



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

FOR IMMEDIATE RELEASE

STORK Continues Flight: Singapore O&G Ltd. takes STORK Levels to New Heights, bringing FY 2016 to a spectacular close.

- **FY 2016 Group's revenue increased by S\$12.3 million to S\$28.7 million, up 74.7% from previous year, with maiden contribution of S\$8.5 million from new Dermatology segment.**
- **FY 2016 Net Profit after Tax increased by S\$3.5 million to S\$8.8 million, up 64.8% from previous year.**
- **Increased revenue contribution from all segments, with Dermatology providing 29.5% and Cancer-related with 9.6%**
- **Earnings per share up 1.45 Singapore cents to 3.69 cents, an increase of 64.7% compared to FY 2015.**
- **Declares a final tax exempt dividend of 1.57 Singapore cents per share, together with an interim dividend of 1.53 Singapore cents per share which was paid on 1 September 2016, will constitute 83.9% of FY 2016 net profit after tax, up 1.07 Singapore cents or 52.7% as compared to FY 2015.**

Singapore, 16 February 2017 – 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 full year ended 31 December 2016 ("FY 2016"). The Group's net profit after tax attributable to shareholders increased by S\$3.5 million or 64.8%, and total revenue increased by S\$12.3 million or 74.7% as compared to last year ("FY 2015"). The increase is largely due to the revenue contribution of S\$8.5 million from our new Dermatology segment (SOG Dermatology clinic), and increase in patient loads from our Obstetrics & Gynaecology ("O&G") and Cancer-related segments.

Save for the non-cash finance expense of S\$449,000 relating to the unwinding of the discount implicit in the second and third cash tranche consideration for the acquisition of the entire rights, title and interest of Dr. Joyce Lim Teng Ee ("Dr. Joyce Lim") and

Singapore O&G Ltd.

JL Laser & Surgery Centre Pte. Ltd. (“JLLSC”), JL Esthetic Research Centre Pte. Ltd. (“JLERC”) and JL Dermatology Pte. Ltd. (“JLD”, and together with JLLSC and JLERC, collectively known as the “Targets”), in the Target’s business and medical practices on 1 January 2016 (the “Acquisition of JL”), our net profit after tax would have been S\$9.3 million.

Singapore continues to be challenged in its efforts to increase birth numbers, largely due to uncertainties in the local and global economies. However, SOG continues its dominance in gaining market share with our team of dedicated obstetricians. We delivered 1,728 healthy babies in FY 2016, an increase of 5.8% as compared to FY 2015. SOG’s market share in the private sector increased from 6.7% in FY 2015 to 7.5% in FY 2016, taking our ‘stork’ levels to new heights. O&G segment continues to be the highest contributor, at 60.9%, to the Group’s revenue.

Our new Dermatology segment helmed by Dr. Joyce Lim contributed 29.5% to the Group’s revenue, achieving a profit from operations margin of 35.1%. This is an astounding achievement and underscores Dr. Lim’s contribution. Dermatology is one of our significant segments and we will continue to expand and grow this business.

Singapore has proportionately one of the highest number of diagnosed cancer cases in Southeast Asia. With an emphasis on early detection, SOG believes the chances of a better prognosis is greatly increased. Our dedicated women cancer specialists, Dr. Cindy Pang, Dr. Radhika Lakshmanan, and our latest addition, Dr. Lim Siew Kuan, collectively contributed an increase of S\$1.3 million or 80.0% to the Group’s revenue from S\$1.5 million in FY 2015 to S\$2.8 million in FY 2016. This translates to a net profit after tax of S\$417,000 in FY 2016 which is an increase of more than 100% as compared to FY 2015. We believe our strategy to increase market share is now firmly in place and this trend should continue into FY 2017.

Other operating income increased by S\$84,000 or 46.1% from S\$182,000 for FY 2015 to S\$266,000 for FY 2016 due to clinic rental rebates and government grants.

Consumables and medical supplies used increased by S\$2.5 million or 135.0% from S\$1.9 million for FY 2015 to S\$4.4 million for FY 2016 mainly due to S\$2.0 million of consumables and medical supplies used by Dermatology segment and an additional S\$0.3 million and S\$0.2 million of consumables and medical supplies used by O&G and Cancer-related segment respectively. Consumables and medical supplies used as a percentage of the Group’s revenue rose by 3.9% for FY 2016 mainly as a result of higher usage by our Dermatology segment.

Despite the increase in clinical staff headcount from 22 in FY 2015 to 32 in FY 2016 and the additional salary and benefits expense of the three new specialist medical practitioners, the percentage of employee benefits expense remains fairly consistent at approximately 38.0% of the Group’s revenue. In spite of the overall increase in the expense categories in tandem with the increase in revenue, we were able to achieve a healthy net profit after tax margin of 30.7% for FY 2016. The Group will continue to review its expenses for better cost containment.

As at 31 December 2016, the Group maintained a strong financial position with a net asset value of S\$41.6 million, an increase of 73.4% from S\$24.0 million as at 31

December 2015. 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 31 December 2016. The Group generated a net operating cash flow of S\$10.4 million for FY 2016 as compared to S\$6.4 million for FY 2015. As at 31 December 2016, the Group has no borrowings or any debt securities and instruments.

The Board of Directors of SOG is pleased to declare a final tax exempt dividend of 1.57 Singapore cents per share for FY 2016 to our shareholders for their loyal support. Together with an interim dividend of 1.53 Singapore cents per share which was paid on 1 September 2016, this will constitute 83.9% of FY 2016 net profit after tax. This is an increase of 52.7% as compared to FY 2015 full year dividend of 2.03 Singapore cents per share.

Dr. Ng Koon Keng (Victor), CEO of SOG said, "We are greatly encouraged by the Group's full year results which continued from our spectacular performance in the first half of 2016. All three business segments met and exceeded our expectations giving us a strong finish to the year.

Although 2016 saw a slight dip in Singapore's birth rates from the previous Jubilee year, our team of O&G Specialists delivered 1,728 babies or 7.5% market share of the private sector market. We are confident that our O&G segment will continue to grow especially with our patient engagement and retention plans already in place.

Noteworthy is the highly commendable performance of Dr. Joyce Lim who heads SOG's Dermatology segment. With recruitment plans in place, targeted marketing activities and better cost containment, we hope to achieve greater profitability for this segment in FY 2017.

With the addition of Dr. Lim Siew Kuan to our team of SOG women cancer specialists, the Cancer-related segment will form the foundation for patients seeking attentive and effective anti-cancer treatment. Revenue generation aside, our team aims to provide holistic and altruistic options to support our patients in their fight against cancer.

In continuing SOG's trend to be both a growth stock and attractive yield dividend stock, our dividend policy remains intact with a generous total pay-out of 3.10 Singapore cents per share for FY 2016. I would like to take this opportunity to thank our loyal shareholders, institutional and retail, for their continuing support in such challenging economic climate.

In 2017, we hope to further embrace SOG's Whole-of-Life concept by engaging our patients at multiple touch points as they embark on their treatment journey with us. We understand the importance of taking the often mentioned 'life course' approach, and seek to give girls and women the age-appropriate health care they require when they are born, to their teenage years and through their adulthood."

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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 31 December 2016, 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.

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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