



Financial Statement And Dividend Announcement For The 1st Quarter Ended 31 March 2013 ("1Q13")

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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		
		3 Months ended 31/3/2013	3 Months ended 31/3/2012	Increase/ (Decrease)
		\$'000	\$'000	%
Revenue				
Dental Clinics		14,918	12,456	20
Dental Equipment & Supplies Distribution		293	543	(46)
<u>Other Items of Income</u>				
Interest Income		9	11	(18)
Other Credits	1(a)(i)	68	16	325
<u>Other Items of Expense</u>				
Consumables and Dental Supplies Used		(974)	(694)	40
Cost of Sales - Dental Equipment & Supplies		(189)	(378)	(50)
Employee Benefits Expense		(9,742)	(8,316)	17
Depreciation Expense		(449)	(337)	33
Rental Expense		(1,588)	(1,316)	21
Other Expenses		(966)	(820)	18
Other Charges	1(a)(ii)	(48)	(2)	NM
Finance Costs		(90)	(20)	350
Share of Profit from Equity-Accounted Associates		16	11	45
Profit Before Tax from Continuing Operations		1,258	1,154	9
Income Tax Expense		(138)	(75)	84
Profit From Continuing Operations, Net of Tax		1,120	1,079	4
Other Comprehensive Income:				
Exchange Differences on Translating Foreign Operation, Net of Tax		8	(3)	NM
Other Comprehensive Income/(Loss) for the Period, Net of Tax		8	(3)	NM
Total Comprehensive Income for the Period		1,128	1,076	5
Profit attributable to:				
Owners of the Parent, Net of Tax		1,123	1,073	5
Non-Controlling Interests, Net of Tax		(3)	6	NM
Profit Net of Tax		1,120	1,079	4
Total Comprehensive Income attributable to:				
Owners of the Parent		1,131	1,070	6
Non-Controlling Interests		(3)	6	NM
Total Comprehensive Income		1,128	1,076	5

NM: Not Meaningful



Notes:

1(a)(i) Other Credits

	3 Months ended	
	31/03/2013	31/03/2012
	\$'000	\$'000
Foreign Exchange Translation Gain	-	16
Profit Guarantee from a Shareholder of an Associate	40	-
Enhanced Special Employment Credit	28	-
	68	16

1(a)(ii) Other Charges

	3 Months ended	
	31/03/2013	31/03/2012
	\$'000	\$'000
Plant & Equipment Written Off	10	2
Foreign Exchange Translation Loss	33	-
Loss on disposal of plant and equipment	5	-
	48	2



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	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	17,697	17,194	213	230
Investment in Subsidiaries	-	-	4,760	4,760
Investment in Associates	3,322	3,306	-	-
Intangible Assets	2,885	1,023	-	-
Other Receivables	542	580	66	66
Other Assets	845	645	603	384
Total Non-Current Assets	25,291	22,748	5,642	5,440
<u>Current Assets</u>				
Inventories	1,542	1,498	-	-
Trade and Other Receivables	5,532	5,604	19,995	18,515
Other Assets	1,417	969	828	681
Cash and Cash Equivalents	29,826	18,487	21,506	9,650
Total Current Assets	38,317	26,558	42,329	28,846
Total Assets	63,608	49,306	47,971	34,286
EQUITY AND LIABILITIES				
<u>Equity Attributable to Owners of the Parent</u>				
Share Capital	39,722	22,947	39,722	22,947
Retained Earnings	6,633	5,510	395	457
Other Reserves, Total	395	383	390	386
Equity Attributable to Owners of the Parent, Total	46,750	28,840	40,507	23,790
Non-Controlling Interests	225	100	-	-
Total Equity	46,975	28,940	40,507	23,790
<u>Non-Current Liabilities</u>				
Provisions	359	359	-	-
Deferred Tax Liabilities	766	767	-	-
Other Financial Liabilities	8,570	8,664	5,688	5,669
Total Non-Current Liabilities	9,695	9,790	5,688	5,669
<u>Current Liabilities</u>				
Income Tax Payable	91	60	5	5
Trade and Other Payables	6,294	9,901	1,771	4,822
Other Financial Liabilities	553	615	-	-
Total Current Liabilities	6,938	10,576	1,776	4,827
Total Liabilities	16,633	20,366	7,464	10,496
Total Equity and Liabilities	63,608	49,306	47,971	34,286



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 31/3/2013</u>	<u>As at 31/12/2012</u>
	\$'000	\$'000
<u>Bank Loan</u>		
Amount repayable within one year	305	305
Amount repayable after one year	2,882	2,953

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

	<u>At 31/03/2013</u>	<u>At 31/12/2012</u>
	\$'000	\$'000
<u>Convertible Loan</u>		
Amount repayable within one year	-	-
Amount repayable after one year	5,688	5,669

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 31/03/2013</u>	<u>At 31/12/2012</u>
	\$'000	\$'000
<u>Finance Leases</u>		
Amount repayable within one year	248	310
Amount repayable after one year	-	42

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.

	Group	
	3 Months ended	
	31/3/2013	31/3/2012
	\$'000	\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	1,258	1,154
Adjustments For:		
Interest Income	(9)	(11)
Interest Expense	90	20
Plant and Equipment Written Off	10	2
Depreciation of Property, Plant and Equipment	449	337
Loss on Disposal of Plant and Equipment	5	-
Foreign Currency Translation Reserve	8	3
Share of Profit from Associates	(16)	(11)
Share Option Expense	4	15
Operating Cash Flows Before Changes in Working Capital	1,799	1,509
Inventories	(18)	23
Trade and Other Receivables	(254)	2,308
Other Assets	(323)	(68)
Trade and Other Payables	(882)	(1,115)
Net Cash Flows From Operations Before Interest and Tax	322	2,657
Income Taxes Paid	(106)	(19)
Net Cash Flows From Operating Activities	216	2,638
<u>Cash Flows Used in Investing Activities</u>		
Purchase of Property, Plant and Equipment	(577)	(4,611)
Acquisition of Subsidiaries (Net of Cash Acquired)	(2,002)	-
Sale Proceeds from Disposal of Plant and Equipment	44	-
Trade and Other Receivables	374	(127)
Other Assets	(292)	32
Other Receivables, Non-Current	38	57
Interest Received	9	11
Net Cash Flows Used in Investing Activities	(2,406)	(4,638)
<u>Cash Flows From/(Used in) Financing Activities</u>		
Finance Lease Repayments	(103)	(76)
Proceeds from Placement of Shares	13,775	-
Repayment of Bank Loans	(72)	(862)
Interest Paid	(71)	(20)
Net Cash Flows From/(Used in) Financing Activities	13,529	(958)
Net Increase/(Decrease) in Cash and Cash Equivalents	11,339	(2,958)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the period	18,487	13,640
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the period	29,826	10,682
Cash and Cash Equivalents at End of Period includes the following:		
Cash and Bank Balances	29,826	10,682
Cash and Cash Equivalents at End of Period	29,826	10,682



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.

	<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 January 2013	28,940	28,840	22,947	5,510	383	100
Movements in Equity:						
Total Comprehensive Income for the period	1,128	1,131	-	1,123	8	(3)
Issue of Share Capital	16,775	16,775	16,775	-	-	-
Share Option Expense	4	4	-	-	4	-
Contribution by Non-Controlling Interests	128	-	-	-	-	128
Closing Balance at 31 March 2013	46,975	46,750	39,722	6,633	395	225
Group - Previous period						
Opening Balance at 1 January 2012	27,255	27,212	22,947	4,225	40	43
Movements in Equity:						
Total Comprehensive Income for the period	1,076	1,070	-	1,073	(3)	6
Share Option Expense	15	15	-	-	15	-
Closing Balance at 31 March 2012	28,346	28,297	22,947	5,298	52	49



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>Share Option Reserve</u>	<u>Retained Earnings</u>
	\$'000	\$'000	\$'000	\$'000
Company - Current period				
Opening Balance at 1 January 2013	23,790	22,947	386	457
Movements in Equity:				
Total Comprehensive Income for the period	(62)	-	-	(62)
Issue of Share Capital	16,775	16,775		
Share Option Expense	4	-	4	-
Closing Balance at 31 March 2013	40,507	39,722	390	395
Company - Previous period				
Opening Balance at 1 January 2012	23,485	22,947	30	508
Movements in Equity:				
Total Comprehensive Income for the period	75	-	-	75
Share Option Expense	15	-	15	-
Closing Balance at 31 March 2012	23,575	22,947	45	583



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 2013	550,453	22,947
At 31 Mar 2013	<u>605,453</u>	<u>39,722</u>

Employee Share Option

During the period ended 31 March 2013, no share options were issued, lapsed or exercised. There are 906,000 (post share split) options outstanding as at 31 March 2013 (31 March 2012: 453,000).

Ordinary Shares

On 17 January 2013, the Company completed the placement of 55 million new Q&M ordinary shares at \$0.305 per share for a total consideration of \$16.78 million (31 March 2012: Nil).

Convertibles

As at 31 March 2013, there were outstanding convertible options for conversion into 18,260,868 shares (post share split) of the Company arising from the IFC convertible loan (31 March 2012: Nil).

Treasury Shares

The Company did not have any treasury shares as at 31 March 2013 and 31 March 2012.

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.

	<u>As at 31/3/2013</u>	<u>As at 31/12/2012</u>
Total number of issued shares excluding treasury shares	<u>605,452,994</u>	<u>550,452,994</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 2012.

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.

	Group 3 Months ended	
	31/3/2013	Restated 31/3/2012
Earnings per ordinary share for the period:-		
(i) Basic earnings per share (cents)	0.19	0.19
(ii) On a fully diluted basis (cents)	0.19	0.19

The basic EPS for the period ended 31 March 2013 and 31 March 2012 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 595,675,216 shares for 2013 and 550,452,994 shares for 2012 (ESOP share options are anti-dilutive) after adjusting for the share split.

The fully diluted EPS for the period ended 31 March 2013 and 31 March 2012 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 613,936,086 shares for 2013 and 550,452,994 shares for 2012 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		As at	
	<u>31/3/2013</u>	<u>31/12/2012</u>	<u>31/3/2013</u>	<u>31/12/2012</u>
Net asset value per ordinary share (cents)	7.7	5.2	6.7	4.3

The net asset value per ordinary share of the Group and the Company as at 31 March 2013 has been calculated based on the total issued number of ordinary shares of 605,452,994 (2012: 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

Revenue from dental clinics for the 3 months ended 31 March 2013 ("1Q13") increased 20% to \$14.9 million, from \$12.5 million for the previous corresponding quarter ("1Q12"). The increase of \$2.4 million was mainly attributed to higher revenue from existing dental outlets, as well as contributions from new dental outlets in Singapore and in Malaysia.

The Group recorded revenue of \$0.9 million from new dental outlets in Singapore. Existing dental outlets in Singapore and Malaysia contributed to incremental revenue of \$1.5 million in 1Q13.

At the end of March 2013, the Group had a total of 55 dental outlets and 1 mobile dental clinic in operations, compared to 49 dental outlets and 1 mobile dental clinic at the end of March 2012 in Singapore.

Revenue contribution from the dental equipment and supplies distribution business for 1Q13 decreased to \$0.3 million from \$0.5 million in 1Q12. In 1Q12, the revenue was higher mainly due to a one-time supply of equipment for a government tender, not repeated in 1Q13.



Other Items of Expense

Consumables and Dental Supplies Used

Consumables and dental supplies used in 1Q13 increased by 40% to \$1 million from \$0.7 million in 1Q12. The increase was mainly due to the increase in revenue and increase in purchase cost of consumables and dental supplies used in the dental outlets.

As a percentage of revenue from dental outlets, consumables and dental supplies used in the dental outlets in 1Q13 was 6.5% compared to 5.6% in 1Q12.

Cost of Sales Dental Equipment and Supplies

The cost of sales from dental equipment and supplies distribution business decreased to \$0.2 million in 1Q13 compared to \$0.4 million in 1Q12 mainly due to the decrease in revenue.

Employee Benefits Expense

Employee benefits expense in 1Q13 rose 17% to \$9.7 million, from \$8.3 million in 1Q12 which was in tandem with the growth in Group revenue. As a percentage of revenue, employee benefits expense in 1Q13 and 1Q12 were 64%.

Depreciation Expense

Depreciation expense in 1Q13 increased by 33% to \$0.4 million from \$0.3 million in 1Q12. The increase of \$0.1 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 1Q13 was 3% compared to 2.6% in 1Q12.

Rental Expense

Rental expense in 1Q13 increased by 21% to \$1.6 million from \$1.3 million in 1Q12. The increase of \$0.3 million was due mainly to an increase in the number of dental outlets in Singapore and Malaysia. As a percentage of revenue, rental expense in 1Q13 was 10.4% compared to 10.1% in 1Q12.

Other Expenses

Other expenses in 1Q13 increased by 18% to \$1 million from \$0.8 million in 1Q12. The increase was in tandem with the growth in Group revenue. As a percentage of revenue, other expenses in 1Q13 was 6.4% compared to 6.3% in 1Q12.

Finance Costs

Finance costs in 1Q13 increased to \$90k from \$20k in 1Q12 mainly due to the interest expense on the convertible loan from IFC.

Share of Profit from Equity-Accounted Associates

The Group recorded a share of profit from associates of \$16k in 1Q13 compared to \$11k in 1Q12. 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 1Q13 rose 9% to \$1.3 million from \$1.2 million in 1Q12.

The provision for income tax expense in 1Q13 was higher because of under provision for tax expense of \$84k relating to prior year. After deducting provision for income tax of \$138k, the Group's net profit in 1Q13 increased 4% to \$1.12 million from \$1.08 million in 1Q12.



Statement of Financial Position

As at 31 March 2013, the Group was in a net cash position with cash and cash equivalents of \$29.8 million and bank borrowings, convertible loan and finance leases totalling \$9.1 million.

Current Assets

Cash and cash equivalents as at 31 March 2013 increased to \$29.8 million from \$18.5 million as at 31 December 2012. The net increase of \$11.3 million was mainly due to the completion of the placement of 55 million new Q&M ordinary shares at \$0.305 per share on 17 January 2013.

Other assets as at 31 March 2013 increased to \$1.4 million from \$1 million as at 31 December 2012. The net increase of \$0.4 million was mainly due to the increase in prepayment of \$360k in 1Q13.

Non-Current Assets

The net book value of property, plant and equipment as at 31 March 2013 increased to \$17.7 million from \$17.2 million as at 31 December 2012. The increase of \$0.5 million was mainly due to the purchase of plant and equipment for existing and new clinics in Singapore and Malaysia.

Investment in associate companies is in 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.

Intangible assets as at 31 March 2013 increased to \$2.9 million from \$1 million as at 31 December 2012. The increase of \$1.9 million was mainly due to the acquisitions of Shanghai Chuangyi Investment & Management Co. Ltd. and D & D Dental Sdn. Bhd..

Other assets as at 31 March 2013 increased to \$0.8 million from \$0.6 million as at 31 December 2012. The increase of \$0.2 million was mainly due to the payment of sign on bonus to dentists.

Current Liabilities

Trade and other payables as at 31 March 2013 decreased to \$6.3 million from \$9.9 million as at 31 December 2012, mainly due to the conversion of the advance received for the proposed joint acquisition of SMG with a private party to placement of 55 million of new Q&M ordinary shares.

Statement of Cash Flows

The Group generated positive net cash flow from operating activities of \$216k in 1Q13.

Net cash used in investing activities in 1Q13 amounted to \$2.4 million, mainly due to the acquisition of subsidiaries and plant and equipment for existing and new dental outlets in Singapore.

Net cash from financing activities in 1Q13 was \$13.5 million, which arose mainly from placement of 55 million new Q&M ordinary shares offset by repayment of bank borrowings.

Consequent to the above factors, the Group's cash and cash equivalents was \$29.8 million as at 31 March 2013.



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. However, the tightening of the foreign workers policy and the reduction in the dependency ratio ceiling in the Budget 2013 will have an impact on costs of employment for the Group.

Recent Developments

- Proposed Acquisition of 70% Shareholding in AR Dental Supplies Sdn Bhd ("AR")

On 11 March 2013, the Group announced the proposed acquisition of 70% shareholding in AR for a total consideration of RM8.4 million (approximately \$3.36 million). The acquisition has not been completed at the date of this announcement.

- Acquisition of 100% Shareholding in Medsolutions Pte. Ltd. ("MPL")

On 4 April 2013, the Group acquired 100% shareholding in MPL for a total consideration of \$80k. MPL owns and operates a medical clinic known as Simplyhealth Medical Clinic & Surgery in Singapore.

- New medical clinics in Singapore

The Group is in the process of opening 1 aesthetic centre and 3 medical clinics in Singapore.

- New dental clinics in Malaysia

The Group has opened 2 dental clinics in Kota Damansara and Puchong, Malaysia.

Future Plans

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

- Expansion of network of dental clinics in Singapore

The Group will 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 and 1 mobile dental clinic in Singapore, the Group believes it is well-positioned to cater to the rising demand for primary and higher value specialist dental healthcare services. The Group targets to have 60 dental outlets in Singapore by 2015, subject to the economic conditions in Singapore.



- Expansion into private dental healthcare market in Malaysia

Currently, the Group operates 3 dental clinics in Johor, 1 dental centre and 2 dental clinics in Kuala Lumpur. With a positive outlook 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 Malaysia will become an important pillar of the Group's expansion plan. The Group targets to have 15 dental clinics in Malaysia by 2015, subject to the economic conditions in Malaysia.

- 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 into the medical services business

The Group will continue its expansion into the medical services business which comprises of general practice and specialists practice. This expansion will enable the Group to offer a comprehensive and holistic medical care in line with the trend of increasing consumer expenditure on healthcare services, longer life expectancy and stronger purchasing power in Asia. The group currently operates 1 medical clinic and is in the process of opening 3 new medical clinics and 1 aesthetics centre in Singapore.

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

The Group is 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?

None

(b) Corresponding Period of the Immediately preceding Financial Year

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

None

(c) Date payable

Not applicable.

(d) Books 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 first quarter ended 31 March 2013.



Q & M Dental Group (Singapore) Limited
(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 31 March 2013 to be false or misleading in any material aspect.

- 15. Use of proceeds**

The proceeds of \$16.78 million from the placement of 55 million new Q&M ordinary shares has yet to be utilised.

BY ORDER OF THE BOARD

Dr Ng Chin Siau
Group Chief Executive Officer
9 May 2013