5:00 p.m. on 2 May 2017 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 2017 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 21 April 2017, will be made on 15 May 2017.

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

Not applicable.

13 If the Group has obtained a general mandate from the shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from its shareholders for Interested Person Transactions pursuant to Rule 920(1)(a)(ii).

14 Use of IPO proceeds

Pursuant to the IPO on 4 June 2015, the Company received net proceeds of S\$9.2 million (after deducting listing and processing fees, professional fees and placement commission and other expenses) from the placement of new shares.

As at the date of this Announcement, the use of IPO proceeds are as follows:

	Amount Allocated S\$'000	Amount Utilised S\$'000	Amount Unutilised S\$'000
Use of IPO proceeds			
Expansion of business operations ⁵	3,000	(401)	2,599
Investments in healthcare professionals and synergistic businesses ⁶	6,000	(6,000)	-
Working capital purposes	200	-	200
Total	9,200	(6,401)	2,799

Note:

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

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

⁶ The amount of S\$6.0 million from the investments in healthcare professionals and synergistic businesses category has been utilised to pay the first tranche cash consideration of S\$6.0 million for the Acquisition of JL in January 2016, in accordance with the terms and conditions of the Framework Agreement dated 4 November 2015 and the Sale and Purchase Agreement dated 31 December 2015.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENT

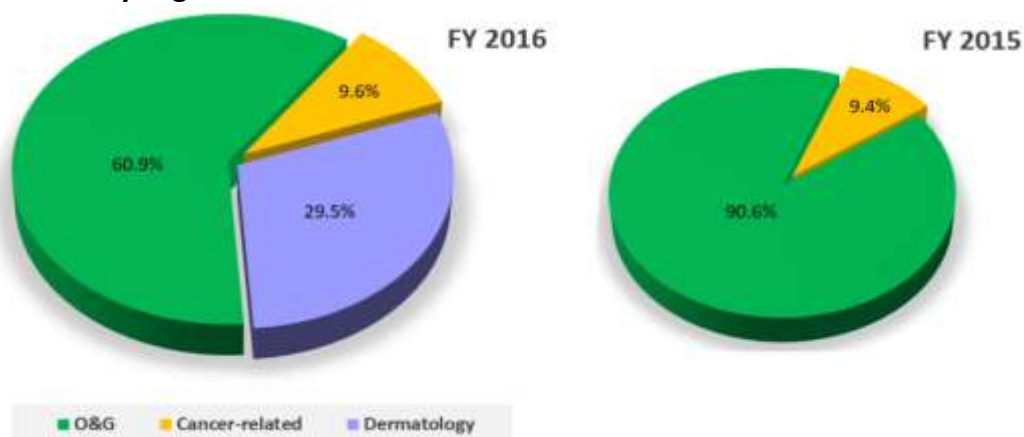
15 Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

With the completion of the Acquisition of JL, the Group has added a new Dermatology segment in FY 2016. Dr. Joyce Lim, who is a Dermatologist, joined the Group in January 2016. Dr. Joyce Lim is currently the Medical Director and Head of our Dermatology segment.

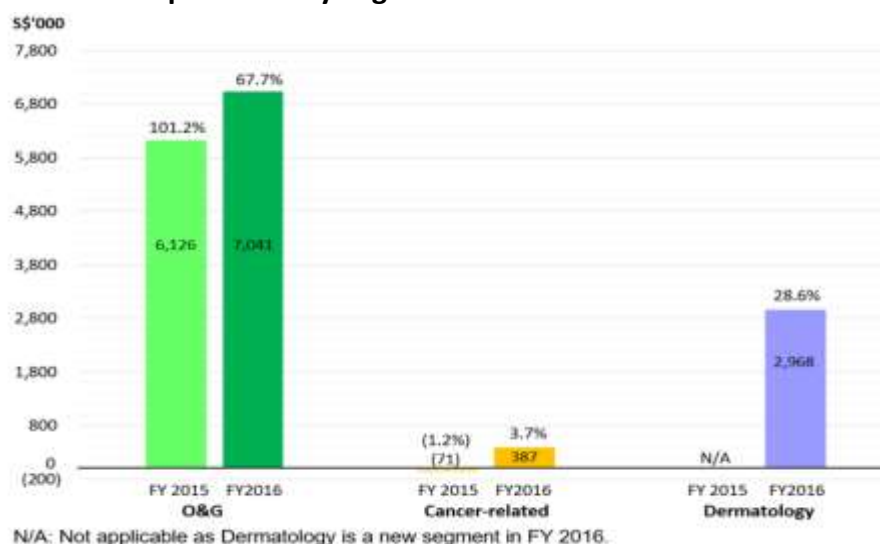
The Group has also successfully recruited two Specialist Medical Practitioners – Dr. Lim Siew Kuan (Breast and General Surgeon) and Dr. Hong Sze Ching (Obstetrician and Gynaecologist) in May and July 2016 respectively.

As at 31 December 2016, the Group has three operating segments namely: O&G, Cancer-related and Dermatology.

Revenue by Segment



Profit from Operations by Segment



<u>2016</u>	O&G S\$	Dermatology S\$	Cancer- Related S\$	Adjustment & Elimination S\$	Total S\$
Revenue					
External	17,445,658	8,466,335	2,762,639	-	28,674,632
Inter-segment	-	-	-	-	-
Total revenue	<u>17,445,658</u>	<u>8,466,335</u>	<u>2,762,639</u>	-	<u>28,674,632</u>
Segment Results					
Segment profit from operations	7,040,845	2,968,475	386,656	-	10,395,976
Finance income					135,880
Finance expense					(449,399)
Profit before income tax					<u>10,082,457</u>
Income tax expense					<u>(1,278,779)</u>
Profit for the year					<u>8,803,678</u>

<u>2015</u>	O&G S\$	Dermatology S\$	Cancer- Related S\$	Adjustment & Elimination S\$	Total S\$
Revenue					
External	14,876,884	-	1,535,855	-	16,412,739
Inter-segment	-	-	-	-	-
Total revenue	<u>14,876,884</u>	-	<u>1,535,855</u>	-	<u>16,412,739</u>
Segment Results					
Segment profit from operations	6,125,664	-	(70,638)	-	6,055,026
Finance income					126,573
Finance expense					-
Profit before income tax					<u>6,181,599</u>
Income tax expense					<u>(840,274)</u>
Profit for the year					<u>5,341,325</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>		
	2016 (Unaudited) S\$	2015 (Audited) S\$	Increase/ (Decrease) %
Revenue reported for the first half year	13,942,258	7,724,336	80.5%
Operating profit after tax reported for the first half year	<u>5,171,935</u>	<u>2,712,238</u>	<u>90.7%</u>
Revenue reported for the second half year	14,732,374	8,688,403	69.6%
Operating profit after tax reported for the second half year	<u>3,631,743</u>	<u>2,629,087</u>	<u>38.1%</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 2016.

		2016 (Unaudited) S\$	2015 (Audited) S\$
Final dividend paid in respect of the previous financial year	One-tier tax exempt	2,741,617	1,482,400
Interim dividend paid in respect of the current financial year	One-tier tax exempt	3,647,543	1,918,400
		6,389,160	3,400,800

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

		31 December 2016 (Unaudited) S\$	31 December 2015 (Audited) S\$
Final dividend	One-tier tax exempt	3,742,904	2,741,617

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).

Pursuant to Rule 704(10) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that the person occupying managerial position in the Company is as follows:

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	62	Sister of Dr. Heng Tung Lan (our Executive Chairman and substantial shareholder)	<ul style="list-style-type: none"> • Chief Administrative Officer • 2014 	No change

20 Confirmation pursuant to Rule 720(1)

Singapore O&G Ltd. confirms that undertakings under Rule 720(1) have been obtained from all its Directors and Executive Officers in the format set out in form Appendix 7H.

BY ORDER OF THE BOARD

DR NG KOON KENG
CHIEF EXECUTIVE OFFICER
16 FEBRUARY 2017

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

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