



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

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**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

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- 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.

	3 Months ended 31/3/2018 (Unaudited) S\$	<u>Group</u> 3 Months ended 31/3/2017 (Unaudited) S\$	Increase/ (Decrease) %
Revenue	8,196,995	6,988,502	17.3%
Other operating income	94,640	44,826	>100.0%
Consumables and medical supplies used	(1,281,676)	(1,058,967)	21.0%
Employee remuneration expense	(3,158,604)	(2,814,799)	12.2%
Depreciation of plant and equipment	(146,442)	(118,281)	23.8%
Other operating expense	(766,832)	(652,166)	17.6%
<b>Profit from operations</b>	<b>2,938,081</b>	<b>2,389,115</b>	23.0%
Finance income	12,580	5,900	113.2%
Finance expense	-	(59,709)	N/M
<b>Net finance income/(expense)</b>	<b>12,580</b>	<b>(53,809)</b>	N/M
<b>Profit before income tax</b>	<b>2,950,661</b>	<b>2,335,306</b>	26.4%
Income tax expense	(475,176)	(334,192)	42.2%
<b>Profit for the period</b>	<b>2,475,485</b>	<b>2,001,114</b>	23.7%
Other comprehensive income, at nil tax	-	-	-
<b>Total comprehensive income for the period</b>	<b>2,475,485</b>	<b>2,001,114</b>	23.7%

N/M: Not meaningful.

**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>	
	31/3/2018 (Unaudited) S\$	31/12/2017 (Audited) S\$	31/3/2018 (Unaudited) S\$	31/12/2017 (Audited) S\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	26,929,999	26,929,999	-	-
Plant and equipment	1,557,930	1,638,262	110,598	128,580
Deferred tax assets	34,628	12,019	-	-
Investment in subsidiaries	-	-	34,330,536	34,330,536
	<b>28,522,557</b>	<b>28,580,280</b>	<b>34,441,134</b>	<b>34,459,116</b>
<b>Current assets</b>				
Inventories	1,612,939	1,601,717	-	-
Trade and other receivables	2,580,338	2,518,334	208,511	217,860
Amounts due from subsidiaries (non-trade)	-	-	3,120,339	3,460,029
Cash and cash equivalents	19,977,259	16,426,295	13,260,546	7,065,907
	<b>24,170,536</b>	<b>20,546,346</b>	<b>16,589,396</b>	<b>10,743,796</b>
<b>Total assets</b>	<b>52,693,093</b>	<b>49,126,626</b>	<b>51,030,530</b>	<b>45,202,912</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	29,645,500	29,645,500	29,645,500	29,645,500
Reserves	16,329,630	13,854,145	13,678,141	13,690,955
<b>Total equity</b>	<b>45,975,130</b>	<b>43,499,645</b>	<b>43,323,641</b>	<b>43,336,455</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	117,607	109,825	1,561	1,561
	<b>117,607</b>	<b>109,825</b>	<b>1,561</b>	<b>1,561</b>
<b>Current liabilities</b>				
Trade and other payables	4,387,140	3,811,730	7,705,328	1,864,896
Deferred revenue	458,938	445,279	-	-
Current tax liabilities	1,754,278	1,260,147	-	-
	<b>6,600,356</b>	<b>5,517,156</b>	<b>7,705,328</b>	<b>1,864,896</b>
<b>Total liabilities</b>	<b>6,717,963</b>	<b>5,626,981</b>	<b>7,706,889</b>	<b>1,866,457</b>
<b>Total equity and liabilities</b>	<b>52,693,093</b>	<b>49,126,626</b>	<b>51,030,530</b>	<b>45,202,912</b>

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

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

None.

(B) the amount repayable after one year:

None.

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

None.

(D) details of any collaterals.

None.

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

	<u>Group</u>	
	3 Months ended 2018 (Unaudited) S\$	3 Months ended 2017 (Unaudited) S\$
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	2,950,661	2,335,306
Adjustments for:		
Depreciation of plant and equipment	146,442	118,281
Plant and equipment written off	97	-
Interest income	(12,580)	(5,900)
Interest expense	-	59,709
Operating profit before working capital changes	3,084,620	2,507,396
Changes in inventories	(11,222)	127,515
Changes in trade and other receivables	(83,015)	234,099
Changes in trade and other payables	588,289	(120,806)
Cash generated from operations	3,578,672	2,748,204
Income tax credit received	4,128	-
<b>Net cash generated from operating activities</b>	<b>3,582,800</b>	<b>2,748,204</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of subsidiaries, net of cash acquired	-	(3,765,383)
Purchase of plant and equipment	(65,427)	(36,746)
Interest received	33,591	88,169
<b>Net cash used in investing activities</b>	<b>(31,836)</b>	<b>(3,713,960)</b>

	<u>Group</u>	
	3 Months ended 2018 (Unaudited) S\$	3 Months ended 2017 (Unaudited) S\$
<b>Cash Flows from Financing Activities</b>		
Dividends paid to shareholders	-	-
<b>Net cash used in financing activities</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,550,964</b>	<b>(965,756)</b>
Cash and cash equivalents at beginning of period	16,426,295	21,376,324
<b>Cash and cash equivalents at end of period</b>	<b>19,977,259</b>	<b>20,410,568</b>

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

<u>The Group</u> <u>(Unaudited)</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	(1,695,311)	11,922,728	41,643,987
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	2,001,114	2,001,114
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	2,001,114	2,001,114
<b>At 31 March 2017</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>(1,695,311)</b>	<b>13,923,842</b>	<b>43,645,101</b>

<u>The 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
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	2,475,485	2,475,485
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	2,475,485	2,475,485
<b>At 31 March 2018</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>(1,695,311)</b>	<b>16,253,871</b>	<b>45,975,130</b>

<u>The Company</u> <u>(Unaudited)</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
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	(168,149)	(168,149)
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	(168,149)	(168,149)
<b>At 31 March 2017</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>-</b>	<b>7,400,849</b>	<b>38,817,419</b>

<u>The 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
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	(12,814)	(12,814)
Other comprehensive income, at nil tax	-	-	-	-	-
	-	-	-	(12,814)	(12,814)
<b>At 31 March 2018</b>	<b>29,645,500</b>	<b>1,771,070</b>	<b>-</b>	<b>11,907,071</b>	<b>43,323,641</b>

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

As at 31 March 2018, there are no changes in the Company's share capital since the end of the previous period reported on i.e. 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	
	31/3/2018	31/12/2017
Issued ordinary shares	<u>476,803,002</u>	<u>476,803,002</u>

The Company does not have any treasury shares as at 31 March 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.

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

Not applicable.

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

The figures have not been audited or reviewed by auditors.

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

Not applicable.

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

Except as disclosed in Section 5 below, the accounting policies and methods of computation used in the consolidated financial statements for the 3 months period ended 31 March 2018 are consistent with those applied in the audited 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.**

The Group adopted a number of new and revised FRS and INT FRS that are effective for financial periods beginning on or after 1 January 2018. 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.**

	<b>Group</b>	
	<b>3 Months ended 2018 (Unaudited) S\$</b>	<b>3 Months ended 2017 (Unaudited) S\$</b>
Profit attributable to equity holders of the Company (S\$)	2,475,485	2,001,114
Weighted average number of ordinary shares <sup>1</sup>	476,803,002	476,803,002
Basic and diluted earnings per share based on the weighted average number of ordinary shares (cents)	0.52	0.42

Note:

Basic and diluted earnings per share for the 3 months period ended 31 March 2018 and 2017 are computed using the net profit after tax divided by the number of ordinary shares issued and outstanding at the end of each financial period.

The Company did not have any stock options or dilutive potential ordinary shares during the 3 months period ended 31 March 2018 and 2017.

<sup>1</sup> For better comparison of the Group's performance, the weighted average number of ordinary shares for the 3 months period ended 31 March 2017 has been adjusted for the increase in the number of ordinary shares resulting from the Share Split on 15 May 2017.

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

	<u>Group</u>		<u>Company</u>	
	31/3/2018 (Unaudited)	31/12/2017 (Audited)	31/3/2018 (Unaudited)	31/12/2017 (Audited)
Net assets value (S\$)	45,975,130	43,499,645	43,323,641	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)	9.64	9.12	9.09	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

	Q1 2018 (S\$)	Q1 2017 (S\$)	Increase/ (Decrease) (S\$)	%
Revenue	8,196,995	6,988,502	1,208,493	17.3%
Other operating income	94,640	44,826	49,814	>100.0%
Consumables and medical supplies used	(1,281,676)	(1,058,967)	222,709	21.0%
Employee remuneration expense	(3,158,604)	(2,814,799)	343,805	12.2%
Depreciation of plant and equipment	(146,442)	(118,281)	28,161	23.8%
Other operating expense	(766,832)	(652,166)	114,666	17.6%
<b>Profit from operations</b>	<b>2,938,081</b>	<b>2,389,115</b>	<b>548,966</b>	<b>23.0%</b>
Finance income	12,580	5,900	6,680	113.2%
Finance expense	-	(59,709)	(59,709)	N/M
<b>Net finance income/(expense)</b>	<b>12,580</b>	<b>(53,809)</b>	<b>66,389</b>	<b>N/M</b>



<b>Profit before income tax</b>	<b>2,950,661</b>	<b>2,335,306</b>	<b>615,355</b>	<b>26.4%</b>
Income tax expense	(475,176)	(334,192)	140,984	42.2%
<b>Profit for the period</b>	<b>2,475,485</b>	<b>2,001,114</b>	<b>474,371</b>	<b>23.7%</b>

N/M: Not meaningful.

## Revenue

Revenue increased by S\$1.2 million or 17.3% from S\$7.0 million for the three months period ended 31 March 2017 (“**Q1 2017**”) to S\$8.2 million for the three months period ended 31 March 2018 (“**Q1 2018**”). The increase is attributed to:

- The increase of S\$0.5 million, S\$0.4 million and S\$0.1 million revenue from our Obstetrics & Gynaecology (“**O&G**”), Cancer-related and Dermatology segment respectively; and
- The contribution of S\$0.2 million from our new Paediatrics segment, namely SOG Children (Paediatrics-East) Clinic (“**PAED-East Clinic**”) and SOG Children (Paediatrics-Central) Clinic (“**PAED-Central Clinic**”) which started operations in July 2017 and November 2017 respectively.

## Other Operating Income

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

Other operating income increased by S\$50,000 or more than 100.0% for Q1 2018 as compared to Q1 2017. The increase is due to:

- Clinic rental rebate of S\$44,000 received from a lessor;
- Higher government grants of S\$8,000; offset by
- Lesser sponsorship income of S\$2,000.

## Consumables and Medical Supplies Used

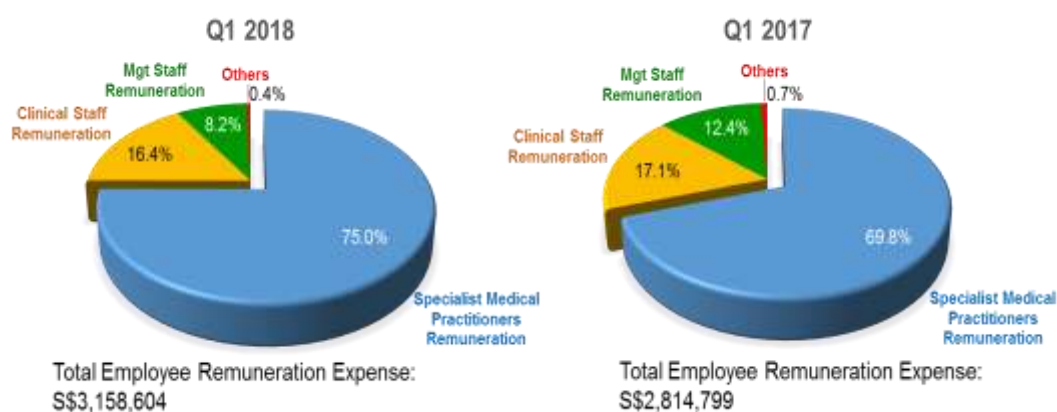
In general, the O&G, Cancer-related and Paediatrics practices use lesser consumables and medical supplies as compared to the Dermatology practice which requires more consumables and medical supplies such as skin care products.

By far, our Cancer-related practice uses the least consumables and medical supplies as our Cancer Specialists, who are Breast Surgeon and GynaeOncologist, perform their major procedures in the hospitals and thus, the consumables and medical supplies are taken care of and billed by the hospitals.

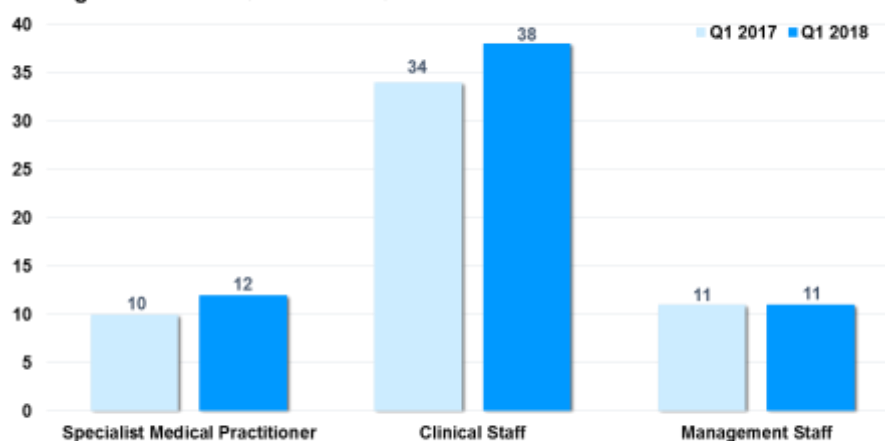
Consumables and medical supplies used increased by S\$0.2 million or 21.0%. The increase is attributed mainly to the increase in consumables and medical supplies used by O&G and Dermatology segments arising from increase in patient loads for Q1 2018.

Consumables and medical supplies used as a percentage of the Group's revenue increased slightly by 0.4% from 15.2% for Q1 2017 to 15.6% for Q1 2018. This is due mainly to higher consumables and medical supplies used by our Dermatology segment.

### Employee Remuneration Expense



Average headcount Q1 2018 vs. Q1 2017



Employee remuneration expense increased by S\$0.3 million or 12.2% from S\$2.8 million for Q1 2017 to S\$3.1 million for Q1 2018. The increase is due mainly to:

- An increase of S\$0.2 million quarterly accrual for incentive bonus for a few specialist medical practitioners;
- Employee remuneration expense of S\$0.2 million from our new Paediatrics segment which started in July 2017; offset by
- Reversal of S\$0.1 million due to over-provision of FY 2017 bonuses.

Employee remuneration expense as a percentage of the Group's revenue decreased by 1.8% from 40.3% in Q1 2017 to 38.5% in Q1 2018 as the employee remuneration expense for the Corporate Office for Q1 2018 was lower than Q1 2017.

### **Depreciation of Plant and Equipment**

Depreciation of plant and equipment increased by S\$28,000 or 23.8% from S\$118,000 for Q1 2017 to S\$146,000 for Q1 2018. The increase is attributed mainly to the depreciation charge arising from:

- The two new laser machines acquired for SOG Dermatology Clinic in June 2017 and August 2017; and
- The renovation of Heng Clinic for Women ("**Heng Clinic**") and our Corporate Office at Mountbatten Square in May 2017 and July 2017 respectively.

Depreciation as a percentage of the Group's revenue increased slightly by 0.1% from 1.7% for Q1 2017 to 1.8% for Q1 2018 due mainly to the rate of increase in depreciation which is higher than the rate of increase in revenue contribution from our Dermatology segment.

### **Other Operating Expense**

Other operating expense increased by S\$0.1 million or 17.6% from S\$0.7 million for Q1 2017 to S\$0.8 million for Q1 2018. The increase is attributed to S\$0.1 million incurred by our new Paediatrics segment in Q1 2018.

Other operating expense as a percentage of the Group's revenue increased slightly by 0.1% from 9.3% for Q1 2017 to 9.4% for Q1 2018 due to the rate of increase in other operating expense which is higher than the rate of increase in revenue contribution from our Paediatrics 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 deposits. The Group does not invest in any other financial products or derivatives.

Finance income increased by S\$7,000 or more than 100.0% from S\$6,000 for Q1 2017 to S\$13,000 for Q1 2018. The increase is due to more cash being placed on fixed deposit.

### **Finance Expense**

Finance expense relates to the unwinding of the discount implicit (i.e. non-cash flows item) in the second and third cash tranche consideration of S\$4.0 million for each tranche due on 1 January 2017 and 1 January 2018 respectively (the “**contingent consideration**”) for the acquisition of the entire rights, title and interest of Dr. Joyce Lim Teng Ee and in the business and medical practices of JL Laser & Surgery Centre Pte. Ltd., JL Esthetic Research Centre Pte. Ltd. and JL Dermatology Pte. Ltd. on 1 January 2016 (the “**JL Acquisition**”).

As at 31 December 2017, the contingent consideration for the JL Acquisition was fully paid. Accordingly, there was no finance expense in Q1 2018.

### **Profit Before Income Tax**

As a result of the explanations above, profit before income tax increased by S\$0.6 million from S\$2.3 million for Q1 2017 to S\$2.9 million for Q1 2018.

### **Income Tax Expense**

Income tax expense increased by S\$0.1 million or 42.2% due mainly to higher profits for Q1 2018 and in particular, a few of our newer clinics have delivered better profits in Q1 2018.

## **Review of the Group’s Financial Position**

### **Non-Current Assets**

As at 31 March 2018, non-current assets amounted to S\$28.5 million or 54.1% of the Group’s total assets. Non-current assets consist of the following:

- Goodwill of S\$26.9 million or 94.4% of the Group’s total non-current assets. This comprises:

1. S\$446,000 and S\$396,000 for the acquisition of Beh's Clinic for Women Pte. Ltd. and Choo Wan Ling Women's Clinic Pte. Ltd. in 2014 respectively, and
  2. S\$26.1 million for the JL Acquisition in 2016.
- Plant and equipment of S\$1.6 million or 5.5% of the Group's total non-current assets. Plant and equipment decreased by S\$80,000 or 4.9%. The decrease is attributed to the depreciation charge of S\$146,000 offset by the plant and equipment additions of S\$66,000 in Q1 2018.
  - Deferred tax assets of S\$35,000 or 0.1% of the Group's total non-current assets, arising from the deductible temporary differences related to the Group's plant and equipment and unused tax losses from our new Paediatrics segment.

### **Current Assets**

As at 31 March 2018, current assets amounted to S\$24.2 million or 45.9% of the Group's total assets. Current assets consist of the following:

- Inventories remains constant at S\$1.6 million or 6.7% of the Group's total current assets.
- Trade and other receivables of S\$2.6 million or 10.7% of the Group's total current assets. The increase of S\$0.1 million or 2.5% is due mainly to the rental deposits under previous tenancy agreements of our two clinics which will be refunded by the landlords.
- Cash and cash equivalents of S\$20.0 million or 82.6% of the Group's total current assets. The increase of S\$3.6 million or 21.6% is due mainly to the net cash inflows from operating activities in Q1 2018.

### **Non-Current Liabilities**

As at 31 March 2018, non-current liabilities amounted to S\$0.1 million or 1.8% of the Group's total liabilities. Non-current liabilities consist of only deferred tax liabilities.

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

### **Current Liabilities**

As at 31 March 2018, current liabilities amounted to S\$6.7 million or 98.2% of the Group's total liabilities. Current liabilities consist of the following:

- Trade and other payables of S\$4.4 million or 66.5% of the Group's total current liabilities. The increase of S\$0.6 million or 15.1% is due mainly to the increase of S\$0.6 million in quarterly accrual for incentive bonus for a few specialist medical practitioners.
- Deferred revenue remained constant at S\$0.5 million, or 7.0% of the Group's total current liabilities, relates to antenatal and aesthetics package fees collected upfront from patients for consultations and/or procedures that have yet to be performed.
- Current tax liabilities of S\$1.8 million, or 26.5% of the Group's total current liabilities, comprising income tax payable of S\$1.3 million and S\$0.5 million for FY 2017 and Q1 2018 respectively.

### **Shareholders' Equity**

As at 31 March 2018, shareholder's equity of S\$46.0 million comprises the following:

- Issued and fully paid share capital of S\$29.6 million.
- Reserves of S\$16.3 million comprising:
  1. Capital reserve of S\$1.8 million representing the difference between the fair value of the purchase consideration paid by the Company and the fair value of the net assets of Choo Wan Ling Women's Clinic Pte. Ltd. and Beh's Clinic for Women Pte. Ltd. acquired by the Company;
  2. Retained earnings of S\$16.2 million; offset by
  3. Merger reserve of S\$1.7 million representing the difference between the consideration paid by the Company and the fair value of the net assets of Heng Clinic and KW Lee Clinic & Surgery for Women Pte. Ltd. acquired by the Company.

### **Review of the Group's Cash Flows**

#### **Net Cash Generated from Operating Activities**

For Q1 2018, there was a net cash inflow of S\$3.6 million from operating activities. This comprises operating profit before changes in working capital of S\$3.1 million, net working capital inflows of S\$0.5 million and income tax credit of S\$4,000 received. The net working capital inflows of S\$0.5 million is attributed mainly to the increase of S\$0.6 million in quarterly accrual for incentive bonus for a few specialist medical practitioners.

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

For Q1 2018, net cash used in investing activities amounted to S\$32,000 which was attributed to:

- The acquisition of plant and equipment of S\$66,000; offset by
- Interest received of S\$34,000 from our fixed deposit placement.

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

For Q1 2018, there was no cash flows movement for financing activities.

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

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

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

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

On 1 July 2017, the Group extended its services through the offering of general paediatrics and adolescent medicine services. With the new Paediatrics segment, it allows the Group to continue to take care of our existing patients and their newborns. As this is a new segment and in a start-up phase, the Group expects the contribution from this segment to continue to be moderate for FY 2018.

Barring any unforeseen circumstances, the Board of Directors expects the Group to remain profitable in the next reporting period and the next 12 months.

**11 If a decision regarding dividend has been made, the required information has been disclosed.**

**(A) Whether an interim (final) ordinary dividend has been declared or recommended.**

None.

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

Not applicable.

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

None.

**(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).**

Not applicable.

**(D) The date the dividend is payable**

Not applicable.

**(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.**

Not applicable.

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

No dividend has been declared or recommended for the 3 months period ended 31 March 2018.

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

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



## 14 Use of IPO proceeds

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

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

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

Note:

<sup>2</sup> The amount of S\$0.5 million for the expansion of business operations category has been utilised for the set-up cost of the following clinics:

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

<sup>3</sup> The amount of S\$6.0 million for the investments in healthcare professionals and synergistic businesses category has been utilised to pay the first tranche cash consideration of S\$6.0 million for the JL Acquisition in January 2016, in accordance with the terms and conditions of the Framework Agreement dated 4 November 2015 and the Sale and Purchase Agreement dated 31 December 2015.

## 15 Confirmation pursuant to Rule 705(5)

The Board of Directors hereby confirms that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Group and the Company for the 3 months period ended 31 March 2018 to be false or misleading in any material aspect.

## 16 Confirmation pursuant to Rule 720(1)

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

## BY ORDER OF THE BOARD

DR. BEH SUAN TIONG  
EXECUTIVE CHAIRMAN  
14 MAY 2018

## Singapore O&G Ltd.

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

*The contact person for the Sponsor is Mr. Tang Yeng Yuen, Vice-President, Head of Corporate Finance, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581. Telephone number: (65) 6415 9886.*