



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

FOR IMMEDIATE RELEASE

Singapore O&G Ltd. Consolidates Growth

- **1H 2017 Group Revenue up 2.2% over the same period last year**
- **EBITDA decreased marginally by 3.8% largely due to increase in employee benefits expense**
- **Strong showing by Gynaecology and Cancer segments with marginal weakness in Obstetrics and Dermatology**
- **Declares an interim and tax exempt dividend of 0.61 cents per share**

Singapore, 10 August 2017 – Singapore O&G Ltd. (“**SOG**” or the “**Group**”), a Catalyst listed company on SGX, specialising in women’s and children’s healthcare, announced today its unaudited financial results for the half year ended 30 June 2017 (“**1H 2017**”). The Group’s net profit after tax attributable to shareholders decreased by S\$0.29 million or 6.4%, and revenue increased by S\$0.31 million or 2.2%, over the same period last year. EBITDA declined marginally by S\$0.2 million or 3.8%, resulting in a corresponding decrease in net profit after tax margin of 2.7% from 31.8% for 1H 2016 to 29.1% for 1H 2017.

Birth rate in Singapore experienced a slight decline in the second quarter of 2017 due to the delayed effect of Zika but the impact on the Obstetrics segment of the Group was minimal as we still managed to deliver 794 babies in 1H 2017, only seven (7) less than the same period last year. As a whole, the Group’s core segment of Obstetrics and Gynaecology managed an overall increase of S\$0.28 million as more gynaecology cases were performed in 1H 2017.

The Cancer-related segment added S\$1.68 million to the Group’s revenue, an improvement of 34.6% as compared to 1H 2016 due to increase in patient loads. Our Dermatology segment however felt the impact of lower medical tourism dollars and it saw a decline of S\$0.41 million, a decrease of 9.4% over the same period last year, maintaining a relatively healthy profit from operations margin of 35.3%.

Employee benefits expense increased by S\$0.41 million or 7.9% from S\$5.22 million in 1H 2016 to S\$5.63 million in 1H 2017. The increase is mainly due to the salary and benefits expense of two (2) medical specialists and the requisite clinical staff in Obstetrics and Gynaecology and Breast Cancer divisions.

The Group continues to monitor its expenses for cost containment and this has proven to be successful with only a very slight increase in Consumables and Medical Supplies used. Increase in other operating expenses was mainly due to the set up costs of our two (2) new specialist clinics. These two (2) expense categories only increased effective costs by S\$0.06 million or 3.8%.

Overall, the Group delivered a net profit after tax of S\$4.14 million, a decrease of 6.4%, for 1H 2017 as compared to S\$4.43 million in 1H 2016. Earnings per share decreased by 0.05 Singapore cents from 0.92 Singapore cents (based on 476,803,002 shares) in 1H 2016 to 0.87 Singapore cents (based on 476,803,002 shares) in 1H 2017.

As at 30 June 2016, the Group's balance sheet remained healthy with a net asset value of S\$42.0 million. Net asset value per share rose by a marginal 1.0% from 8.73 Singapore cents (based on 476,803,002 shares) as at 31 December 2016 to 8.82 Singapore cents (based on 476,803,002 shares) as at 30 June 2017. The Group continues to generate a healthy net operating cash flow of S\$3.9 million for 1H 2017 as compared to S\$4.7 million for 1H 2016. There were no borrowings or any debt securities and instruments.

The Board of Directors of SOG is pleased to declare an interim dividend of 0.61 Singapore cents per share.

Dr. Ng Koon Keng, CEO of SOG said: "We continue to be appreciative of the support shown by both our patients and our shareholders. Due to the emergence of the Zika virus in July and August of last year, this has discouraged couples' desires to start or extend their family. We view this as only a temporary deferment and are cautiously optimistic that since the fear of the impact of the Zika virus has mostly abated, our birth rate will show signs of recovery. Nevertheless, our group of Obstetricians continued to perform well, delivering 794 babies for the first six (6) months of this year, a drop of only seven (7) babies compared to last year.

Our Cancer Specialists continue to improve in their contribution to the Group's revenue. Within the Cancer segment, their revenue increased by 34.6% but more importantly, this translates into effective treatment for more patients seeking effective and affordable therapy for their ailments.

It was a rather more challenging environment for our Dermatology segment. With lower number of medical tourists and the strong Singapore dollar, patient loads have decreased slightly. To counter this, we have started promoting some of our dermatology products in our Obstetrics clinics and have ramped up marketing through our internal channels.

On a more positive note, we established our new Paediatric pillar in July 2017 at Parkway East Medical Centre with Dr. Lim Xue Yan as our first resident Paediatrician. We expect to add a second Paediatrician in November 2017 and SOG is well on its way in cementing our whole of life healthcare concept. We now have complimentary healthcare services beginning with the creation of life, pregnancy established and cared for, infant and child care, extending through medical, surgical and dermatological healthcare requirements of adulthood and into their golden years.

We remain cautiously positive moving forward and in line with our commitment to a regular payout, we are happy to declare an interim dividend. We take this opportunity to thank our shareholders once again for their loyal support.”

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**ABOUT SINGAPORE O&G LTD.
("SOG" or collectively with its subsidiaries, the "Group")**

SOG is a leading group of Specialist Medical Practitioners dedicated towards women's and children's health and wellness, with a long and established track record in the Obstetrics and Gynaecology ("**O&G**") field in Singapore.

SOG is disciplined and focused in delivering a wide range of premier specialist services catering to the medical needs of women and children at affordable prices.

Currently, our spectrum of services range from pre-pregnancy counselling, delivery, post-delivery care to gynaecological problems, skin problems and most complex cancer conditions. SOG offers advice, medical and surgical care and support to our patients with a focus on: Obstetrics, Gynaecology, GynaeOncology, Breast & General Surgery, Dermatology and Paediatrics.

As at 30 June 2017, the Group has a total of ten Specialist Medical Practitioners:

- Six O&G Specialists;
- Three cancer specialists: One Obstetrician/GynaeOncologist and two Breast and General Surgeons; and
- One Dermatologist.

The Group is led by its Chairman, Dr. Heng Tung Lan, its CEO, Dr. Ng Koon Keng and its Executive Directors, Dr. Lee Keen Whye and Dr. Beh Suan Tiong. In particular, both Dr. Heng Tung Lan and Dr. Lee Keen Whye have more than 20 years' experience in the O&G field. Additionally, Dr. Ng Koon Keng has business development, management, marketing and publishing experience and spearheads the marketing and business development activities of the Group.

For more information, please visit SOG's website at www.sog.com.sg.

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