PRESS RELEASE

Q & M MAINTAINS NET PROFIT OF $13.0 MILLION FOR FY18, EXCLUDING OTHER GAINS

- **Revenue excluding Aoxin for FY18 increased by 2% to $119.9 million with higher revenue from new and existing dental outlets in Singapore and Malaysia**
- **Proposes final dividend of 0.42 cents per ordinary share**
- **Focused on accelerating organic growth, nine rental agreements have been signed for new clinic openings in Singapore and Malaysia, alongside exploration of other verticals in dental education and AI technology**

Singapore, 28 February 2019 – **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 owners of the parent of $14.35 million for the twelve months ended 31 December 2018 ("**FY18**").

Financial Highlights	FY18 $'000	FY17 $'000	% Change
Revenue excluding Aoxin	119,887	117,287	2
Revenue from Aoxin[1]	-	6,205	-
Key Operating Expenses[2]	97,782	98,054	(1)
Other Expenses	7,464	9,405	(21)
Share of Profit from Equity-Accounted Associates	4,948	3,950	25
Other Gains - Net	1,321	10,753	(88)
PATMI	14,348	23,869	(40)
PATMI, Excluding Other Gains	13,027	13,116	(1)
PATMI Margin (Excluding Other Gains)	*11%*	*11%*	-

[1]Private dental services, equipment and supplies provider Aoxin was deconsolidated from a subsidiary to associate in April 2017
[2]Key Operating Expenses include Consumables & Supplies Used, Dental Equipment & Supplies Distribution, Employee Benefits Expense and Rental Expense

Revenue from the Group's dental and medical clinics, excluding Aoxin, increased 3% to $111.7 million for FY18 from $108.7 million for FY17, attributed to higher revenue from existing and new dental outlets in Singapore and Malaysia.

Revenue contribution from the dental equipment and supplies distribution business, excluding Aoxin, decreased 5% from $8.6 million for FY17 to $8.2 million for FY18, due to lower revenue from the Singapore operations.

As at 31 December 2018, the Group had a total of 73 dental outlets and 4 medical outlets in operations in Singapore. The Group also had a total of 17 dental outlets in Malaysia and 1 dental outlet in the People's Republic of China ("**PRC**").

Total key operating expenses for FY18 decreased marginally to $97.8 million for FY18. Cost of dental equipment and supplies distribution decreased by 21% to $5.8 million mainly due to the deconsolidation of Aoxin from a subsidiary to an associate. This was offset by a 5% increase in consumables and supplies used in dental and medical clinics which was in line with the increase in revenue and new dental clinics opened in FY18. Employee benefits expenses and rental expenses also increased by 1% to $70.6 million and $12.9 million respectively.

Other expenses decreased by 21% from $9.4 million in FY17 to $7.5 million in FY18 mainly due to reduced legal and professional fees for Singapore and Malaysia and the deconsolidation of Aoxin from a subsidiary to an associate in April 2017.

Other gains - net in FY18 amounted to $1.3 million compared to $10.8 million in FY17. The decrease was mainly due to a one-time gain of $17.4 million from the spin-off of Aoxin by listing it on the Singapore Stock Exchange Catalist Board.

Share of profit from equity-accounted associates increased by 25% to $4.9 million for FY18, mainly due to higher share of profit from Aidite.

Excluding other gains, the Group reported a profit attributable to owners of the parent of $13.0 million for FY18.

As at 31 December 2018, the Group had cash and cash equivalents of $24.9 million. The Group also proposed a final dividend of 0.42 Singapore cents per share, bringing total dividends for FY18 to 0.82 Singapore cents per share.

Commenting on the results, **Dr Ng Chin Siau, Group Chief Executive Officer** said, *"In FY18, we have established the foundation to move towards several areas to propel our growth. As we continue to employ an intensive organic growth strategy in key locations in Singapore and Malaysia, we also look to the PRC and regional markets for joint ventures and organic growth initiatives that will give us a boost in momentum."*

The two most recent dental clinic openings by the Group were at The Poiz Centre, Singapore in February 2019 and in Kepong, Malaysia in January 2019. Rental agreements have also been signed to open one dental new clinic in Singapore and eight new dental clinics in Malaysia. In the PRC, the Group is actively working on opportunities to acquire established dental institutions and dental supplies manufacturers.

Dr Ng continued*, "As we strive to remain at the forefront of dentistry, the Group earnestly ventures into dental artificial intelligence (AI) and dental education as additional pillars of growth. These will not only improve our processes and lower our operating costs, but open doors for regional collaboration and expansion of our service offerings."*

Two wholly-owned subsidiaries, Q & M Dental AI Pte. Ltd. ("**QMAI**") and Q & M College of Dentistry Pte. Ltd. ("**QMCD**"), were established in end-2018 as part of the Group's ventures in dental AI and dental education. QMAI is primarily focused on the development of dental healthcare software for use in diagnosis and treatment planning and QMCD aims to offer post-graduate dental education programmes.

This news release is to be read in conjunction with the Group's announcement posted on SGXNET on 28 February 2019.

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