



Q & M NET PROFIT INCREASED BY 28% TO \$18 MILLION FOR FY19 AND PROPOSES A SPECIAL DIVIDEND OF 2 CENTS PER SHARE

- Total Revenue for FY19 increased by 6% to \$128.0 million with higher revenue from new and existing dental outlets.
- Profit from partial disposal of 36% interest in Aidite amounted to \$11.6 million.
- Proposes a final dividend of 0.42 cents and a special dividend of 2 cents per share in respect of FY19 to reward shareholders. Including the interim dividend of 0.4 cents paid in September 2019, FY19 full dividend is 2.82 cents per share.

Singapore, 27 February 2020 – 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 of \$18 million for the twelve months ended 31 December 2019 (“FY19”).

Financial Highlights	FY19	FY18	%
	\$'000	\$'000	Change
Revenue ¹	127,963	120,808	6
Key Operating Expenses ²	104,776	97,681	7
Other Expenses	8,081	7,464	8
Share of Profit from Equity-Accounted Associates	4,163	4,612	(10)
Other Gains	8,245	400	1,961
PATMI	17,984	14,012	28
<i>PATMI Margin</i>	14%	12%	-

¹Revenue from dental and medical clinics and dental equipment and supplies distribution

²Key Operating Expenses include Consumables & Supplies Used, Dental Equipment & Supplies Distribution, Employee Benefits Expense and Rental Expense/Depreciation of Right-Of-Use Assets

Revenue from dental and medical outlets increased by 6% from \$112.6 million for the 12 months ended 31 December 2018 (“FY18”) to \$119.2 million for the 12 months ended 31 December 2019 (“FY19”) mainly due to higher revenue from existing and new dental outlets in Singapore.

Revenue contribution from the dental equipment and supplies distribution business increased by 7% from \$8.2 million in FY18 to \$8.8 million in FY19 mainly due to higher revenue from Malaysia.

Key operating expenses increased by 7% from \$97.7 million in FY18 to \$104.8 million in FY19 which is in line with the increase in revenue.

Other expenses increased by 8% from \$7.5 million in FY18 to \$8.1 million in FY19 mainly due to increase in legal and professional fees arising from regulatory compliance, drafting agreements and the legal costs in China and Malaysia.

Share of profit from equity accounted associates decreased by 10% from \$4.6 million in FY18 to \$4.2 million in FY19 mainly due to gestation losses from Aoxin Q&M.

Excluding the provision of special bonus, and the adoption of SFRS (I) 16, the Group would have a profit before tax of \$23.2 million for FY19.

As at 31 December 2019, the Group had cash and cash equivalents of \$27.3 million.

As at 31 December 2019, the Group has a total of 80 dental outlets, 5 medical outlets and 1 dental college in operations, compared to 73 dental outlets and 4 medical outlets as at 31 December 2018 in Singapore.

As at 31 December 2019, the Group has a total of 31 dental outlets in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 17 dental outlets in Malaysia and 1 dental outlet in PRC as at 31 December 2018.

Commenting on the results, **Dr Ng Chin Siau, Group Chief Executive Officer** said, *"In 2014 Q&M made a strategic investment of 51% in Aidite. Most of the investment was disposed in 2019, resulting in a significant return on our investment. Q&M still retains a strategic 12.25% stake in Aidite, which remains as an equity-accounted associate. In terms of the returns, in 2016 we recognised a non-cash valuation gain of \$21.3 million. Upon the recent disposal, a further profit of \$11.6 million was recognised and both the earlier valuation gain and current profit has been realised for a total of \$32.9 million. The disposal transaction has resulted in net cash inflow of \$48.6 million, which is made up of partial receipts of proceeds from disposal, as well as a dividend income of \$3.5 million as at 27 February 2020. After the intended reducing debt and setting aside prudent reserves, a sum of \$19 million will be distributed to reward shareholders. The Board is proposing a special dividend of 2 cents per share to shareholders in FY19. We will continue to make strategic investments such as AI and dental education and upon successful execution to continue rewarding shareholders accordingly."*

This news release is to be read in conjunction with the Group's announcement posted on SGXNET on 27 February 2020.