

Q & M DENTAL GROUP REPORTS NET PROFIT OF \$3.6 MILLION FOR 3Q18

- Revenue for 3Q18 increased marginally to \$29.5 million with higher revenue from new and existing dental outlets in Singapore
- The Group remains committed to its intensive growth strategy with seven rental agreements signed for openings in Singapore and Malaysia, as well as pursuit of other strategic business development opportunities in China

Singapore, 14 November 2018 – Q & M Dental Group (Singapore) Limited (“Q & M” or the “Group”), a leading private dental healthcare group in Asia, reported a net profit attributable to shareholders \$3.6 million for the three months ended 30 September 2018 (“3Q18”).

Financial Highlights	3Q18 S\$'000	3Q17 S\$'000	% Change	9M18 S\$'000	9M17 S\$'000	% Change
Revenue excluding Aoxin	29,515	29,456	-	87,755	84,871	3
Revenue from Aoxin ¹	-	-	-	-	6,204	-
Key Operating Expenses ²	23,316	23,305	-	70,056	70,787	(1)
Other Expenses	1,826	1,838	(1)	4,972	6,086	(18)
Share of Profit from Equity-Accounted Associates	539	733	(26)	3,578	2,380	50
Other Gains / (Losses)	198	84	136	823	9,779	(92)
PATMI, Excluding Other Gains	3,420	3,502	(2)	11,855	11,285	5
PATMI Margin	12%	12%	-	14%	12%	2
Basic EPS (cents) ³	0.46	0.45	2	1.60	2.64	(39)

¹Private dental services, equipment and supplies provider Aoxin was deconsolidated from a subsidiary to associate in April 2017

²Key Operating Expenses include Consumables & Supplies Used, Dental Equipment & Supplies, Employee Benefits Expense and Rental Expense

³Based on weighted average number of shares of 792,963,943 for 30 September 2018 (30 September 2017: 796,580,987)

Revenue from the Group’s dental and medical clinics, excluding Aoxin, increased marginally to \$27.7 million for 3Q18 from \$27.6 million for 3Q17, attributed to higher revenue from existing and new dental outlets in Singapore.

Revenue contribution from the dental equipment and supplies distribution business, excluding Aoxin, decreased slightly from \$1.9 million for 3Q17 to \$1.8 million for 3Q18, due to lower revenue from both the Singapore and Malaysia operations.

As at 30 September 2018, the Group had a total of 72 dental outlets and 4 medical outlets in operations. The Group also had a total of 16 dental outlets in Malaysia and 1 dental outlet in the People’s Republic of China (“PRC”).

Total key operating expenses for 3Q18 remained largely unchanged from 3Q17 at \$23.3 million. Decreases in consumables and supplies used by 16% to \$2.0 million, dental equipment and supplies by 12% to \$1.3 million and rental expense by 3% to \$3.1 million were offset by an increase in employee benefits expense. Employee benefits expense increased by 4% to \$17.0 million for 3Q18 as a result of salary revision and increased headcount to support existing and new dental outlets in Singapore and Malaysia.

As at 30 September 2018, the Group had cash and cash equivalents of \$23.4 million.

Commenting on the results, **Dr Ng Chin Siau, Group Chief Executive Officer** said, *"We have continued to maintain profitability. We will employ an intensive growth strategy which focuses on organic growth in Singapore and Malaysia as well as strategic business opportunities in PRC."*

Several new rental agreements are already in place for Singapore and Malaysia and the team is actively working on opportunities to acquire established dental institutions and dental supplies manufacturers in PRC.

The Group has embarked on new initiative in relation to the development and deployment of artificial intelligence in the field of Dentistry. QMAI Pte Ltd was incorporated on 12 November 2018 and it will be used as a platform for this initiative. "

During the quarter, the Group opened a dental clinic in Yishun Ring Road in July 2018 and relocated Bugis Dental Centre in Victoria Street to Bugis Junction in October 2018. Rental agreements have also been signed to open three new clinics in Singapore and four new clinics in Malaysia.

This news release is to be read in conjunction with the Group's announcement posted on SGXNET on 14 November 2018.

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