



Financial Statement Announcement For The Third Quarter Ended 30 September 2012 (“3Q12”)

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.

	Note	Group					
		Third Quarter			Year-To-Date		
		Q3 2012 \$'000	Q3 2011 \$'000	Change %	30/9/2012 \$'000	30/9/2011 \$'000	Change %
Revenue							
Dental Clinics		13,645	11,637	17	39,104	33,232	18
Dental Equipment & Supplies Distribution		645	329	96	1,685	518	225
Other Items of Income							
Interest Income		7	18	(61)	37	62	(40)
Other Credits	1(a)(i)	37	(6)	NM	206	211	(2)
Other Items of Expense							
Consumables and Dental Supplies Used		(604)	(792)	(24)	(2,347)	(2,168)	8
Cost of Sales - Dental Equipment & Supplies		(475)	(191)	149	(1,158)	(303)	282
Employee Benefits Expense		(9,111)	(7,915)	15	(25,878)	(21,726)	19
Depreciation Expense		(393)	(284)	38	(1,100)	(815)	35
Rental Expense		(1,443)	(1,157)	25	(4,086)	(3,397)	20
Other Expenses		(1,120)	(716)	56	(2,838)	(2,216)	28
Other Charges	1(a)(ii)	(3)	(23)	(87)	(6)	(50)	(88)
Finance Costs		(50)	(11)	355	(113)	(26)	335
Share of (Loss)/Profit from Equity-Accounted Associates		(42)	20	NM	(35)	104	NM
Profit Before Tax from Continuing Operations		1,093	909	20	3,471	3,426	1
Income Tax Expense		(90)	(66)	36	(258)	(205)	26
Profit From Continuing Operations, Net of Tax		1,003	843	19	3,213	3,221	(0.2)
Other Comprehensive Income:							
Exchange Differences on Translating Foreign Operations, Net of Tax		(15)	2	NM	(13)	5	NM
Other Comprehensive (Loss)/Income for the Period, Net of Tax		(15)	2	NM	(13)	5	NM
Total Comprehensive Income for the Period		988	845	17	3,200	3,226	(0.8)
Profit attributable to:							
Owners of the Parent, Net of Tax		983	835	18	3,180	3,203	(0.7)
Non-Controlling Interests, Net of Tax		20	8	150	33	18	83
Profit Net of Tax		1,003	843	19	3,213	3,221	(0.2)
Total Comprehensive Income attributable to:							
Owners of the Parent		968	837	16	3,167	3,208	(1)
Non-Controlling Interests		20	8	150	33	18	83
Total Comprehensive Income		988	845	17	3,200	3,226	(0.8)

NM: Not Meaningful



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

Notes:

1(a)(i) Other Credits

	Group			
	Third Quarter		Year-To-Date	
	Q3 2012	Q3 2011	30/9/2012	30/9/2011
	\$'000	\$'000	\$'000	\$'000
Negative Goodwill arising from Acquisition of a Subsidiary	-	-	-	213
Foreign Exchange Translation Gain/(Loss)	22	(6)	43	(2)
Gain on disposal of plant and equipment	1	-	1	-
Profit Guarantee from Associate Company	14	-	162	-
	37	(6)	206	211

1(a)(ii) Other Charges

	Group			
	Third Quarter		Year-To-Date	
	Q3 2012	Q3 2011	30/9/2012	30/9/2011
	\$'000	\$'000	\$'000	\$'000
Plant & Equipment Written Off	1	20	4	47
Foreign Exchange Translation Loss	2	3	2	3
	3	23	6	50



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	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
	\$'000	\$'000	\$'000	\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	16,826	8,342	206	192
Investment in Subsidiaries	-	-	4,193	4,193
Investment in Associates	3,603	3,622	-	-
Intangible Assets	533	341	-	-
Other Receivables	653	847	116	323
Other Assets	671	489	410	489
Total Non-Current Assets	22,286	13,641	4,925	5,197
<u>Current Assets</u>				
Inventories	1,802	1,059	-	-
Trade and Other Receivables	5,305	7,044	17,986	13,195
Other Assets	1,250	1,114	707	637
Cash and Cash Equivalents	12,880	13,640	6,830	5,537
Total Current Assets	21,237	22,857	25,523	19,369
Total Assets	43,523	36,498	30,448	24,566
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	22,947	22,947	22,947	22,947
Retained Earnings	3,689	4,225	361	508
Other Reserves, Total	405	40	408	30
Equity Attributable to Owners of the Parent, Total	27,041	27,212	23,716	23,485
Non-Controlling Interests	87	43	-	-
Total Equity	27,128	27,255	23,716	23,485
<u>Non-Current Liabilities</u>				
Provisions	306	306	-	-
Deferred Tax Liabilities	699	602	-	-
Other Financial Liabilities	8,969	525	5,846	-
Total Non-Current Liabilities	9,974	1,433	5,846	-
<u>Current Liabilities</u>				
Income Tax Payable	148	165	8	8
Trade and Other Payables	5,658	6,349	878	1,073
Other Financial Liabilities	615	1,296	-	-
Total Current Liabilities	6,421	7,810	886	1,081
Total Liabilities	16,395	9,243	6,732	1,081
Total Equity and Liabilities	43,523	36,498	30,448	24,566



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 30/9/2012</u>	<u>As at 31/12/2011</u>
	\$'000	\$'000
<u>Bank Loan</u>		
Amount repayable within one year	305	986
Amount repayable after one year	3,025	200

The bank loans are secured by a legal mortgage of a property, plant and equipment and corporate guarantees from the Company.

	<u>At 30/9/2012</u>	<u>At 31/12/2011</u>
	\$'000	\$'000
<u>Convertible Loan</u>		
Amount repayable within one year	-	-
Amount repayable after one year	5,852	-

The convertible loan of US\$5 million from International Finance Corporation ("IFC") is to be used to finance the Group's expansion plans in the People's Republic of China ("PRC"). Material subsidiaries which comprise of the profitable entities and clinics of the Group have provided corporate guarantees to secure the repayment of all amounts owed by the Company under the loan agreement.

	<u>At 30/9/2012</u>	<u>At 31/12/2011</u>
	\$'000	\$'000
<u>Finance Leases</u>		
Amount repayable within one year	310	310
Amount repayable after one year	92	325

The finance leases are secured on the plant and equipment under finance leases.



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.

	Q3 2012	Q3 2011
	\$'000	\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	1,093	909
Adjustments for:		
Interest Income	(7)	(18)
Interest Expense	50	11
Plant and Equipment Written Off	-	19
Depreciation of Plant and Equipment	393	284
Foreign Currency Translation Reserve	(9)	7
Share of Loss (Profit) of Associates	42	(20)
Share Option Expense	(4)	18
Operating Cash Flows Before Changes in Working Capital	1,558	1,210
Inventories	(418)	1
Trade and Other Receivables	267	(346)
Other Assets	(526)	(1,048)
Trade and Other Payables	611	464
Net Cash Flows From Operating Activities Before Interest and Tax	1,492	281
Income Taxes Paid	(75)	(93)
Net Cash Flows From Operating Activities	1,417	188
<u>Cash Flows Used in Investing Activities</u>		
Purchase of Property, Plant and Equipment	(4,513)	(730)
Other Assets	26	-
Trade and Other Receivables	(213)	330
Other Receivables, Non-Current	143	194
Interest Received	7	18
Acquisition of Subsidiary (Net of Cash Acquired)	(192)	-
Acquisition of associate	(15)	-
Net Cash Flows Used in Investing Activities	(4,757)	(188)
<u>Cash Flows From/(Used in) Financing Activities</u>		
Finance Lease Repayment	(77)	(82)
Increase from New Borrowing	3,104	-
Repayment of Bank Loans	(49)	(45)
Interest Paid	(45)	(11)
Dividends Paid to Equity Owners	(1,652)	(1,652)
Net Cash Flows From/(Used in) Financing Activities	1,281	(1,790)
Net Decrease in Cash and Cash Equivalents	(2,059)	(1,790)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Period	14,939	14,687
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Period	12,880	12,897
Cash and Cash Equivalents at End of Period includes the following:		
Cash and Bank Balances	12,880	12,897
Cash and Cash Equivalents at End of Period	12,880	12,897



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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.

	<u>Total Equity</u>	<u>Attributable to Parent Sub-total</u>	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Other Reserves</u>	<u>Non-Controlling Interest</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group - Current period						
Opening Balance at 1 July 2012	27,796	27,729	22,947	4,358	424	67
Movements in Equity:						
Total Comprehensive Income for the period	988	968	-	983	(15)	20
Share Option Expense	(4)	(4)	-	-	(4)	-
Dividends Paid	(1,652)	(1,652)	-	(1,652)	-	-
Closing Balance at 30 September 2012	27,128	27,041	22,947	3,689	405	87
Group - Previous period						
Opening Balance at 1 July 2011	26,671	26,620	22,947	3,664	9	51
Movements in Equity:						
Total Comprehensive Income for the period	845	837	-	835	2	8
Share Option Expense	18	18	-	-	18	-
Dividends Paid	(1,652)	(1,652)	-	(1,652)	-	-
Closing Balance at 30 September 2011	25,882	25,823	22,947	2,847	29	59



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)

	<u>Total Equity</u>	<u>Share Capital</u>	<u>Other Reserve</u>	<u>Retained Earnings / (Accumulated Losses)</u>
	\$'000	\$'000	\$'000	\$'000
Company - Current period				
Opening Balance at 1 July 2012	23,759	22,947	412	400
Movements in Equity:				
Total Comprehensive Income for the period	1,613	-	-	1,613
Share Option Expense	(4)	-	(4)	-
Dividends Paid	(1,652)	-	-	(1,652)
Closing Balance at 30 September 2012	23,716	22,947	408	361
Company - Previous period				
Opening Balance at 1 July 2011	23,339	22,947	6	386
Movements in Equity:				
Total Comprehensive Income for the period	1,695	-	-	1,695
Share Option Expense	18	-	18	-
Dividends Paid	(1,652)	-	-	(1,652)
Closing Balance at 30 September 2011	23,400	22,947	24	429



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> \$'000
At 1 Jan 2012	<u>275,226</u>	<u>22,947</u>
At 30 September 2012	<u><u>550,453</u></u>	<u><u>22,947</u></u>

Employee Share Option

During the period ended 30 September 2012, no share options were issued, lapsed or exercised. There are 906,000 (post share split) options outstanding as at 30 September 2012 (30 September 2011: 453,000)

Convertibles

As at 30 September 2012, there were outstanding convertible options for conversion into 18,260,868 shares (post share split) of the Company arising from the IFC convertible loan (30 September 2011: Nil).

Treasury Shares

The Company did not have any treasury shares as at 30 September 2012 and 30 September 2011.

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 30/9/2012	As at 31/12/2011
Total number of issued shares excluding treasury shares	<u><u>550,452,994</u></u>	<u><u>275,226,497</u></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 as at 31 December 2011.

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 :-	Third Quarter		Year-To-Date	
	Q3 2012	Restated Q3 2011	30/9/2012	Restated 30/9/2011
(i) Basic earnings per share (cents)	0.18	0.15	0.58	0.58
(ii) On a fully diluted basis (cents)	0.18	0.15	0.57	0.58

The basic EPS for the quarter and 9 months ended 30 September 2012 and 30 September 2011 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 550,452,994 shares for 2012 and 2011 (ESOP share options are anti-dilutive) after adjusting for the share split.

The fully diluted EPS for the quarter and 9 months ended 30 September 2012 and 30 September 2011 have been computed based on the profit attributable to equity holders of parent after convertible loan interest, net of tax and the weighted average number of ordinary shares of 559,716,720 shares for 2012 and 550,452,994 shares for 2011 after adjusting for the convertible loan and share split.



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	Restated	As at	Restated
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Net asset value per ordinary share (cents)	4.9	4.9	4.3	4.3

The net asset value per ordinary share of the Group and the Company as at 30 September 2012 and 31 December 2011 have been calculated based on the total issued number of ordinary shares of 550,452,994 (Restated 2011: 550,452,994).

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

Dental Clinics revenue for the three months ended 30 September 2012 ("3Q12") increased 17% to \$13.6 million, from \$11.6 million in the previous corresponding quarter ("3Q11"). The increase of \$2 million was attributed to higher revenue from existing dental outlets, as well as contributions from new dental outlets in Singapore and in Malaysia.

In 3Q12, the Group recorded revenue of \$1.2 million from new dental outlets in Singapore. Existing dental outlets in Singapore and Malaysia contributed incremental revenue of \$0.8 million during 3Q12.

For the first nine months ended 30 September 2012, dental outlets revenue gained 18% to \$39.1 million, compared to \$33.2 million in the previous corresponding period. The increase was attributed mainly to an expansion in the network of dental outlets and an increase in revenue from existing clinics in Singapore.

As at 30 September 2012, the Group had a total of 53 dental outlets in operation, compared to 45 dental outlets at the end of September 2011 in Singapore.

Revenue contribution from the dental equipment and supplies distribution business for 3Q12 increased to \$0.6 million from \$0.3 million in 3Q11.

For the first nine months ended 30 September 2012, revenue from the dental equipment and supplies distribution business was \$1.7 million compared to \$0.5 million in the previous corresponding period. The increase of \$1.2 million was due to the acquisition of the dental equipment distribution business in June 2011.



Other Items of Income

Other credits in 3Q12 amounted to \$37k compared to a loss of \$6k in 3Q11. Other credits in 3Q12 were mainly due to foreign exchange translation gain. In 3Q11, the loss was due to foreign exchange translation loss.

Other Items of Expense rise

Consumables and Dental Supplies Used

Consumables and dental supplies used in 3Q12 decreased 24% to \$0.6 million from \$0.8 million in 3Q11. The decrease was mainly due to a change in the accounting practice whereby only items that were actually used were charged to the income statement as opposed to the previous practice of charging such items in batches when purchased.

Cost of Sales Dental Equipment and Supplies

The cost of sales from dental equipment and supplies distribution business rose to \$0.5 million in 3Q12 compared to \$0.2 million in 3Q11 which was in tandem with the growth in revenue.

Employee Benefits Expense

Employee benefits expense in 3Q12 rose 15% to \$9.1 million, from \$7.9 million in 3Q11 which was in tandem with the growth in Group revenue. As a percentage of revenue, employee benefits expense in 3Q12 was 63.8% compared to 66.1% in 3Q11.

In 3Q11, the percentage of employee benefit expense to revenue was higher because of a one time payment of \$153k due to the adjustment of salary payment cycle in that quarter.

Depreciation Expense

Depreciation expense in 3Q12 increased 38% to \$0.39 million from \$0.28 million in 3Q11. The increase of \$0.11 million was due mainly to purchase of dental equipment, furniture, fixtures and fittings for new and existing dental outlets in Singapore and Malaysia. As a percentage of revenue, depreciation expense in 3Q12 was 2.8% compared to 2.4% in 3Q11.

Rental Expense

Rental expense in 3Q12 increased 25% to \$1.4 million from \$1.2 million in 3Q11. The increase of \$0.2 million was due mainly to an increase in the number of dental outlets in Singapore. As a percentage of revenue, rental expense in 3Q12 was 10.1% compared to 9.7% in 3Q11.

Other Expenses

Other expenses in 3Q12 increased 56% to \$1.1 million from \$0.72 million in 3Q11. The increase was in tandem with the growth in Group revenue and expenses incurred in relation to its business expansion activities in PRC and Malaysia. As a percentage of revenue, other expenses in 3Q12 was 7.8% compared to 6% in 3Q11.

Finance Costs

Finance costs in 3Q12 increased to \$50k from \$11k in 3Q11 mainly due to the interest expense on the convertible loan from IFC.

Share of (Loss)/Profit from Equity-Accounted Associates

The Group recorded a share of loss from associates of \$42k in 3Q12 compared to a profit of \$20k in 3Q11. 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 in the People's Republic of China (PRC).



Profit Before Tax and Net Profit

As a result of the above factors, the Group's profit before tax in 3Q12 rose 20% to \$1.1 million from \$0.91 million in 3Q11.

After deducting provision for income tax expense of \$90k, the Group's net profit in 3Q12 increased 19% to \$1.0 million from \$0.8 million in 3Q11.

Statement of Financial Position

As at 30 September 2012, the Group is in a net cash position with cash and cash equivalents of \$12.9 million and bank borrowings, convertible loan and finance leases totalling \$9.6 million.

Current Assets

Cash and cash equivalents as at 30 September 2012 decreased to \$12.9 million from \$13.6 million as at 31 December 2011. The net decrease of \$0.7 million was due mainly to the purchase of properties, plant and equipment and the payment of dividend to shareholders.

Trade and other receivables decreased to \$5.3 million as at 30 September 2012 from \$7.0 million as at 31 December 2011. The decrease of \$1.7 million was due mainly to the receipt of the sale proceeds from Sims Place property, decrease in Group's account receivables, and decrease in deposit and prepaid stamp duty arising from the legal completion of the purchase of Clementi property.

Non-Current Assets

The net book value of property, plant and equipment as at 30 September 2012 increased to \$16.8 million from \$8.3 million as at 31 December 2011. The increase of \$8.5 million was mainly due to the purchase of Clementi and Jurong East Central properties, purchase of plant and equipment for existing and new clinics in Singapore.

Investment in associate companies, namely Q & M Dental (Beijing) Pte. Ltd., Q & M Dental (Shanghai) Pte. Ltd. and Punggol Medical & Dental Pte. Ltd.. 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.

Current Liabilities

Trade and other payables as at 30 September 2012 decreased to \$5.7 million from \$6.3 million as at 31 December 2011, due mainly to payment of expenses such as professional fees owing to dentists, staff bonuses and audit fees which were accrued as at 31 December 2011.

At the end of 30 September 2012, the Group current portion of bank loan and finance leases decreased to \$0.6 million from \$1.3 million due mainly to the repayment of the bank loan for financing the purchase of the Sims Place property which had been sold in December 2011.

Non-Current Liabilities

Other financial liabilities as at 30 September 2012 increased to \$9.0 million from \$0.53 million as at 31 December 2011, mainly due to the drawdown of IFC convertible loan of US\$5 million and the drawdown of a term loan of \$3.1 million which was used to finance the purchase of Jurong East Central property.



Statement of Cash Flows

The Group generated net cash flow from operating activities of \$1.4 million in 3Q12. This was derived from the profit generated in 3Q12, and after deducting the amount used for working capital.

Net cash used in investing activities in 3Q12 amounted to \$4.7 million, mainly due to the purchase of Jurong East Central property and plant and equipment for existing and new dental outlets in Singapore.

Net cash from financing activities in 3Q12 was \$1.3 million, which arose mainly from drawdown of a term loan and after dividend payment of \$1.7 million with respect to FY2012.

Consequent to the above factors, the Group's cash and cash equivalents was \$12.9 million as at 30 September 2012.

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

- Acquisition of dental clinics in Singapore

On 8 October 2012, the Group announced the completion of the acquisition of Dentigiene Dental Surgery Pte Ltd ("DDS") for a total consideration of \$567k. DDS operates 2 dental clinics in Singapore located at Towner Road and Shaw Centre.

- Setting up of PRC subsidiary and the acquisition of a dental clinic

On 2 November 2012 the Group announced that its indirectly wholly owned subsidiary Shanghai Yumin Investment & Management Co. Ltd has received its business licence in Shanghai, PRC.

In the same announcement, the Group also announced the acquisition of an indirectly wholly owned dental practice known as Shanghai Meiya Mingxing Dental Polyclinic in Shanghai, PRC.



Future Plans

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

- Expansion of network of dental clinics in Singapore

The Group plans to continue widening its network of dental clinics in Singapore. It will also continue to expand its team of dentists to support the growth of its operations in Singapore. With 55 dental outlets in Singapore, the Group believes it is well-positioned to cater to the rising demand for higher value specialist dental healthcare services from an affluent and aging population. The Group targets to have 60 dental outlets in Singapore by 2015.

- Expansion into private dental healthcare market in Malaysia

The Group currently operates 3 dental clinics in Johor and is in the process of opening 1 dental clinic in Kota Damansara, Kuala Lumpur. With a positive view of the Malaysia's dental healthcare market which is envisaged to grow on raising consumer affluence and an expanding pool of dentists, the Group believes that this will facilitate the expansion of the Q&M brand presence in Malaysia. The Group targets to have 15 dental clinics in Malaysia by 2015.

- Expansion into private dental healthcare market in the PRC

The main thrust of the Group's proposed joint ventures and organic growth initiatives in PRC is to develop a new and sustainable growth pillar that can yield long term value for the Group. The Group targets to have 50 dental clinics and 20 dental laboratories by 2015, subject to the economic conditions in PRC.

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

The Group is also constantly looking for opportunities to expand its business through acquisitions, joint ventures or strategic alliances with parties who create synergistic value with its existing business in Singapore, the PRC and Malaysia.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) The date the dividend is payable.

Not applicable.

(d) Book closure date

Not applicable.

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

No dividend has been declared or recommended for the quarter ended 30 September 2012.



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(Incorporated in the Republic of Singapore)
(Company Registration No: 200800507R)

- 13. If the group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group did not obtain a general mandate from shareholders for IPTs.

- 14. 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 the period ended 30 September 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Ng Chin Siau
Group Chief Executive Officer
12 November 2012