PRESS RELEASE

Q & M DENTAL GROUP FULL-YEAR PROFIT NET OF TAX RISES BY 124% TO RECORD S$33.3 MILLION

- **Group revenue for FY16 increased by 24.9% to S$154.9 million, from S$124 million amidst challenging market conditions.**
- **Net profit attributable to shareholders for FY16 increased by 148% to S$28.3 million, from S$11.4 million on the back of spin-off of Aidite.**
- **Proposed final dividend of 0.7 cents per share in respect of FY16.**

Singapore, 1 March 2017 – **Q & M Dental Group (Singapore) Limited** ("**Q & M**" or the "**Group**") posted an increase of 148% growth in net profit attributable to shareholders to S$28.3 million for the financial year ended 31 December 2016 ("**FY16**"), from S$11.4 million for the previous corresponding financial year ended 31 December 2015 ("**FY15**") on the back of the spin-off of Aidite (Qinhuangdao) Technology Co., Ltd. (formerly known as Qinhuangdao Aidite High Technical Ceramic Co., Ltd.) ("**Aidite**").

Revenue from the Group's dental and medical clinics for FY16 increased by 21% to S$118.7 million, from S$97.8 million in FY15. The increase of S$20.9 million was mainly attributed to higher revenue from existing dental outlets in Singapore, the acquisitions of TP Dental Surgeons Pte. Ltd., Tiong Bahru Dental Surgery Pte. Ltd., Bright Smile Dental Surgery Pte. Ltd., acquisition of Aesthetics Dental Surgery Pte. Ltd. in November 2015 and Lee & Lee (Dental Surgeons) Pte. Ltd. in March 2016 as well as revenue contribution from Panjin Jingcheng Q & M Stomatology Co., Ltd., Panjin Jinsai Q & M Stomatology Co., Ltd. and Gaizou City Aoxin Q & M Stomatology Hospital Co., Ltd. in January 2016 in the People's Republic of China ("**PRC**").

Revenue contribution from the dental equipment and supplies distribution business for FY16 increased by 43% to S$13.7 million, from S$9.6 million in FY15. The increase of S$4.1 million was mainly due to revenue contribution from the acquisition of Shenyang Maotai Quanmin Medical Equipment Co., Ltd. in PRC in January 2016.

Revenue contribution from Aidite, the dental supplies manufacturing business in PRC, increased by 35% to S$22.5 million in FY16, from S$16.7 million in FY15. The increase of S$5.8 million was due to an increase in sales as a result of moving to its own bigger premises with higher production capacity.

Other gains in FY16 amounted to S$23.1 million compared to S$3.7 million in FY15. The increase in other income was mainly due to a one-time gain of S$21.3 million from the spin-off of Aidite and a subsequent reclassification from a subsidiary to an associate in FY16.

Other expenses increased by 20% to S$12.8 in FY16 from S$10.7 million in FY15. This increase of S$2.1 million was mainly due to the one-off incidental expenses relating to the aforementioned acquisitions. Other expenses also increased due to incidental expenses relating to the spin-off of Aidite and Aoxin Q & M Dental Group Pte. Ltd. (formerly known as Q & M Dental Holdings (China) Pte. Ltd.) ("**Aoxin**") and participation in more local and overseas trade shows by Aidite as well as incurring more expenses on marketing and advertising.

Professional fees and expenses in relation to the spin-off of Aidite and Aoxin amounting to S$1.1 million is due mainly to professional fees incurred in the spin-off of Aidite and Aoxin.

The Group's profit before tax rose 111% to S$35.5 million in FY16 from S$16.8 million in FY15. Excluding the one-time gain of S$21.3 million from the spin-off of Aidite and a reclassification from a subsidiary to an associate, PIC cash pay-out/PIC bonus of S$0.5 million, one-off incidental expenses of S$1.1 million and professional fees of S$1.1 million relating to the spin-off of Aidite and Aoxin and impairment of goodwill of S$4.1 million, the Group's profit before tax for FY16 would have been S$20 million.

The Group's profit before tax of S$16.8 million in FY15 included a one-time gain on disposal of property of S$1.8 million as well as PIC cash pay-out/PIC bonus of $1.1 million. Excluding the one-off gain on property and PIC cash pay-out/PIC bonus, the Group's profit before tax for FY15 would have been S$13.9 million.

The Directors of the Group are pleased to recommend a final dividend of 0.7 cents per share in respect of FY16 for approval by the shareholders at the Annual General Meeting. This will bring the full-year dividend to 1.12 cents per share.

Dr Ng Chin Siau, Group Chief Executive Officer said: "The spin-off of Aidite has resulted in the Group enjoying its first substantial fruit from its strategy of identifying, acquiring and realising value from businesses with great potential.

The Group has also appointed Religare Capital Markets Corporate Finance Pte. Limited as its financial adviser to assist with a strategic review of options available for the Group's business in line with the Group's commitment to enhance shareholder value".

This news release is to be read in conjunction with the Group's announcement posted on SGXNET on 1 March 2017.

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