



SINGAPORE O&G LTD.

(Company Registration No. 201100687M)

FOR IMMEDIATE RELEASE

SOG posts revenue and operating profit growth of 21.8% and 9.7% respectively for Q4 2019

Financial highlights for the period ended 31 December 2019

| (S\$'000) | Q4 2019 | Q4 2018 | Change (%) | FY 2019 | FY 2018 | Change (%) |
|------------------------------|-----------------|---------|------------|-----------------|---------|------------|
| Revenue | 10,698 | 8,786 | 21.8 | 39,757 | 34,681 | 14.6 |
| Profit from operations | 3,204 | 2,921 | 9.7 | 12,549 | 13,653 | (8.1) |
| Impairment of goodwill | (11,900) | (2,800) | N/M | (11,900) | (2,800) | N/M |
| (Loss)/profit before tax | (8,683) | 150 | N/M | 619 | 10,931 | (94.3) |
| (Loss)/profit for the period | (8,883) | 23 | N/M | (1,133) | 9,148 | N/M |

SINGAPORE – 19 February 2020 - Singapore O&G Ltd. (“SOG”, the “Company” or collectively with its subsidiaries, the “Group”), today announced revenue of S\$10.7 million for the fourth quarter ended 31 December 2019 (“Q4 2019”), up 21.8% from S\$8.8 million of the corresponding period a year ago (“Q4 2018”).

All four business segments of the Group registered revenue growth for the quarter, with Paediatrics segment contributing the highest growth of S\$1.2 million mainly attributable to the two new Paediatrics clinics that commenced operations in November 2018 and February 2019. Obstetrics & Gynaecology (“O&G”) and Cancer-related segments saw revenue increasing by S\$0.4 million and S\$0.2 million respectively from a new O&G clinic that started operations in May 2019 and an increase in patient load. Similarly, the opening of a second Dermatology clinic in December 2018 contributed to revenue growth of S\$0.1 million for the Dermatology segment.

Operationally, the Group registered higher operating expenses due mainly to the four new clinics that commenced operations in late 2018 and 2019, as well as higher staff headcount. For the quarter under review, consumables and medical supplies used increased 62.2% to S\$1.7 million, while employee remuneration rose 20.6% to S\$4.5 million. Depreciation for the quarter increased by S\$415,000 due

to the recognition of right-of-use assets arising from the adoption of SFRS(I) 16 which took effect from 1 January 2019.

As a result, and including a significant increase in impairment of goodwill of S\$9.1 million to S\$11.9 million in Q4 2019 due to the declining earnings of the Dermatology segment arising from the increasingly competitive landscape which impacted the recoverable amount of the cash-generating unit, the Group reported a net loss of S\$8.9 million for Q4 2019 compared to a net profit of S\$23,000 in Q4 2018. Excluding the impairment of goodwill of S\$11.9 million in Q4 2019, the Group would have reported a net profit of S\$3.0 million.

On a full year basis (“**FY 2019**”), the Group registered 14.6% growth in revenue to S\$39.8 million and a net loss of S\$1.1 million. Excluding the impairment of goodwill of S\$11.9 million, the Group would have reported a net profit of S\$10.8 million.

“The Group closed off financial year 2019 with our O&G, Cancer-related and Paediatrics business segments being profitable with year-on-year increase in revenue. Our Paediatrics segment reported its first full year of operating profit of S\$937,000, following two years of gestation period after its inception in July 2017. During the year, we boosted our pool of medical specialists with the addition of Dr. Petrina Wong for Paediatrics and Dr. Clara Ong for O&G, as well as renewed the service agreements with four of our O&G medical specialists - Dr. Beh Suan Tiong, Dr. Choo Wan Ling, Dr. Heng Tung Lan and Dr. Lee Keen Whye, for a period of five to eight years.

“Going forward, we intend to continue to look at growing our pool of like-minded medical specialists and expand our suite of complementary healthcare services to better serve our patients,” said Mr. Eric Choo, Chief Executive Officer of SOG.

The Group’s financial position remained healthy with zero borrowings and total cash and cash equivalents as at 31 December 2019 increased to S\$26.0 million compared to S\$21.5 million a year ago.

ABOUT SINGAPORE O&G LTD.

(“SOG” or collectively with its subsidiaries, the “Group”)

Established since 2011, SOG is a leading healthcare service provider dedicated towards delivering premier medical services to women’s and children’s health and wellness at affordable prices.

With a long and established track record in the Obstetrics and Gynaecology (“O&G”) segment in Singapore, which provides pre-pregnancy counselling, delivery, pregnancy and post-delivery care, the Group has expanded its spectrum of services to include gynaecological and breast cancer, skin and aesthetic treatments, and paediatrics.

The Group’s clinics, under its four operating segments of O&G, Cancer-related, Dermatology and Paediatrics, are strategically located throughout Singapore to provide easy access to its patients.

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

For media and analyst queries, please contact:

August Consulting

Tel: +65 6733 8873

Janice ONG, janiceong@august.com.sg

Avril LIM, avrillim@august.com.sg

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.

The contact person for the Sponsor is Ms. Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).