

**Q & M DENTAL GROUP 1Q11 NET PROFIT UP 27% to \$1.0M**

- Group revenue up by 23% year-on-year to \$10.6 million
- US\$15 million investment from IFC has strengthened the Group's financial footing to pursue its expansion plans in the PRC
- Group expands presence in Malaysia with second dental clinic in Johor

**Singapore, 10 May 2011** – Mainboard-listed **Q & M Dental Group (Singapore) Limited** (“Q & M” or the “Group”), a growing private dental healthcare group in Asia, has reported a 27% year-on-year growth in net profit to \$1.0 million for the first quarter ended 31 March 2011 (“1Q11”).

The stronger performance was achieved on the back of a healthy 23% increase in Group revenue to \$10.6 million, fuelled by revenue growth of Q & M's existing dental clinics, and contributions from new dental outlets in Singapore and Malaysia. By the end of March 2011, Q & M had 42 dental outlets in Singapore and one dental clinic in Malaysia, as compared to 38 dental outlets as at 31 March 2010.

In tandem with the Group's growth, total expenses in 1Q11 rose by 21% to \$9.5 million. Expenses for consumables and dental supplies, employee benefits and rental, accounted for 6%, 63% and 11% of total revenue respectively in 1Q11. The Group closed 1Q11 with a strong cash position of \$15.4 million.

Last month, Q & M announced that IFC (International Finance Corporation), a member of World Bank, had agreed to make a strategic investment of US\$15 million (\$18.9 million) to fund the Group's expansion plans in the PRC and help widen access to high-quality dental healthcare in the country.

**Said Dr Ng Chin Siau, CEO of Q & M**, “Q & M will be able to benefit greatly from the partnership with IFC given their broad experience and industry knowledge in investing in private sector healthcare. With the additional funding, Q & M will also have a larger war chest to carry out our expansion in the PRC and deliver international standards of dental healthcare services.”

Q & M is looking to establish a network of reputable dental clinics and dental laboratories in the PRC where the demand for up-to-date and quality dental healthcare is thriving.

To-date, Q & M's joint ventures with Aiyashi dental group in Beijing and Dan De dental group in Nanjing operate a total of seven dental clinics, one dental centre and one mobile clinic. Based on the joint venture agreements, the Aiyashi and Dan De joint ventures will start contributing to the Group's bottom line from 3Q11.

Q & M also expects to tie up joint ventures for two dental laboratories in the PRC before the end of 3Q11. Upon conclusion of the joint ventures for the dental laboratories, Q & M expects to see more substantial earnings from its associate companies for the PRC dental business in 2012 and beyond.

In Southeast Asia, the Group has plans to expand its presence in Malaysia's private dental healthcare market. In view of rising consumer affluence and medical tourism there, coupled with a growing pool of dentists, Q & M is optimistic of the growth potential of Malaysia's private dental healthcare market. To this end, the Group has opened its second dental clinic in Johor on 2 May 2011.

As Q & M pursues its overseas expansion, plans are also afoot to increase its market share and maintain its stronghold in Singapore's private dental healthcare sector. In 2011, the Group is looking to open three to four new dental outlets. At the same time, Q & M will work to further increase the utilisation of its large-scale dental centres to capture a larger share of the growing market for specialist dental healthcare services.

**Dr Ng added,** "The double-digit increases in the Group's revenue and profit in 1Q11 reflect the strength of our dental operations in Singapore. Q & M remains as Singapore's largest private dental healthcare provider in terms of the number of our dental outlets and dentists. We are continually bringing in new dentists and raising our dentists' clinical skills to enhance our service level and remain as the industry frontrunner."

*This news release is to be read in conjunction with the Group's announcement posted on the SGX website on 10 May 2011.*

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#### **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 a growing private dental healthcare group in Asia. The Group operates the largest network of dental outlets in Singapore and is building its presence in the People's Republic of China ("PRC") and Malaysia.

Founded in 1996, Q & M Dental Group has built an established brand through its reputation as a reliable provider of quality dental healthcare services. In Singapore, the Group has 40 dental clinics strategically located island-wide, two dental centres and one mobile dental clinic. It also owns a dental supplies and equipment distribution company. The Group has a team of about 130 experienced dentists, supported by more than 300 clinic support staff, to provide quality service to its patient pool of more than 400,000 island-wide.

Q & M Dental Group is presently executing plans to expand its presence in the overseas markets. To-date, the Group has invested in two dental healthcare groups in the PRC that operate a total of seven dental clinics, one dental centre and a mobile dental clinic in Beijing and Nanjing cities. It also has a 70% stake in 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](http://www.QandMDental.com.sg)