



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

FOR IMMEDIATE RELEASE

Stork Takes Flight: Singapore O&G Ltd. Achieves 90.7% Growth in 1H 2016 Group Net Profit After Tax



- **1H 2016 Group Revenue up S\$6.2 million or 80.5% as compared to 1H 2015**
- **1H 2016 Net profit after tax up S\$2.5 million or 90.7% as compared to 1H 2015**
- **Increased 1H 2016 revenue contribution from all segments**
- **Earnings per share up 0.93 Singapore cents or 75.0% as compared to 1H 2015**
- **Declares an interim tax exempt dividend of 1.53 Singapore cents per share, up 73.9% as compared to 1H 2015**

Singapore, 11 August 2016 – Singapore O&G Ltd. (“**SOG**” or collectively with its subsidiaries, the “**Group**”), a SGX Catalist listed company specialising in women’s healthcare, announced today its unaudited financial results for the half year ended 30 June 2016 (“1H 2016”). The Group’s net profit after tax attributable to shareholders increased by S\$2.5 million or 90.7%, and revenue increased by S\$6.2 million or 80.5%, over the same period last year (“1H 2015”), and this is largely due to the acquisition and maiden consolidation of Dermatology segment. Profit from operations margin improved by 2.4% from 42.0% in 1H 2015 to 44.4% in 1H 2016, resulting in a corresponding increase in net profit after tax margin of 2.0% from 35.1% for 1H 2015 to 37.1% for 1H 2016.

The Group’s core segment continued to perform well. In the period under review, Obstetrics and Gynaecology gained market share with a total delivery of 801 babies in 1H 2016. This is an increase of 6.9% as compared to 1H 2015.

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Cancer-related segment also saw a significant increase in turnover and patient loads. SOG Women Cancer Specialists added S\$1.3 million to the Group's revenue, and this is an improvement of 114.2% as compared to 1H 2015.

Our new Dermatology segment contributed S\$4.3 million to the Group's revenue and S\$1.5 million to the Group's net profit after tax, achieving a profit from operations margin of 39.6%.

The Group notes that the specialities of Dermatology and Cancer-related generally require more consumables and medical supplies than that of O&G speciality. As a result, gross profit margin dipped by 4.1% from 89.5% in 1H 2015 to 85.4% in 1H 2016.

Employee benefits expense increased by S\$1.7 million or 67.0% from S\$2.6 million in 1H 2015 to S\$4.3 million in 1H 2016. The increase is mainly due to the salary and benefits expense of our Dermatology segment which started in January 2016, and the increase in average headcount of clinical staff.

Notwithstanding that other expense categories increased in tandem with the increase in revenue, the Group continues to review its expenses for cost containment, particularly for other operating expense category. Other operating expense increased by S\$0.3 million or 25.3% from S\$1.1 million in 1H 2015 to S\$1.4 million in 1H 2016. The increase is mainly due to the other operating expense of S\$0.3 million incurred by our new Dermatology segment.

Overall, the Group delivered a net profit after tax of S\$5.2 million, an increase of 90.7%, for 1H 2016 as compared to S\$2.7 million in 1H 2015. Earnings per share increased by 0.93 Singapore cents or 75.0% from 1.24 Singapore cents (based on 218,000,000 shares) in 1H 2015 to 2.17 Singapore cents (based on 238,401,501 shares) in 1H 2016.

As at 30 June 2016, the Group's balance sheet remained healthy with a net asset value of S\$41.7 million. Net asset value per share rose by 58.7% from 11.01 Singapore cents as at 31 December 2015 to 17.47 Singapore cents as at 30 June 2016. The Group generated a net operating cash flows of S\$4.7 million for 1H 2016 as compared to S\$2.7 million for 1H 2015. There were no borrowings or any debt securities and instruments.

The Board of Directors of SOG is pleased to declare an interim dividend of 1.53 Singapore cents per share to reward our shareholders for their participation in our Group's growth. The interim dividend for FY 2016 is an increase of 0.65 Singapore cents or 73.9% as compared to the interim dividend of 0.88 Singapore cents for FY 2015.

Dr. Ng Koon Keng (Victor), CEO of SOG said: "We are pleased to acknowledge and we thank the support shown by our patients for our medical and surgical services. Even though the birth rate in Singapore remains challenging, our Obstetrics segment continues to improve market share with 801 deliveries in 1H 2016. This is 7.0% of all

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deliveries in private hospitals. Dr. Natalie Chua performed outstandingly as she delivered 67.1% more babies compared to same period last year. With a new Obstetrician Dr. Hong Sze Ching having joined us in July this year, we are optimistic she will add meaningfully to our delivery numbers.

Our Cancer Specialists, Dr. Cindy Pang, Dr. Radhika Lakshmanan and our latest Breast Specialist, Dr. Lim Siew Kuan also contributed significantly to our Group's revenue. Together, they achieved a combined revenue of S\$1.3 million for 1H 2016. With their help, we continue to do our part in our nation's fight against cancer.

In her maiden contribution, our Dermatology segment headed by Dr. Joyce Lim contributed materially to our revenue. Our Dermatology segment now accounts for 31.0% to the Group's revenue. With the roll out of our marketing campaign for Dr. Lim's proprietary products and cross referrals, we hope to add value to both our Dermatology segment's top and bottom lines.

We remain positive moving forward and in line with our commitment to a high dividend payout rate, barring any unforeseen circumstances, the full year final dividend should be larger than the interim dividend. We take this opportunity to thank our shareholders 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 health and wellness with a long and established track record in the Obstetrics and Gynaecology (“O&G”) field.

SOG’s goal is to provide women comprehensive life-long health and wellness. Currently, our specialties are: pregnancy care and delivery; the female reproductive system; gynaecological and breast cancer; skin and aesthetic treatments; and other ancillary medical services.

As at 30 June 2016, the Group has a total of ten Specialist Medical Practitioners:

- Six O&G Specialists;
- Three Cancer Specialists: One 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.

This press release 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 press release. This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release including the correctness of any of the statements or opinions made or reports contained in this press release.

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