



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

FOR IMMEDIATE RELEASE

SOG CONTINUES TO POST DOUBLE-DIGIT GROWTH IN EARNINGS FOR Q3 2018

- **Q3 2018 Group revenue increased by S\$1.4 million or 17.6% over the same period last year**
- **Q3 2018 Net profit after tax increased by S\$0.5 million or 23.4% over the same period last year**
- **Q3 2018 Earnings per share increased by 0.12 Singapore cents or 24.5% over the same period last year**

Singapore, 14 November 2018 – Singapore O&G Ltd. (“**SOG**”, the “**Company**” 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 three months (“**Q3 2018**”) and nine months (“**YTD Sep 2018**”) period ended 30 September 2018.

The Group’s revenue for Q3 2018 increased by S\$1.4 million or 17.6% from S\$7.7 million for the three months period ended 30 September 2017 (“**Q3 2017**”) to S\$9.1 million for Q3 2018. The increase is attributed to the increase of S\$0.8 million and S\$0.5 million revenue from our Obstetrics & Gynaecology (“**O&G**”) and Cancer-related segments respectively, the contribution of S\$0.2 million from our new Paediatrics segment which started operations in July 2017, offset by a slight decrease of S\$0.1 million from our Dermatology segment.

The Group’s revenue increased by S\$3.9 million or 17.9% from S\$22.0 million for the nine months period ended 30 September 2017 (“**YTD Sep 2017**”) to S\$25.9 million for FY 2018. Our O&G segment posted an increase of S\$2.2 million in revenue for YTD Sep 2018 over the same period last year, with an increase in the total babies delivered from 1,237 babies for YTD Sep 2017 to 1,364 babies for YTD Sep 2018, and an increase in gynaecological surgery cases performed from 611 cases for YTD Sep 2017 to 656 cases for YTD Sep 2018. Our cancer-related segment posted an increase of S\$1.2 million in revenue over the same period last year and this is due to an increase in patient loads. Our Paediatrics segment also contributed an increase of S\$0.6 million

in revenue as it was started in July 2017. However, revenue from our Dermatology segment decreased slightly by S\$0.1 million for YTD Sep 2018 over the same period last year.

Other income decreased by S\$91,000 or 82.0% from S\$111,000 for Q3 2017 to S\$20,000 for Q3 2018 due mainly to the absence in Q3 2018 of S\$88,000 clinic rental rebates received from a lessor .

Other income increased by S\$1.2 million or more than 100.0% from S\$0.2 million for YTD Sep 2017 to S\$1.4 million for YTD Sep 2018. The increase is due mainly to the receipt of the settlement sum of S\$1.25 million from the Company's former Lead Independent Director, Mr. Christopher Chong Meng Tak ("**Mr. Chong**"), for the full and final settlement arising from the dispute concerning the Company's claim for S\$1.5 million from Mr. Chong for a transaction of the Company in which Mr. Chong was involved (the "**Dispute**").

Consumables and medical supplies used increased by S\$0.3 million or 24.7% from S\$1.1 million for Q3 2017 to S\$1.4 million for Q3 2018. The increase parallels the increase in the Group's revenue for the corresponding same period.

Consumables and medical supplies used increased by S\$0.7 million or 20.6% from S\$3.1 million for YTD Sep 2017 to S\$3.8 million for YTD Sep 2018. The increase parallels the increase in the Group's revenue for the corresponding same period.

Employee remuneration expense increased by S\$0.3 million or 10.5% from S\$3.0 million for Q3 2017 to S\$3.3 million for Q3 2018. The increase is due mainly to an increase of S\$0.2 million quarterly accrual for incentive bonus for a few specialist medical practitioners, and S\$0.1 million from the new Paediatrics clinic which started in November 2017.

Employee remuneration expense increased by S\$1.2 million or 13.3% from S\$8.6 million for YTD Sep 2017 to S\$9.8 million for YTD Sep 2018. The increase is due to an increase of S\$0.7 million accrual for YTD Sep 2018 incentive bonus for a few specialist medical practitioners, S\$0.6 million from our new Paediatrics segment which started in July 2017, offset by a decrease of S\$0.1 million in accrual for YTD Sep 2018 bonuses for management staff at our Corporate office.

Depreciation of plant and equipment increased by S\$8,000 or 6.8% from S\$127,000 for Q3 2017 to S\$135,000 for Q3 2018. The increase is attributed mainly to the depreciation charge arising from a new ultrasound machine acquired for SOG-Cindy Pang Clinic for Women & GynaeOncology in September 2017, and the renovation of the new Paediatrics clinic which started in November 2017.

Depreciation of plant and equipment increased by S\$48,000 or 13.2% from S\$367,000 for YTD Sep 2017 to S\$415,000 for YTD Sep 2018. The increase is attributed mainly to the depreciation charge arising from a new ultrasound machine acquired for SOG-Cindy Pang Clinic for Women & GynaeOncology in September 2017, the two new laser machines acquired for our SOG Dermatology Clinic in June 2017 and August 2017, and renovation of Heng Clinic for Women, Corporate office at Mountbatten Square and the new Paediatrics clinic in May 2017, July 2017 and November 2017 respectively.

Other operating expense increased by S\$43,000 or 5.5% from S\$781,000 for Q3 2017 to S\$824,000 for Q3 2018. The increase is attributed mainly to S\$29,000 incurred by the new Paediatrics clinic in Q3 2018, and the increase of S\$16,000 in medical professional indemnity insurance premiums for our specialist medical practitioners.

Other operating expense increased by S\$0.3 million or 16.4% from S\$2.2 million for YTD Sep 2017 to S\$2.5 million for YTD Sep 2018. The increase is attributed mainly to the incremental S\$0.2 million incurred by our new Paediatrics segment which started operations in July 2017 and a non-recurring professional and legal fees of S\$0.1 million incurred for the Dispute.

Excluding the one-off other income arising from the Dispute and its related expenses posted in Q2 2018, the Group's net profit after tax attributable to shareholders increased by S\$1.7 million or 26.4% from S\$6.5 million for YTD Sep 2017 to S\$8.2 million for YTD Sep 2018. Consequently, net profit margin increased by 2.1% from 29.6% for YTD Sep 2017 to 31.7% for YTD Sep 2018. Earnings per share increased by 0.36 Singapore cents or 26.5% from 1.36 Singapore cents for YTD Sep 2017 to 1.72 Singapore cents for YTD Sep 2018.

The Group maintained a strong financial position with a net asset value of S\$44.6 million as at 30 September 2018. This is an increase of S\$1.1 million or 2.5% as compared to S\$43.5 million as at 31 December 2017. Net asset value per share rose by 0.23 Singapore cents or 2.5% from 9.12 Singapore cents as at 31 December 2017 to 9.35 Singapore cents as at 30 September 2018.

The Group continues to generate a healthy net operating cash flows of S\$9.8 million for YTD Sep 2018. There were no borrowings or any debt securities and instruments as at 30 September 2018.

Dr. Beh Suan Tiong, Executive Chairman of SOG said, "We are extremely delighted with the Group's excellent performance for the three months period ended 30 September 2018. We will continue to strengthen our four business segments – O&G, cancer-related, dermatology and paediatrics, and aim to deliver better earnings to shareholders.

The Board of Directors wishes to thank all our specialist medical practitioners, clinical and management staff for their hard work in achieving this excellent performance."

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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 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 30 September 2018, 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. Beh Suan Tiong and its Executive Directors, Dr. Lee Keen Whye and Dr. Heng Tung Lan. In particular, both Dr. Lee Keen Whye and Dr. Heng Tung Lan have more than 20 years’ experience in the O&G field.

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 content have been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.*

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