



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

FOR IMMEDIATE RELEASE

SOG CONTINUES TO GROW ACROSS MOST OPERATING SEGMENTS

- **New Paediatrics segment was established in July 2017**
- **Group's revenue up S\$1.2 million or 4.3%**
- **Profit from operations for our Cancer-related segment grew by 133.7%**
- **Proposed final one-tier exempt dividend of 0.89 Singapore cents per share for FY 2017**

Singapore, 14 February 2018 – Singapore O&G Ltd. ("**SO**G" or collectively with its subsidiaries, the "**Group**"), a SGX Catalist listed company specialising in women's and children's health and wellness, announced today its unaudited financial results for the full year ended 31 December 2017 ("**FY 2017**").

The Group's revenue grew by S\$1.2 million or 4.3% despite the outbreak of Zika virus in August 2016 and its recurrence in early 2017, which affected the birth rate in Singapore. Revenue from our Cancer-related and Obstetrics & Gynaecology ("**O&G**") segments increased by S\$1.0 million and S\$0.6 million respectively. Our new Paediatrics segment which started in July 2017 contributed S\$0.1 million to the Group's revenue. However, revenue from our Dermatology segment decreased by S\$0.5 million due to competition in medical tourism from our neighbouring countries.

Consumables and medical supplies used increased by S\$0.2 million or 4.5% is attributed mainly to the increase in consumables and medical supplies used by our O&G and Cancer-related segments arising from an increase in patient loads in FY 2017. Consumables and medical supplies used as a percentage of the Group's revenue remained consistent at 15.2% for FY 2016 and FY 2017.

With the new Paediatrics segment, our number of specialist medical practitioners increased from 10 as at 31 December 2016 to 12 as at 31 December 2017. Due to the increasing patient loads of our new clinics, the clinical and management staff

average headcount had increased from 42 for FY 2016 to 48 for FY 2017. Accordingly, employee remuneration expense increased by S\$1.0 million or 9.0% from S\$11.0 million for FY 2016 to S\$12.0 million for FY 2017. Employee remuneration expense as a percentage of the Group's revenue increased by 1.7% from 38.4% for FY 2016 to 40.1% for FY 2017 as our new clinics are building up their patient loads.

Depreciation of plant and equipment increased by S\$0.1 million or 37.9% from S\$0.4 million for FY 2016 to S\$0.5 million for FY 2017. This is attributed mainly to the purchase of new medical equipment for our O&G, Cancer-related and Dermatology clinics in FY 2017. The Group also renovated our Heng Clinic for Women at Parkway East Medical Centre for better patient's experience, and set up two Paediatrics clinics at Parkway East Medical Centre and 11A Boon Tiong Road to provide holistic healthcare services to our patients. Depreciation as a percentage of the Group's revenue increased slightly by 0.5% from 1.3% for FY 2016 to 1.8% for FY 2017.

Other operating expense increased by S\$0.4 million or 13.2% from S\$2.8 million for FY 2016 to S\$3.2 million for FY 2017 due mainly to an additional impairment charge of S\$0.1 million on our investment in an available-for-sale financial asset, S\$0.1 million incurred by our new Paediatrics segment in FY 2017, increase in rental expense of S\$0.1 million for our new clinics and corporate office, and increase of S\$0.1 million in medical professional indemnity insurances for our O&G Specialists. Other operating expense as a percentage of the Group's revenue increased by 0.9% from 9.7% for FY 2016 to 10.6% for FY 2017 due mainly to the rate of increase in other operating expense which is higher than the rate of increase in revenue contribution from our newly recruited specialist medical practitioners.

Profit from operations decreased by S\$0.5 million or 5.1% from S\$10.4 million for FY 2016 to S\$9.9 million for FY 2017 due mainly to a decrease of profit from operations of S\$0.5 million from our Dermatology segment, an increase of S\$0.3 million operating costs from our corporate office, and 'start-up' losses from operations of S\$0.2 million from our new Paediatrics segment. However, profit from operations for our Cancer-related segment grew by S\$0.5 million or 133.7% from S\$0.4 million for FY 2016 to S\$0.9 million for FY 2017.

As a result of the above, the Group's net profit after tax attributable to shareholders decreased slightly by S\$0.3 million or 3.4% from S\$8.8 million for FY 2016 to S\$8.5 million for FY 2017. Consequently, earnings per share decreased by 0.08 Singapore cents or 4.3% from 1.86 Singapore cents for FY 2016 to 1.78 Singapore cents for FY 2017.

The Group maintained a strong financial position with a net asset value of S\$43.5 million, an increase of S\$1.9 million or 4.5% from S\$41.6 million as at 31 December 2016 to S\$43.5 million as at 31 December 2017. Net asset value per share rose by 0.39 Singapore cents or 4.5% from 8.73 Singapore cents as at 31 December 2016 to 9.12 Singapore cents as at 31 December 2017.

Excluding the payment of second and third cash tranche consideration of S\$4.0 million each 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. (the "JL

Acquisition”), the Group generated a fairly consistent net operating cash flow of S\$10.0 million for FY 2017 as compared to S\$10.4 million for FY 2016. As at 31 December 2017, the contingent consideration for the JL Acquisition was fully paid and the Group has no borrowings or any debt securities and instruments.

The Board of Directors of SOG is pleased to declare a final one-tier exempt dividend of 0.89 Singapore cents per share in respect of FY 2017 (“**Final Dividend**”). Together with the interim dividend payment of 0.61 Singapore cents per share made on 4 September 2017, the total dividend payment is 1.50 Singapore cents per share for FY 2017 representing 83.9% of the net profit after tax of the year.

Dr. Lee Keen Whye, Executive Director and interim CEO of SOG said, “Despite the Zika virus outbreak and slow-down in medical tourism in 2017, the Group had performed well and we are extremely happy to establish our new Paediatrics segment. Once again, we welcome our new Paediatricians, Dr. Lim Xue Yan and Dr. Irene Teo, to our SOG family.

In 2017, we saw the remarkable growth of our Cancer-related segment. Profit from operations from our Cancer-related segment grew by 133.7% from S\$0.4 million for FY 2016 to S\$0.9 million for FY 2017. We are proud of our Cancer Specialists team which is made up of two Breast Surgeons and a GynaeOncologist.

The number of babies delivered by our O&G segment in FY 2017 remained consistent with FY 2016. The Group delivered 1,716 babies in FY 2017 as compared to 1,728 babies in FY 2016. The Group will continue to build the patient loads of our junior O&G Specialists to increase our market share in Singapore.

The slow-down in Singapore’s medical tourism affected our Dermatology segment in FY 2017. With the support of our local patients seeking aesthetics consultation and treatment, our Dermatology segment has delivered profit from operations of S\$2.4 million for FY 2017. We are thankful to Dr. Joyce Lim for her hard work and contribution to the Group in the current challenging aesthetics industry.

Following the announcements on the resignation of our Lead Independent Director and CEO on 26 December 2017 and 30 January 2018 respectively, the Board of Directors of SOG (the “**Board**”) is pleased to appoint Mr. Ng Boon Yew as our Lead Independent Director and Audit Committee Chairman while in search for a new CEO. The Board wishes to reassure our shareholders and key stakeholders that business remains as usual, and we will continue to grow our new Paediatrics segment and strengthen our other segments in 2018”.

- END -

ABOUT SINGAPORE O&G LTD.

("SOG" or collectively with its subsidiaries, the "Group")

SOG is a leading group of specialist medical practitioners dedicated to 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 include: pre-pregnancy counselling, delivery, pregnancy and post-delivery care, gynaecological and breast cancer, skin and aesthetic treatments, and paediatrics.

As at 31 December 2017, the Group has a total of twelve (12) specialist medical practitioners comprising:

- Six O&G Specialists;
- Three Cancer Specialists: One Gynae-Oncologist and two Breast and General Surgeons;
- Two Paediatricians; and
- One Dermatologist.

The Group is led by its Executive Chairman, Dr. Heng Tung Lan 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.

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

For media and analyst queries, please contact:

Investor Relations
Singapore O&G Ltd.
Tel: +65 6440 4123
Fax: +65 6440 8240
Email: ir@sog.com.sg

Alternatively, you may wish to contact Mr. Eric Choo, Chief Financial Officer, at:
Email: eric@sog.com.sg

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, #01-05 Hong Leong Building, Singapore 048581. Telephone number: (65) 6415 9886.