



Q&M DENTAL GROUP REPORTS NET PROFIT OF \$3.8M IN FY2009

- **Proposing final dividend payout of approximately 90% of its net profit in 2H09**
- **New Dental Centre enlarging the Group's patient base**
- **Group to continue expanding its local network of dental clinics**
- **Strengthening its growth profile through overseas acquisition plans**

Singapore, 25 February 2010 – Mainboard-listed **Q&M Dental Group (Singapore) Limited** (“Q&M Dental Group” or the “Group”), the largest provider of private dental healthcare services in Singapore, today reported an improvement in net profit to \$3.8 million for the financial year ended 31 December 2009 (“FY2009”), from \$3.7 million in FY2008.

The Group is proposing to pay a tax-exempt (one-tier) final dividend of 0.6183 cents per share. This is approximately 90% of the Group's net profit for the period from 1 July 2009 to 31 December 2009, which is above the minimum of 50% recommended in its prospectus dated 17 November 2009.

For FY2009, Group revenue rose 2.4% to \$30.3 million. The recovering economy led to a gradual pick up in demand for dental healthcare services during the latter months of the year, which lifted the Group's full-year revenue from a flat year-on-year performance registered in the first six months of FY2009 (“1H09”). Sequentially, the Group's revenue of \$16.3 million in 2H09 was an increase of 16.0% half-on-half, compared to \$14.0 million in 1H09.

Dr Ng Chin Siau, CEO of Q&M Dental Group said, “We are pleased that the Group was able to overcome the difficult operating conditions to deliver an improved performance in FY2009. Besides registering higher revenue from our existing dental clinics, our performance in 2H09 was also buoyed by maiden contributions from three new outlets and seasonally higher revenue in December.”

During 2H09, Q&M Dental Group set up new dental clinics in Tampines and Sun Plaza. The Group also began operations of its new Dental Centre in City Square Mall. Occupying a total floor area of approximately 12,000 square feet, the Q&M Dental Centre has 32 treatment rooms equipped with the latest dental technology, making it the largest private dental centre in Singapore.

“Since its opening on 17 December last year, our Dental Centre has been attracting a healthy inflow of local and foreign patients. This is due to its accessible location, our team of highly-trained dental professionals, as well as the shorter waiting and treatment times,” said Dr Ng.

The Group aims to position its Dental Centre as a leading centre in the region for specialist dental healthcare services to capture a larger share of this growing market. It plans to expand its team of dentists trained in specialist dental healthcare, and embark on marketing and promotional programs to raise the Dental Centre's profile.

While the Dental Centre is only expected to break-even in two to three years time, Q&M Dental Group is expecting it to contribute an annual profit before tax of between \$2 million to \$2.5 million to the Group's earnings when it is fully operational¹.

"The development of the Dental Centre is a major initiative in our organic expansion plans as it is roughly equivalent to the size of 16 dental clinics. We believe there is still significant scope for growth of Singapore's dental healthcare market. To reach new customers and build further on our extensive network of dental clinics, we will be continually assessing suitable and convenient locations in Singapore to set up new clinics," said Dr Ng.

Besides organic expansion, Q&M Dental Group is also looking to strengthen its growth profile through mergers and acquisitions in overseas markets.

The Group recently announced its first overseas foray with the proposed acquisition of Dental Implant Surgical Center ("DISC") in Hong Kong². DISC, which operates a well-established and profitable dental implant clinic specialising in Oral & Maxillofacial Surgery, has a high profile in the dental healthcare industry in Hong Kong and the PRC. The vendors of DISC have also provided a guarantee that DISC's profit before tax from FY2010 to FY2017 shall not be less than HK\$5.8 million (approximately S\$1.1 million) per annum. Completion is subject to satisfactory financial and legal due diligence, which is still ongoing.

"We are also hunting for potential opportunities to tap the large and rapidly growing market for quality dental healthcare in the People's Republic of China ("PRC"). To this end, we are presently in discussions with a number of potential partners in the PRC regarding the acquisition of existing dental clinic chains there. These discussions however do not represent or indicate any affirmation of our acquisitions, partnerships or collaborations in any form in the PRC," Dr Ng said.

Backed by its strong balance sheet, Q&M Dental Group is also constantly scouting for opportunities to expand its business through acquisitions, joint ventures or strategic alliances with parties who create synergistic values with its existing business, in Singapore as well as in

¹ As previously disclosed in the Group's Announcement No. 00035 dated 29 December 2009

² Refer to Announcement No. 00009 dated 12 January 2010

other countries. As at 31 December 2009, the Group had cash and cash equivalents of \$21.6 million and minimal borrowings of \$0.5 million.

About Q&M Dental Group

Q&M Dental Group [QNM SP / QMDT.SI] is Singapore's largest private dental healthcare group with 37 dental clinics strategically located island-wide, one Dental Centre and one mobile dental clinic.

Established in 1996, Q&M Dental Group has built an established brand through its reputation as a reliable dental healthcare services provider with multi-disciplinary expertise. The Group offers a comprehensive range of dental healthcare services, from primary care dental healthcare services to specialist services.

Q&M Dental Group has a pool of more than 100 experienced dentists and oral health therapists, supported by more than 300 Dental Surgery Assistants, to provide quality service to its patient pool of more than 350,000 island-wide.

The Group was listed on the Main Board of the SGX-ST on 26 November 2009.

For further information on Q&M Dental Group, please visit the Group's website at www.QandM.com.sg