



Q & M REPORTS 5% PROFIT AFTER TAX GROWTH TO \$8.9 MILLION FOR 1H20; UP SWING SEEN IN JUNE 2020

- Revenue affected by CB and MCO; effect mitigated by government grants.
- Recovery seen in dental revenue with June 2020 revenue out performing June 2019 as our patients are primarily local residents.
- Maintain same dividend of 0.4 cents per ordinary share for 1H20 unchanged from 1H19.
- Recently acquired business to supply Covid-19 test kits well positioned to serve global demand.

Singapore, 13 August 2020 – Q & M Dental Group (Singapore) Limited (“Q & M” or the “Group”), a leading private dental healthcare group in Asia, posted an increase of 5% in net profit to \$8.9 million for the 6 months ended 30 June 2020 (“1H20”) compared with \$8.4 million for the corresponding half in 2019 (“1H19”) after taking into account the Job Support Scheme and Rental Rebates.

Financial Highlights	1H20 \$'000	1H19 \$'000	% Change
Revenue	52,980	61,619	(14)
Key Operating Expenses ¹	39,090	48,210	(19)
Other Expenses	2,822	3,676	(23)
PAT	8,867	8,426	5

¹Key Operating Expenses include Consumables & Supplies Used, Dental Equipment & Supplies Distribution, Employee Benefits Expense and Rental Expense/Depreciation of Right-Of-Use Assets

Revenue contribution from dental and medical outlets decreased by 14% from \$61.2 million in 1H19 to \$53.0 million in 1H20 mainly due to the Circuit Breaker (“CB”) in Singapore and the Movement Control Order in Malaysia (“MCO”) with elective procedures being deferred.

During this period, Q&M focused on its cost, invested in equipment and personally protective equipment to enhance safety for our patients, dentists and nurses.

Dental outlets revenue in June 2020 has seen a recovery for Singapore and Malaysia with revenue being higher than June 2019 by 20% and 15% respectively.

Revenue contribution from the dental equipment and supplies distribution business

decreased by 11% from \$5.0 million in 1H19 to \$4.4 million in 1H20 mainly due to the CB and MCO in Singapore and Malaysia respectively.

In PRC, our associated companies operations were affected by Covid-19. Aoxin Q&M reported a bigger loss in 1H20 mainly due to the total shutdown of its operations from Feb to March 2020. Aidite's profit in 1H20 was lower due to the impact of Covid-19. The profit contribution was also lower due to a lower shareholding in 1H20 as a result of the partial disposal in December 2019.

As at 30 June 2020, the Group has a total of 80 dental outlets, 5 medical outlets, 1 dental college, 1 dental equipment and supplies distribution company and 1 Covid-19 test kits supply company, compared to 73 dental outlets, 4 medical outlets and 1 dental equipment and supplies distribution company as at 30 June 2019 in Singapore.

As at 30 June 2020, the Group has a total of 33 dental outlets and 1 dental equipment and supplies distribution company in Malaysia and 1 dental outlet in People's Republic of China ("PRC") compared to 20 dental outlets and 1 dental equipment and supplies distribution company in Malaysia and 1 dental outlet in PRC as at 30 June 2019.

As at 30 June 2019, the Group has a healthy cash and cash equivalents of \$41.6 million.

Dr Ng Chin Siau, Group Chief Executive Officer said, "When Covid-19 hits Singapore, our dentists and nurses served bravely at the front line to help with the swabbing of more than 13,000 foreign workers living in factory converted dormitories and government quarantine facilities. Following the CB and MCO, we are pleased that Q&M as a trusted dental provider has been able to resume servicing our patients safely resulting in June revenue outperforming June 2019 revenue in key markets. The resilience of our business is underpinned by us serving primarily the local residents and hence not affected by borders closure.

With the completion of the acquisition of the Covid-19 business of Acumen Research Laboratories Pte. Ltd. on 22 April 2020 through the setting up of Acumen Diagnostics Pte. Ltd., we are in a good position to supply Covid-19 test kits to global markets.

I am therefore cautiously optimistic that our business will continue to deliver growth even in the midst of the Covid-19 challenges".

This news release is to be read in conjunction with the Group's announcement posted on SGXNET on 13 August 2020.

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