



SINGAPORE O&G LTD.

(Company Registration No. 201100687M)

FOR IMMEDIATE RELEASE

SOG achieves 14.9% revenue growth to S\$9.9 million in Q2 2019

- O&G segment remains a significant revenue contributor, recording an increase in the number of deliveries compared to the corresponding quarter a year ago
- Cancer-related and Paediatrics segments continue to register steady growth
- Proposes an interim dividend of 0.62 Singapore cents per share, payable on 3 September 2019

Financial highlights for the period ended 30 June 2019

(S\$'000)	Q2 2019	Q2 2018	Change (%)	1H 2019	1H 2018	Change (%)
Revenue	9,920	8,635	14.9	18,650	16,832	10.8
Profit from operations	3,291	4,357	(24.5)	5,805	7,295	(20.4)
Profit before tax	3,263	4,376	(25.4)	5,756	7,327	(21.4)
Profit for the period	2,736	3,753	(27.1)	4,827	6,229	(22.5)
Basic earnings per share (Singapore cents)	0.57	0.79	(27.8)	1.01	1.31	(22.9)

SINGAPORE – 7 August 2019 - Singapore O&G Ltd. (“SOG”, the “Company” or collectively with its subsidiaries, the “Group”), today announced a 14.9% revenue growth to S\$9.9 million for the second quarter ended 30 June 2019 (“Q2 2019”), as compared to S\$8.6 million in the corresponding three months in 2018 (“Q2 2018”).

The top line growth during the quarter was driven by the Obstetrics & Gynaecology (“O&G”) and Cancer-related segments which increased by S\$0.1 million and S\$0.4 million respectively. The Paediatrics segment also registered a significant year-on-year (“YoY”) increase in revenue of S\$0.9 million, due mainly to the contributions from the two newly-opened Paediatrics clinics which started operations in November 2018 and February 2019. Dermatology segment posted a decline of S\$0.1 million in revenue.

The reporting quarter saw an increase of S\$0.3 million in consumables and medical supplies used as compared to Q2 2018. This was due to the opening of four new clinics (two Paediatrics, one Dermatology and one O&G) and an increase in medication sales and consumables used in procedures

by existing clinics. Employee remuneration expense rose by S\$0.8 million due to the new clinics, an increase in incentive bonus for a few specialist medical practitioners and an increase in the headcount of management and clinical staff. Depreciation increased by S\$420,000 due mainly to the recognition of depreciation on right-of-use assets arising from the adoption of SFRS(I) 16 effective from 1 January 2019.

Consequently, the Group recorded a 27.1% YoY decline in net profit to S\$2.7 million in Q2 2019 as compared to S\$3.8 million in Q2 2018. Excluding the non-recurring income of S\$0.9 million (net of taxes and associated expenses) included in 2Q 2018 (“**Non-recurring Income**”), the Group’s net profit would have dipped by a lower quantum of 3.2%.

“In Q2 2019, our O&G services remain as our major revenue contributor, accounting for 54% of the Group’s revenue. We also recorded an 8% YoY increase in the number of babies delivered in the quarter to 498 babies, bringing the total for the first half of this year to 958 babies. The recent addition of Dr. Clara Ong, our seventh O&G medical specialist, is well-positioned to capture this healthy demand for our O&G services. Heading into the second half of the year, our Cancer-related and Paediatrics segments continue to register steady growth, especially with growing contributions from our two new Paediatrics clinics.

Looking forward, we will continue to look at expanding the depth of our healthcare services and medical care locally, as well as opportunities to expand overseas to increase our competitive edge and chart further growth for the Group,” said Dr. Ivan Lau, Chief Executive Officer of SOG.

The Group’s earnings per share for Q2 2019 was 0.57 Singapore cents, down from 0.79 Singapore cents in Q2 2018. Excluding the Non-recurring Income, earnings per share for Q2 2018 would have been 0.59 Singapore cents. Net asset value per share increased to 9.46 Singapore cents as at 30 June 2019 from 9.35 Singapore cents as at 31 December 2018. As at 30 June 2019, the Group’s cash and cash equivalents remained at a healthy S\$20.8 million compared to S\$18.2 million as at 30 June 2018.

In view of the Group’s performance, the Board of Directors has declared an interim dividend of 0.62 Singapore cents per share, representing a dividend payout ratio of 61.2% of the Group’s net profit for first half 2019.

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.

The Group 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, its spectrum of services include: pre-pregnancy counselling, delivery, pregnancy and post-delivery care, gynaecological and breast cancer, skin and aesthetic treatments, and paediatrics. As at the date of this announcement, the Group has four operating segments namely: O&G, Cancer-related, Dermatology and Paediatrics with a total of 16 specialist medical practitioners comprising:

- Seven O&G Specialists;
- Three Cancer Specialists: One Gynae-Oncologist and two Breast and General Surgeons;
- Four Paediatricians; and
- Two Dermatologists

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

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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This press release has not been examined or approved by the SGX-ST. 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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