



Q & M DENTAL GROUP POSTS NET PROFIT OF \$4.0 M IN FY10

- Group revenue up 29% to \$39.1 million, driven by existing and new dental outlets in Singapore
- Net profit improved despite higher expenses related to the Group's business expansion in Singapore and overseas markets
- Group proposing final dividend of 0.6 cent per share which will bring its total payout for FY10 to 1.1838 cents per share, representing 80% of profit attributable to equity holders
- Group executing plans to strengthen its Singapore operations, and expand its presence in the PRC and Malaysia

Singapore, 28 February 2011 – 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 announced that net profit improved 6% to \$4.0 million for the 12 months ended 31 December 2010 ("FY10"), despite higher expenses related to its business expansion activities in Singapore and overseas markets.

The Group witnessed a healthy 29% increase in revenue to \$39.1 million in FY10, driven by higher revenue from its existing dental clinics and maiden contributions from its new dental outlets in Singapore. By the end of 2010, Q & M Dental Group's nation-wide network had grown to 40 dental clinics and two dental centres, compared to 37 clinics and one dental centre at the end of 2009.

To reward shareholders, Q & M Dental Group is proposing a final dividend of 0.6 cent per share. Together with its interim dividend of 0.5838 cent per share, total dividends in respect of FY2010 would amount to 1.1838 cents per share, representing 80% of the Group's profit attributable to shareholders.

Dr Ng Chin Siau, CEO of Q & M Dental Group said, "The Group continued to deliver robust top line growth in FY10. This can be attributed to the strength of our Q & M brand and ever-widening network of dental outlets in Singapore which saw the Group benefiting from a higher number of patient visits during the year.

The first year of our public listing was marked with several significant developments as we successfully made inroads into the PRC and Malaysia markets on top of extending our presence in Singapore. We believe our business strategies will strengthen the Group's long-term growth potential and enhance shareholder value. Our plans are aimed at building Q & M Dental Group into a larger operating entity with exposure to growth markets and a wider spectrum of business within the dental healthcare industry."

BUSINESS AND FINANCIAL REVIEW

To improve accessibility to its specialist dental healthcare services, Q & M Dental Group opened its second dental centre in The Centrepont at Orchard Road in October 2010. The Group's flagship dental centre at City Square Mall, which opened in December 2009, has steadily gained traction to turn in a profitable performance at the subsidiary level in FY10.

The Group also set up three new dental clinics at Serangoon Garden, Novena Square and Nex Shopping Mall during FY10.

The maiden contributions from the four new dental outlets that opened in FY10, as well as higher revenue from existing dental outlets led to a 29% or S\$8.8 million increase in Group revenue to \$39.1 million in FY10. In terms of patient visits, the Group saw an increase of 10% to 250,000 visits in FY10, as compared to 227,000 patient visits in FY09.

Given the larger network of dental outlets in operation in Singapore, the Group's operating expenses in FY10 were higher compared to FY09. Consumables and dental supplies expense in FY10 rose on higher purchasing cost and the addition of new dental outlets in FY10.

While employee benefits expenses rose in tandem with revenue growth and higher headcount required to support the Group's expanded operations and future growth, these expenses as a percentage of sales remained relatively stable at 61.7% in FY10. Rental expenses were also up on the increased number of dental outlets and higher rental rates for some clinics.

New dental outlets generally require a gestation period to build up their revenue, but have an immediate impact on the Group's expenses upon commencement of operations.

Notwithstanding the increase in operating cost and additional expenses for its expansion in the PRC and Malaysia where the revenue and profit of such activities are only expected to materialise from FY11, the Group's net profit improved 6% to \$4.0 million in FY10.

The Group continues to maintain a strong financial position. As at 31 December 2010, it had cash and cash equivalents of \$15.0 million and zero borrowings.

FUTURE PLANS

Going forward, Q & M Dental Group intends to maintain its pole position in Singapore's private dental healthcare market by steadily expanding its network of dental clinics to increase market share. At the same time, the Group will continue to execute its overseas expansion strategy to strengthen its earnings base.

Said Dr Ng, "Besides seeking strategic locations to set up new dental clinics, the Group also intends to leverage on our large patient base in Singapore to progressively improve the utilisation of our two large-scale and technologically-advanced dental centres."

The Group is also making good progress in the PRC's private dental healthcare market, where it has sewn up partnerships with the Aiyashi and Dan De dental healthcare groups in Beijing and Nanjing respectively. Leveraging on the Group's expertise, Dan De dental group opened its first dental centre in Zifeng Tower in Nanjing city on 2 January 2011. Carrying both "Dan De" and "Q & M" brands, this new dental centre is

equipped with state-of-the-art dental technology to cater to rising demand for quality private dental healthcare services in Nanjing.

Besides private dental healthcare services, the Group is also in the process of entering the dental laboratory business in the PRC through joint ventures with two dental laboratories – Yiwu He Cheng in Zhejiang Province and New Perfect which is headquartered in Shenzhen. The due diligence exercises for both joint ventures are presently underway.

"We plan to invest approximately RMB180 million over the next three years to build our presence in the PRC. Our vision is to achieve a separate public listing for our PRC dental operations, said Dr Ng.

Besides the PRC, the Group has also flagged its intentions to develop its private dental healthcare business in Malaysia by acquiring a 70% stake in a dental practice in Johor Bahru in December 2010.

About Q & M Dental Group (全民牙医集团 (新加坡) 有限公司)

Q & M Dental Group [QNM SP / QMDT.SI] is Singapore's largest private dental healthcare group with 40 dental clinics strategically located island-wide, two Dental Centres and one mobile dental clinic. The Group also owns a dental supplies and equipment distribution company in Singapore.

Founded 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 ranging from primary care dental healthcare services to specialist services. The Group has a pool of about 120 experienced dentists, supported by more than 300 Dental Surgery Assistants, to provide quality service to its patient pool of more than 400,000 island-wide.

Q & M Dental Group is also executing plans to expand its presence in the People's Republic of China ("PRC") to tap the country's large and rapidly growing market for dental healthcare services. To-date, the Group has formed joint ventures with two dental healthcare groups in the PRC. These joint ventures have a total of six dental clinics, one dental centre, and one mobile dental clinic in Beijing and Nanjing cities. The Group also owns a dental practice in Johor Bahru, Malaysia.

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.QandMDental.com.sg