



Financial Statement And Dividend Announcement For The Second Quarter Ended 30 June 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTER (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	Second Quarter			Year-To-Date		
	Q2 2011 S\$'000	Q2 2010 S\$'000	Change %	30/6/2011 S\$'000	30/6/2010 S\$'000	Change %
Revenue	11,205	9,200	22	21,784	17,827	22
Other Items of Income						
Interest Income	27	31	(13)	44	50	(12)
Other Credits	213	29	634	217	70	210
Other Items of Expense						
Consumables and Dental Supplies Used	(843)	(619)	36	(1,488)	(1,293)	15
Employee Benefits Expenses	(7,133)	(5,672)	26	(13,805)	(11,089)	24
Depreciation Expense	(273)	(180)	52	(531)	(361)	47
Rental Expense	(1,120)	(939)	19	(2,240)	(1,865)	20
Other Expenses	(736)	(518)	42	(1,500)	(1,126)	33
Other Charges	(13)	-	NM	(33)	-	NM
Finance Costs	(11)	-	NM	(15)	(6)	150
Share of Profit from Equity-Accounted Associates	101	-	NM	84	-	NM
Profit Before Tax from Continuing Operations	1,417	1,332	6	2,517	2,207	14
Income Tax Expense	(57)	(126)	(55)	(139)	(201)	(31)
Profit From Continuing Operations, Net of Tax	1,360	1,206	13	2,378	2,006	19
Other Comprehensive Income:						
Exchange Differences on Translating Foreign Operations, Net of Tax	5	-	NM	3	-	NM
Other Comprehensive Income for the Period, Net of Tax:	1,365	-	NM	2,381	-	NM
Total Comprehensive Income for the Period	1,365	1,206	13	2,381	2,006	19
Profit/(Loss) attributable to:						
Owners of the Parent, Net of Tax	1,353	1,207	12	2,368	2,002	18
Non-Controlling Interests, Net of Tax	7	(1)	NM	10	4	150
Profit Net of Tax	1,360	1,206	13	2,378	2,006	19
Total Comprehensive Income/(Loss) attributable to:						
Owners of the Parent	1,358	1,207	13	2371	2,002	18
Non-Controlling Interests	7	(1)	NM	10	4	150
Total Comprehensive Income	1,365	1,206	13	2,381	2,006	19

NM: Not Meaningful



1(b)(i) A statement of financial position of the group and the issuer, together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at		As at	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current Assets:				
Property, Plant and Equipment	8,227	6,474	168	173
Intangible Assets	341	341	-	-
Investment in Subsidiaries	-	-	4,051	3,851
Investment in Associates	3,625	3,541	-	-
Other Receivables	1,228	1,227	583	680
Total Non-current Assets	13,421	11,583	4,802	4,704
Current Assets:				
Inventories	727	281	-	-
Trade and Other Receivables	4,349	4,328	10,290	10,872
Other Assets	576	453	243	99
Cash and Cash Equivalents	14,687	14,935	8,846	8,430
Total Current Assets	20,339	19,997	19,379	19,401
Total Assets	33,760	31,580	24,181	24,105
EQUITY AND LIABILITIES				
Equity Attributable to Owners of the Parent				
Share Capital	22,947	22,947	22,947	22,947
Foreign Currency Translation Reserve	3	-	-	-
Share Option Reserve	6	-	6	-
Retained Earnings	3,664	2,947	386	321
Equity Attributable to Owners of the Parent, Total	26,620	25,894	23,339	23,268
Non-controlling Interests	51	41	-	-
Total Equity	26,671	25,935	23,339	23,268
Non-current Liabilities:				
Provisions	267	267	-	-
Deferred Tax Liabilities	187	187	-	-
Bank Loans	1,082	-	-	-
Finance Leases	470	-	-	-
Total Non-current Liabilities	2,006	454	-	-
Current Liabilities:				
Income Tax Payable	218	192	14	13
Trade and Other Payables	4,357	4,999	828	824
Bank Loans	198	-	-	-
Finance Leases	310	-	-	-
Total Current Liabilities	5,083	5,191	842	837
Total Liabilities	7,089	5,645	842	837
Total Equity and Liabilities	33,760	31,580	24,181	24,105



1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following at the end of the financial period reported on with comparative figures at the end of the immediately preceding financial year.

	<u>As at 30/6/2011</u>	<u>As at 31/12/2010</u>
	S\$'000	S\$'000
<u>Bank Loans</u>		
Amount repayable within one year	198	-
Amount repayable after one year	1,082	-

The bank loans are secured by a legal mortgage of a property and covered by a corporate guarantee from the company.

	<u>At 30/6/2011</u>	<u>At 31/12/2010</u>
	S\$'000	S\$'000
<u>Finance Leases</u>		
Amount repayable within one year	310	-
Amount repayable after one year	470	-

The finance leases are secured by pledge on the plant and equipment under the financial lease.



1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Q2 2011	Q2 2010
	S\$'000	S\$'000
Cash Flows From Operating Activities:		
Profit Before Tax	1,417	1,332
Adjustments for:		
Interest Expense	11	-
Share Option Reserve	6	-
Plant and Equipment Written Off	7	-
Depreciation of Plant and Equipment	273	180
Foreign Currency Translation Adjustment	3	-
Share of Profit of Associates	(101)	-
Interest Income	(27)	(31)
Operating Cash Flows Before Changes in Working Capital	1,589	1,481
Inventories	(309)	(191)
Trade and Other Receivables	294	(444)
Other Assets	(77)	(8)
Trade and Other Payables	(168)	(176)
Net Cash Flows From Operating Activities Before Interest and Tax	1,329	662
Income Taxes Paid	(101)	(224)
Net Cash Flows From Operating Activities	1,228	438
Cash Flows Used in Investing Activities:		
Purchase of Plant and Equipment	(193)	(276)
Trade and Other Receivables	(1)	-
Other Receivables, Non-Current	10	(78)
Interest Income	27	31
Decrease in Interest in a Subsidiary	-	206
Net Cash Flows Used in Investing Activities	(157)	(117)
Cash Flows Used in Financing Activities:		
Finance Lease Repayment	(73)	(1)
Dividends Paid to Equity Owners	(1,651)	(1,695)
Interest Paid	(11)	-
Repayment of Bank Loans	(42)	-
Net Cash Flows Used in Financing Activities	(1,777)	(1,696)
Net Decrease in Cash and Cash Equivalents	(706)	(1,375)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Period	15,393	20,848
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Period	14,687	19,473
Cash and Cash Equivalents at End of Period includes the following:		
Cash and Bank Balances	14,687	19,473
Cash and Cash Equivalents at End of Period	14,687	19,473



Q & M Dental Group (Singapore) Limited
(Incorporated in the Republic of Singapore)
(Company Registration No: 200800507R)

1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Total Equity	Attributable to Parent Sub-total	Share Capital	Retained Earnings	Translation Reserve	Share Option Reserve	Non-Controlling Interest
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group - Current period							
Opening Balance at 1 April 2011	26,951	26,907	22,947	3,962	(2)	-	44
Movements in Equity:							
Total Comprehensive Income for the period	1,365	1,358	-	1,353	5	-	7
Share Option	6	6	-	-	-	6	-
Dividend Paid	(1,651)	(1,651)	-	(1,651)	-	-	-
Closing Balance at 30 June 2011	26,671	26,620	22,947	3,664	3	6	51
Group - Previous period							
Opening Balance at 1 April 2010	25,099	25,099	22,302	2,797	-	-	-
Movements in Equity:							
Total Comprehensive Income/(Loss) for the period	1,206	1,207	-	1,207	-	-	(1)
Acquiring of Remaining Interest in a Subsidiary	2	-	-	-	-	-	2
Arising from Decrease in Interest in a Subsidiary	206	206	-	206	-	-	-
Dividend Paid	(1,695)	(1,695)	-	(1,695)	-	-	-
Closing Balance at 30 June 2010	24,818	24,817	22,302	2,515	-	-	1



1(d)(i) A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	Total Equity	Share Capital	Share Option Reserve	Retained Earnings /(Accumulated Losses)
	S\$'000	S\$'000	S\$'000	S\$'000
Company - Current period				
Opening Balance at 1 April 2011	23,297	22,947	-	350
Movements in Equity:				
Total Comprehensive Income for the period	36	-	-	36
Share Option	6	-	6	-
Closing Balance at 30 June 2011	23,339	22,947	6	386
Company - Previous period				
Opening Balance at 1 April 2010	22,214	22,302	-	(88)
Movement in Equity:				
Total Comprehensive Income for the period	262	-	-	262
Closing Balance at 30 June 2010	22,476	22,302	-	174



1 (d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares

	<u>Number of Shares</u> '000	<u>Share Capital</u> S\$'000
At 1 Jan 2011	<u>275,226</u>	<u>22,947</u>
At 30 Jun 2011	<u>275,226</u>	<u>22,947</u>

On 23 May 2011, the Company granted share options to 4 eligible participants to subscribe 453,000 ordinary shares at an exercise price of \$0.870 pursuant to the Q & M Employee Share Option Scheme.

Convertibles

The Company did not have any outstanding convertibles as at 30 June 2011 and 30 June 2010.

Treasury Shares

The Company did not have any treasury shares as at 30 June 2011 and 30 June 2010.

1 (d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30/6/2011	As at 31/12/2010
Total number of issued shares excluding treasury shares	<u>275,226,497</u>	<u>275,226,497</u>

1 (d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of current financial period reported on.



2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been reviewed / audited by the Company's auditor.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as set out in Note 5 of this announcement, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the most recently audited annual financial statements (FY10).

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current reporting period, the Group adopted all of the new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are relevant to its operations and are effective for first-time adoption during the current reporting period. The adoption of these new and revised FRS and INT FRS has no material effect on the amounts reported for the current or prior reporting periods.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share for the period :-	Second Quarter		Year-To-Date	
	Q2 2011	Q2 2010	30/6/2011	30/6/2010
(i) Basic earnings per share (cents)	0.49	0.44	0.86	0.73
(ii) On a fully diluted basis (cents)	0.49	0.44	0.86	0.73

For comparative purposes, the basic and fully diluted EPS for the quarter and half year 30 June 2011 and 30 June 2010 have been computed based on the profit attributable to equity holders of parent, net of tax and the weighted average number of ordinary shares of 275,226,497 shares for 2011 and weighted average number of ordinary shares of 274,075,000 for 2010.

There were no potentially dilutive ordinary shares in existence during the current period reported on and the corresponding period of the immediately preceding financial year and accordingly, no difference in basic and diluted earnings per share be presented above.



7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- current financial period reported on; and
 - immediately preceding financial year.

	Group		Company	
	As at		As at	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
Net asset value per ordinary share (cents)	9.7	9.4	8.5	8.5

The net asset value per ordinary share of the Group and the Company as at 30 June 2011 and 31 December 2010 have been calculated based on the total issued number of ordinary shares of 275,226,497.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
- any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Statement of Comprehensive Income

Revenue

The Group's revenue for the three months ended 30 June 2011 ("2Q11") increased 22% to \$11.2 million, from \$9.2 million in the previous corresponding quarter ("2Q10").

The increase of \$2 million in Group revenue was mainly attributed to higher revenue from existing dental clinics in Singapore, as well as maiden contributions from new dental outlets in Singapore. In 2Q11, the Group had 43 dental outlets in operation in Singapore, as compared to 39 dental outlets in 2Q10.

Revenue contribution from new dental clinics at Novena Square, Nex Shopping Mall, Boon Lay MRT, Serangoon Garden and the new dental centre at The Centrepoint, Orchard Road, amounted to \$1.2 million in 2Q11. These dental outlets commenced operations between July 2010 and May 2011.

For the first six months ended 30 June 2011 ("1H11"), Group revenue gained 22% to \$21.8 million, compared to \$17.8 million in 1H10. The increase was attributed mainly to an expansion in the network of dental outlets and increase in revenue from existing clinics in Singapore, as well as maiden contribution from the Group's clinics in Malaysia.

Other Items of Income

Other credit in 2Q11 amounted to \$213,000 compared to \$29,000 in 2Q10, attributed to the recognition of negative goodwill arising from the acquisition of a subsidiary.



Other Items of Expense

Consumables and Dental Supplies Used

Consumables and dental supplies used in 2Q11 increased by 36% to \$0.8 million from \$0.6 million in 2Q10. The increase was due mainly to the Group growth and expenses from Group's dental outlets in Malaysia.

Employee Benefits Expense

Employee benefits expense in 2Q11 increased by 26% to \$7.1 million, from \$5.7 million in 2Q10, which was largely in tandem with the growth in Group revenue. Staff expenses from the Group's dental operations in Malaysia were also consolidated into Group employee benefit expense in 2Q11.

Depreciation Expense

Depreciation expense in 2Q11 increased by 52% to \$0.3 million from \$0.2 million in 2Q10. The increase of \$0.1 million was due mainly to purchases of dental equipment, furniture, fixtures and fittings for the new dental outlets in Singapore. Depreciation expense in 2Q11 also took into account the depreciation costs from the Group's operations in Malaysia.

Rental Expense

Rental expense in 2Q11 increased by 19% to \$ 1.1 million from \$0.9 million in 2Q10. The increase of \$0.2 million was due mainly to rental expense for new dental outlets in Singapore.

Other Expenses

Other expenses in 2Q11 increased by 42% to \$0.8 million from \$0.5 million in 2Q10. The increase was mainly due to higher electronic payment transaction expenses, higher repair and maintenance costs due to an increase in dental operations, and professional fees related to business expansion activities overseas.

Share of Profit from Equity-Accounted Associates

In 2Q11, the Group recorded share of profit from associates of \$0.1 million. These associate companies, namely Q & M Dental (Beijing) Pte. Ltd. and Q & M Dental (Shanghai) Pte. Ltd., are related to the Group's joint ventures with dental healthcare groups in Beijing and Nanjing.

Profit Before Tax and Net Profit

As a result of the above factors, the Group recorded profit before tax of \$1.4 million in 2Q11. This was an increase of 6% from \$1.3 million in 2Q10, and 27% from \$1.1 million in 1Q11. After deducting provision for income tax expense of \$57,000, the Group's net profit in 2Q11 rose 13% to \$1.4 million from \$1.2 million in 2Q10. Income tax expense in 2Q11 included an overprovision of \$50k from prior year. For 1H11, net profit gained 19% to \$2.4 million, from \$2.0 million in the same period last year.



Statement of Financial Position

The Group's financial position remains healthy at the end of June 2011. The Group is in a net cash position with cash and cash equivalents of \$14.7 million, and borrowings and finance leases totalling \$2.0 million.

Current Assets

Cash and cash equivalents as at 30 June 2011 decreased slightly to \$14.7 million, from \$14.9 million as at 31 December 2010. The decrease of \$0.2 million was due mainly to the payment of dividends and purchase of plant and equipment, which offset the net cash generated from operations.

Non-Current Assets

The net book value of property, plant and equipment as at 30 June 2011 increased to \$8.2 million from \$6.5 million as at 31 December 2010. The increase of \$1.7 million arose from the purchase of property, dental equipment, furniture and fittings for existing and new dental outlets in Singapore.

Investment in associate companies, namely Q & M Dental (Beijing) Pte. Ltd. and Q & M Dental (Shanghai) Pte. Ltd., are related to the Group's joint ventures in two dental healthcare groups in the PRC. The investment in associate companies rose to \$3.6 million from \$3.5 million as at 31 December 2010 due to the share of profit from associate companies.

Current Liabilities

Trade and other payables as at 30 June 2011 decreased to \$4.4 million from \$5.0 million as at 31 December 2010, mainly due to the settlement of outstanding payments for the dental centre in The Centrepoint at Orchard Road.

At the end of 2Q11, the Group has current long term bank loans and finance leases totalling \$0.5 million which were used to finance the purchase of property and dental equipment for new and existing dental outlets in Singapore.

Non-Current Liabilities

Bank loans and finance leases that are repayable after one year totalled \$1.1 million and \$0.5 million respectively. These borrowings were used to finance the purchase of property and dental equipment for new and existing dental outlets in Singapore.

Statement of Cash Flows

The Group's net cash flow from operating activities was \$1.2 million for 2Q11. This was derived from the profit generated in 2Q11, and after deducting the amount used for working capital. Net cash used in investing activities in 2Q11 amounted to \$0.2 million, mainly due to the purchase of dental equipment, furniture, fixtures and fittings for new dental outlets in Singapore. Net cash used in financing activities in 2Q11 was \$1.8 million, which arose mainly from dividend payment of \$1.7 million with respect to FY2010. As a result, the Group's cash and cash equivalents dipped slightly to \$14.7 million as at 30 June 2011, from \$14.9 million as at 31 December 2010.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement had been issued for the current financial reporting period.



10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Industry Prospects

Barring any unforeseen circumstances, there are no significant changes in the trends and competitive conditions of the industry in which the Group operates and no major known factors or events that may adversely affect the Group in the next reporting period and the next twelve months.

Recent Developments

- Proposed joint venture relating to Shanxi Meiyuan Medical Technology Co (“SMM”)

On 10 August, the Group signed a non-binding Letter of Intent (“LOI”) with SMM, which owns and operates two dental hospitals, six dental clinics and a dental laboratory in Shanxi Province. Under the terms of the LOI, the Group and SMM shall cooperate towards implementing a Proposed Joint Venture, which will lead to its wholly-owned subsidiary, Q & M Dental Holdings (China) Pte Ltd, taking an equity stake in SMM. The equity interest and consideration are to be determined at a later stage following the results of the Group’s due diligence investigations, audit and valuation of SMM.

- Proposed joint venture with Beijing Le Le Jia Medical Solutions (“Beijing Le Le Jia”)

The Group entered into a non-binding memorandum of understanding on 13 June 2011 for a proposed joint venture with Beijing Le Le Jia. Beijing Le Le Jia is a dental laboratory that processes and manufactures dental devices and materials. Under the terms of memorandum of understanding, the Group shall own 49% of Beijing Le Le Jia for a total consideration of RMB 25 million. Beijing Le Le Jia is Q & M’s third proposed joint venture with a dental laboratory group.

- Proposed issuance of Taiwan Depository Receipts (TDR)

On 24 May 2011, the Group announced the appointment of Yuanta Securities Co. Ltd as the lead underwriter for a proposed TDR issue of up to USD50 million. The Group intends to utilise the proceeds raised from the proposed TDR for its working capital and expansion plans in the People Republic of China (PRC). The proposed TDR issue is conditional upon, inter alia, the grant of necessary approvals; and the Directors will also consider investors’ response and the interests of Q & M before proceeding with the proposed TDR issue. Q & M will make further announcements as and when appropriate.

- New dental clinics in Singapore

The Group opened new dental clinics in Boon Lay MRT and Marine Parade Central on 16 May 2011 and 1 August 2011 respectively. The new clinic at Marine Parade Central is the Group’s first outlet in this district, while the new clinic in Boon Lay MRT is the third outlet in the Boon Lay area to cater to the growing demand for quality dental services. The Group now operates a total of 42 clinics, two dental centres and one mobile dental clinic in Singapore.



- Expanding number of dentists with advanced technical skills

In June 2011, the Group teamed up with Germany's JW Goethe University of Frankfurt to run an oral implantology course for its dentists in Singapore and the PRC. This training will strengthen the Group's team of dentists with advanced skillsets to address the potential demand for higher value and specialised dental procedures. By training the dentists of the Group's joint venture clinics in the PRC, the Group is improving the clinical standards of the PRC clinics to increase its market share for advanced dental healthcare services.

Future Plans

The Group intends to continue executing the business plans outlined below.

- Expansion of network of dental clinics in Singapore

The Group targets to own and operate 60 Q & M dental clinics in Singapore by 2015 to expand its market share. The Group is looking to add another three to four new dental outlets in 2011. With two large dental centres in place and growing team of dentists with advanced skillsets, the Group believes it is well-positioned to enhance its service mix by tapping on the rising demand for higher value specialist dental healthcare services and the growing medical tourism market.

- Expansion into private dental healthcare market in the PRC

The Group's target is to have 50 dental clinics and 20 dental laboratories by 2015. With its aim to build a combined profit base of RMB80 million for all its joint ventures in the PRC in five years, the Group plans to invest RMB400 million to establish its PRC dental healthcare business.

The Group presently has 30% and 50% interests in the Aiyashi dental group and Dan De dental group joint ventures respectively. Aiyashi operates four dental clinics in Beijing, while the joint venture with Dan De operates four dental clinics, one dental centre and one mobile clinic in Nanjing.

It is in the process of forming joint ventures with three dental laboratories, Yi Wu He Cheng, Shenzhen New Perfect and Beijing Le Le Jia. The due diligence exercises for Yi Wu He Cheng and Shenzhen New Perfect joint ventures have been completed and the Group is in negotiations to finalise the joint ventures. The Group is also in the midst of commencing due diligence exercise for Beijing Le Le Jia. The Group is continuing its search for joint venture opportunities with established dental groups and dental laboratories in PRC to achieve its target by 2015.

- Expansion into private dental healthcare market in Malaysia

The Group currently also operates two dental clinics in Johor, Malaysia through its 70% stake in Dental Wellness (Molek) Sdn Bhd. The Group's intention is to expand its presence in Malaysia's growing dental healthcare market. In view of the rising consumer affluence and medical tourism which will drive demand for quality dental healthcare services, coupled with a growing pool of dentists, the Group believes the long-term prospects of Malaysia's dental healthcare market are positive.



- Expansion into dental materials and equipment distribution business

The Group intends to continue exploring opportunities to acquire businesses involved in distribution of dental materials and equipment. This will enable the Group to source materials and equipment for use in its dental outlets, and for distribution to clinics and other suppliers. The Group presently owns two dental equipment and supplies distribution companies, Dentmedix Pte Ltd and Quantumleap Healthcare Pte Ltd which were acquired in October 2010 and June 2011 respectively.

- Expansion through acquisitions, joint ventures and/or strategic alliances

The Group will continue to search for expansion opportunities and/or strategic alliances to enhance the shareholders' value.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.60 cents per ordinary share
Tax Rate	One Tier Tax Exempt

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.5838 cents per ordinary share
Tax Rate	One Tier Tax Exempt

(c) The date the dividend is payable.

The dividend will be paid on 7 September 2011.

(d) Book closure date

Notice is hereby given that Share Transfer Books and Register of Members of the Company will be closed on 27 August 2011 on which day no share transfer will be effected.

Duly completed and stamped transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte Ltd), 8 Cross Street, #11-00 PWC Building, Singapore 048424, up to 5.00 p.m. on 26 August 2011 will be registered to determine members' entitlements to the interim dividend. Members (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 26 August 2011 will be entitled to the payment of the interim dividend.



Q & M Dental Group (Singapore) Limited
(Incorporated in the Republic of Singapore)
(Company Registration No: 200800507R)

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. Confirmation pursuant to Rule 705 (5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements of the Group and the Company for second quarter ended 30 June 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Ng Chin Siau
Chief Executive Officer
12 August 2011