



Full Year Financial Statement Announcement And Dividend Announcement For The Year Ended 31 December 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF 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.

1(a)(i) Unaudited Consolidated Statement of Comprehensive Income of our Group for the full year (twelve months) ended 31 December 2013

	Note	Group		
		12 Months ended 31/12/2013 \$'000	12 Months ended 31/12/2012 \$'000	Change %
Revenue				
Dental and Medical Clinics		66,924	55,033	22
Dental Equipment & Supplies Distribution		4,230	2,011	110
Other Items of Income				
Interest Income		102	55	85
Other Credits	1(a)(i)	1,974	392	404
Other Items of Expense				
Consumables and Supplies Used in Dental & Medical Clinics		(4,762)	(3,596)	32
Cost of Sales - Dental Equipment & Supplies		(2,968)	(1,524)	95
Employee Benefits Expense		(43,897)	(35,836)	22
Depreciation and Amortisation Expenses		(1,979)	(1,523)	30
Rental Expense		(6,905)	(5,618)	23
Other Expenses		(5,224)	(3,856)	35
Other Charges	1(a)(ii)	(287)	(47)	511
Finance Costs		(365)	(229)	59
Share of Profit from Equity-Accounted Associates		146	58	152
Profit Before Tax from Continuing Operations		6,989	5,320	31
Income Tax Expense		(486)	(274)	77
Profit From Continuing Operations, Net of Tax		6,503	5,046	29
Other Comprehensive Income:				
Exchange Differences on Translating Foreign Operations, Net of Tax		143	(13)	NM
Other Comprehensive Income/(Loss) for the Year, Net of Tax		143	(13)	NM
Total Comprehensive Income for the Year		6,646	5,033	32
Profit attributable to:				
Owners of the Parent, Net of Tax		6,461	5,001	29
Non-Controlling Interests, Net of Tax		42	45	(7)
Profit Net of Tax		6,503	5,046	29
Total Comprehensive Income attributable to:				
Owners of the Parent		6,604	4,988	32
Non-Controlling Interests		42	45	(7)
Total Comprehensive Income		6,646	5,033	32

NM: Not Meaningful



Notes:

1(a)(i) Other Credits

	12 Months ended	
	31/12/2013	31/12/2012
	\$'000	\$'000
Enhanced Special Employment Credit	52	-
Foreign Exchange Translation Gain	-	13
Gain on Disposal of Property, Plant and Equipment	1,292	-
PIC Bonus / SME Cash Grant	258	217
Profit Guarantee Received / Receivable from Vendors / Shareholders	372	162
	1,974	392

1(a)(ii) Other Charges

	12 Months ended	
	31/12/2013	31/12/2012
	\$'000	\$'000
Plant & Equipment Written Off	37	-
Foreign Exchange Translation Loss	243	-
Impairment Loss of Plant and Equipment	7	-
Loss on Disposal of Plant and Equipment	-	47
	287	47



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	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	\$'000	\$'000	\$'000	\$'000
ASSETS				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	15,364	17,194	280	230
Investment in Subsidiaries	-	-	4,852	4,760
Investment in Associates	3,452	3,306	-	-
Intangible Assets	5,453	1,023	-	-
Other Receivables	342	580	-	66
Other Assets	949	645	543	384
Total Non-Current Assets	25,560	22,748	5,675	5,440
<u>Current Assets</u>				
Inventories	4,113	1,498	-	-
Trade and Other Receivables	10,216	5,604	32,189	18,515
Other Assets	1,483	969	865	681
Cash and Cash Equivalents	28,749	18,487	9,556	9,650
Total Current Assets	44,561	26,558	42,610	28,846
Total Assets	70,121	49,306	48,285	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	5,826	5,510	190	457
Other Reserves, Total	551	383	411	386
Equity Attributable to Owners of the Parent, Total	46,099	28,840	40,323	23,790
Non-Controlling Interests	623	100	-	-
Total Equity	46,722	28,940	40,323	23,790
<u>Non-Current Liabilities</u>				
Provisions	350	359	-	-
Deferred Tax Liabilities	813	767	-	-
Other Financial Liabilities	8,684	8,664	5,918	5,669
Total Non-Current Liabilities	9,847	9,790	5,918	5,669
<u>Current Liabilities</u>				
Income Tax Payable	50	60	5	5
Trade and Other Payables	13,256	9,901	2,039	4,822
Other Financial Liabilities	246	615	-	-
Total Current Liabilities	13,552	10,576	2,044	4,827
Total Liabilities	23,399	20,366	7,962	10,496
Total Equity and Liabilities	70,121	49,306	48,285	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 31/12/2013</u>	<u>As at 31/12/2012</u>
	\$'000	\$'000
<u>Bank Loan</u>		
Amount repayable within one year	204	305
Amount repayable after one year	2,765	2,953

The bank loan is secured by legal mortgage of property, plant and equipment and corporate guarantee from the Company.

	<u>At 31/12/2013</u>	<u>At 31/12/2012</u>
	\$'000	\$'000
<u>Convertible Loan</u>		
Amount repayable within one year	-	-
Amount repayable after one year	5,919	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 31/12/2013</u>	<u>At 31/12/2012</u>
	\$'000	\$'000
<u>Finance Leases</u>		
Amount repayable within one year	42	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	
	12 Months ended	
	31/12/2013	31/12/2012
	\$'000	\$'000
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	6,989	5,320
Adjustments for:		
Interest Income	(102)	(55)
Interest Expense	365	229
Plant and Equipment Written Off	37	-
(Gain)/Loss on Disposal of Plant and Equipment	(1,292)	47
Depreciation of Property, Plant and Equipment and Amortisation Expenses	1,979	1,523
Foreign Currency Translation Reserve	362	(234)
Provisions	(9)	53
Share of Profit from Associates	(146)	(58)
Share Option Expense	17	36
Operating Cash Flows Before Changes in Working Capital	8,200	6,861
Inventories	(750)	(439)
Trade and Other Receivables	(4,825)	2,035
Other Assets	(281)	(55)
Trade and Other Payables	2,376	538
Net Cash Flows From Operations	4,720	8,940
Income Taxes Paid	(491)	(214)
Net Cash Flows From Operating Activities	4,229	8,726
<u>Cash Flows Used in Investing Activities</u>		
Purchase of Property, Plant and Equipment	(3,425)	(10,405)
Sale Proceeds from Disposal of Property, Plant and Equipment	5,104	-
Other Assets	(504)	105
Trade and Other Receivables	284	(206)
Other Receivables, Non-Current	238	267
Interest Received	102	55
Contribution by Non-Controlling Interests	-	12
Acquisition of Subsidiary (Net of Cash Acquired)	(5,443)	(765)
Acquisition of Associate	-	(15)
Net Cash Flows Used in Investing Activities	(3,644)	(10,952)
<u>Cash Flows From Financing Activities</u>		
Finance Lease Repayment	(375)	(284)
Proceeds from Placement of Shares	16,775	-
Increase from New Borrowing	-	3,104
Proceeds from Convertible Loan	-	6,188
Advances for Proposed Joint Acquisition	-	3,000
Repayment of Bank Loans	(288)	(1,032)
Interest Paid	(290)	(187)
Dividends Paid to Equity Owners	(6,145)	(3,716)
Net Cash Flows From Financing Activities	9,677	7,073
Net Increase in Cash and Cash Equivalents in Continuing operations	10,262	4,847
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance of the Year	18,487	13,640
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance of the Year	28,749	18,487
Cash and Cash Equivalents at End of Year includes the following:		
Cash and Bank Balances	28,749	18,487
Cash and Cash Equivalents at End of Year	28,749	18,487



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 Jan 2013	28,940	28,840	22,947	5,510	383	100
Movements in Equity:						
Total Comprehensive Income for the Year	6,646	6,604	-	6,461	143	42
Issue of Share Capital	16,775	16,775	16,775	-	-	-
Equity Component of Convertible Loan	8	8	-	-	8	-
Share Option Expense	17	17	-	-	17	-
Dividends Paid	(6,145)	(6,145)	-	(6,145)	-	-
Contribution by Non-Controlling Interests	481	-	-	-	-	481
Closing Balance at 31 Dec 2013	46,722	46,099	39,722	5,826	551	623
Group - Previous period						
Opening Balance at 1 Jan 2012	27,255	27,212	22,947	4,225	40	43
Movements in Equity:						
Total Comprehensive Income for the Year	5,033	4,988	-	5,001	(13)	45
Equity Component of Convertible Loan	320	320	-	-	320	-
Share Option Expense	36	36	-	-	36	-
Dividends Paid	(3,716)	(3,716)	-	(3,716)	-	-
Contribution by Non-Controlling Interests	12	-	-	-	-	12
Closing Balance at 31 Dec 2012	28,940	28,840	22,947	5,510	383	100



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</u>
	\$'000	\$'000	\$'000	\$'000
Company - Current period				
Opening Balance at 1 Jan 2013	23,790	22,947	386	457
Movements in Equity:				
Total Comprehensive Income for the Year	5,878	-	-	5,878
Issue of Share Capital	16,775	16,775	-	-
Equity Component of Convertible Loan	8	-	8	-
Share Option Expense	17	-	17	-
Dividends Paid	(6,145)	-	-	(6,145)
Closing Balance at 31 Dec 2013	40,323	39,722	411	190
Company - Previous period				
Opening Balance at 1 Jan 2012	23,485	22,947	30	508
Movements in Equity:				
Total Comprehensive Income for the Year	3,665	-	-	3,665
Equity Component of Convertible Loan	320	-	320	-
Share Option Expense	36	-	36	-
Dividends Paid	(3,716)	-	-	(3,716)
Closing Balance at 31 Dec 2012	23,790	22,947	386	457



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

Employee Share Option

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

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 December 2012: Nil).

Convertibles

As at 31 December 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 December 2012: 18,260,868).

Treasury Shares

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

	As at 31/12/2013	As at 31/12/2012
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.

Earnings per ordinary share for the period :-	Group 12 Months ended	
	31/12/2013	31/12/2012
(i) Basic earnings per share (cents)	1.07	0.91
(ii) On a fully diluted basis (cents)	1.07	0.91

The basic EPS for the year ended 31 December 2013 and 31 December 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 603,042,035 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 year ended 31 December 2013 and 31 December 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 621,302,905 shares for 2013 and 561,959,843 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 As at		Company As at	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Net asset value per ordinary share (cents)	7.6	5.2	6.7	4.3

The net asset value per ordinary share of the Group and the Company as at 31 December 2013 and 31 December 2012 have 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 and medical clinics for the 12 months ended 31 December 2013 ("FY13") increased 22% to \$66.9 million, from \$55 million for the previous corresponding year ("FY12"). The increase of \$11.9 million was attributed to higher revenue from existing dental outlets, as well as contributions from new dental and medical outlets in Singapore and in Malaysia.

The Group recorded revenue of \$3.8 million from new dental and medical outlets in Singapore. Existing dental outlets in Singapore and Malaysia contributed to incremental revenue of \$8.1 million in FY13.

At the end of FY13, the Group had a total of 56 dental outlets, 1 mobile dental clinic, 4 medical outlets, 1 aesthetic centre and 2 specialist medical clinics in operations, compared to 55 dental outlets and 1 mobile dental clinic at the end of FY12 in Singapore.

Revenue contribution from the dental equipment and supplies distribution business for FY13 increased to \$4.2 million from \$2 million in FY12. The increase of \$2.2 million was mainly due to the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.



Other Items of Income

Other credits in FY13 amounted to \$2 million compared to \$392k in FY12. Other credits in FY13 were mainly due to the recognition of gain on disposal of Clementi property, enhanced special employment credit and profit guarantee from Q & M Dental (Shanghai) Pte. Ltd. and AR Dental Supplies Sdn. Bhd..

Other Items of Expense

Consumables and Supplies Used in Dental and Medical Clinics

Consumables and dental supplies used in FY13 increased by 32% to \$4.8 million from \$3.6 million in FY12. The increase was due to an increase in number of patients, increase in cost of purchase and dental laboratory expenses, and purchases related to the new medical outlets in Singapore.

As a percentage of revenue from dental and medical outlets, consumables and supplies used in the dental and medical outlets in FY13 was 7.1% compared to 6.5% in FY12.

Cost of Sales Dental Equipment and Supplies

The cost of sales from dental equipment and supplies distribution business rose to \$3 million in FY13 compared to \$1.5 million in FY12 mainly due to the increase in revenue from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Employee Benefits Expense

Employee benefits expense in FY13 rose 22% to \$43.9 million, from \$35.8 million in FY12 which was mainly due to salary revision for dental staff and increase in headcount to support more dental outlets in Singapore and Malaysia, new medical clinics, aesthetic centre and specialist clinics as well as the increased in headcount from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

As a percentage of revenue, employee benefits expense in FY13 was 61.7% compared to 62.8% in FY12.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses in FY13 increased by 30% to \$2 million from \$1.5 million in FY12. The increase of \$0.5 million was mainly due to purchase of dental equipment, furniture, fixtures and fittings for new and existing dental outlets in Singapore and Malaysia, and new medical outlets in Singapore.

As a percentage of revenue, depreciation expense in FY13 was 2.8% compared to 2.7% in FY12.

Rental Expense

Rental expense in FY13 increased by 23% to \$6.9 million from \$5.6 million in FY12. The increase of \$1.3 million was mainly due to an increase in the number of dental, medical, aesthetic and specialist outlets in Singapore and dental outlets in Malaysia.

As a percentage of revenue, rental expense in FY13 was 9.7% compared to 9.8% in FY12.

Other Expenses

Other expenses in FY13 increased by 35% to \$5.2 million from \$3.9 million in FY12. The increase of \$1.3 million was mainly due to an increase in marketing expenses for the business, professional consultancy services engaged, higher costs of maintenance with the increase in number of clinics, higher insurance costs, as well as expenses relating to the sale of Clementi property.

As a percentage of revenue, other expenses in FY13 was 7.3% compared to 6.8% in FY12.



Finance Costs

Finance costs in FY13 increased to \$365k from \$229k in FY12 were mainly due to the interest payable on the convertible loan from IFC.

Share of Profit from Equity-Accounted Associates

The Group recorded a share of profit from associates of \$146k in FY13 compared to \$58k in FY12. 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 FY13 rose 31% to \$7 million from \$5.3 million in FY12.

The provision for income tax expense in FY13 was higher than FY12 because of increase of profit and under provision of tax expense of \$98k relating to the prior year. After deducting provision for income tax of \$486k, the Group's net profit in FY13 increased 29% to \$6.5 million from \$5 million in FY12.

Statement of Financial Position

As at 31 December 2013, the Group remained in a strong financial position with cash and cash equivalents of \$28.6 million and bank borrowing, convertible loan and finance leases totalling \$8.9 million.

Current Assets

Cash and cash equivalents as at 31 December 2013 increased to \$28.7 million from \$18.5 million as at 31 December 2012. The net increase of \$10.2 million was mainly due to the proceeds from private placement of 55 million new Q&M ordinary shares at \$0.305 per share on 17 January 2013.

Trade and other receivables increased to \$10.2 million as at 31 December 2013 from \$5.6 million as at 31 December 2012. The increase of \$4.6 million was mainly due to tender deposit for new dental clinics premises, rental deposits for new dental and medical outlets and an increase in trade and other receivables from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Other assets as at 31 December 2013 increased to \$1.5 million from \$1 million as at 31 December 2012. The net increase of \$0.5 million was mainly due to the increase in prepayment and payment of sign on bonuses to dentists and doctors.

Inventories increased to \$4.1 million as at 31 December 2013 from \$1.5 million as at 31 December 2012. The increase of \$2.6 million was mainly due to inventories from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

Non-Current Assets

The net book value of property, plant and equipment as at 31 December 2013 decreased to \$15.4 million from \$17.2 million as at 31 December 2012. The decrease of \$1.8 million was mainly due to the sale of Clementi property set off against purchases of plant and equipment for existing and new dental clinics in Singapore and Malaysia as well as the new medical clinics, aesthetic centre and specialist 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.



Intangible assets as at 31 December 2013 increased to \$5.5 million from \$1 million as at 31 December 2012. The increase of \$4.4 million was mainly due to the acquisitions of Shanghai Chuangyi Investment & Management Co. Ltd., D & D Dental Sdn. Bhd., Medsolutions Pte. Ltd. and AR Dental Supplies Sdn. Bhd..

Other assets as at 31 December 2013 increased to \$0.9 million from \$0.6 million as at 31 December 2012. The increase of \$0.3 million was mainly due to the payment of sign on bonuses to dentists and doctors.

Current Liabilities

Trade and other payables as at 31 December 2013 increased to \$13.3 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 Singapore Medical Group Limited ("SMG") with a private party to placement of 55 million of new Q&M ordinary shares and trade and other payables derived from the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013.

At the end of 31 December 2013, the Group current portion of bank loan and finance leases decreased to \$0.2 million from \$0.6 million mainly due to the repayment of the bank loan and finance lease.

Statement of Cash Flows

The Group generated net cash flow from operating activities of \$4.2 million in FY13. This was mainly derived from the profit generated in FY13 and after deducting the amount used for working capital.

Net cash used in investing activities in FY13 amounted to \$3.6 million, mainly due to the acquisition of a dental equipment and supplies distribution company in Malaysia in July 2013 and disposal of Clementi property offset by purchase of plant and equipment for new dental, medical and specialist outlets.

Net cash from financing activities in FY13 was \$9.7 million, which arose mainly from placement of 55 million new Q&M ordinary shares offset by dividend payment to shareholders.

Consequent to the above factors, the Group's cash and cash equivalents was \$28.7 million as at 31 December 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.



Recent Developments

- Establishment of \$200 million multicurrency medium term note programme
On 25 November 2013, the Group announced the establishment of \$200 million multicurrency medium term note programme.
- Proposed Acquisition of 51% Shareholding in Rongcheng City Shidao Meichen Hospital and Rongcheng City Meichen Stomatology Polyclinic (“RC”)
On 2 December 2013, the Group announced the proposed acquisition of 51% shareholding in RC for a total consideration of RMB17.85 million (approximately \$3.72 million) from Mr. Liu Yuguang and Ms. Wang Deping. The Group is in the midst of conducting due diligence on this proposed acquisition.
- Proposed Acquisition of 60% Shareholding in Aoxin Stomatology Group (“Aoxin”)
On 12 February 2014, the Group announced further developments in the proposed acquisition of 60% shareholding in Aoxin. The Group has inked the onshore agreement and acquired 60% shareholding of Shenyang Xin’ao Hospital Management Company Ltd. The Group is in the midst of finalising the due diligence on this proposed acquisition.
- Proposed Acquisition of 100% Shareholding in Qinhuangdao Aidite High Technical Ceramic Co., Ltd (“Aidite”)
On 24 February 2014, the Group announced further developments in its proposed acquisition of 100% shareholding in Qinhuangdao (China) based specialised dental materials manufacturer known as Qinhuangdao Aidite High Technical Ceramic Co., Ltd (“Aidite”) for a total consideration of RMB80 million (approximately \$16.65 million). The Group is now acquiring 100% shareholding of Aidite through a wholly-owned Singapore-incorporated company (“SC”) and the Sellers have an option to purchase 49% of the shareholding in SC subject to the fulfilment of the terms and conditions of their service agreements.

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 56 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 4 dental clinics in Johor, 1 dental centre and 3 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 will continue to seek opportunities for the acquisition of larger and established institutions and not just dental clinics and laboratories.

- 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, PRC and Malaysia.

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	Ordinary
Dividend Amount per Share (in cents)	0.64 cents per ordinary share
Tax Rate	One Tier Tax Exempt

Name of dividend	Final
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	0.66 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	Ordinary
Dividend Amount per Share (in cents)	0.30 cents per ordinary share
Tax Rate	One Tier Tax Exempt

Name of dividend	Final
Dividend Type	Ordinary
Dividend Amount per Share (in cents)	0.375 cents per ordinary share
Tax Rate	One Tier Tax Exempt

(c) The date the dividend is payable.

The Directors are pleased to recommend a final dividend of 0.66 cents per share in respect of the financial year ended 31 December 2013 for approval by the shareholders at the Annual General Meeting.

The date of payment of the proposed dividends, if approved at the Annual General Meeting, will be paid on 16 May 2014.



(d) Book closure date

Notice is hereby given that Share Transfer Books and Register of Members of the Company will be closed on 6 May 2014 on which day no share transfer will be effected.

Duly completed and stamped transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte Ltd), 80 Robinson Road #02-00 Singapore 068898, up to 5.00pm on 5 May 2014 will be registered to determine members' entitlements to the final 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 5.00pm on 5 May 2014 will be entitled to the payment of the final dividend.

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

Not applicable.

**Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments

The Group has three reportable segments as described below.

- Primary Healthcare comprising dentistry, family medicine and aesthetic.
- Specialist and Wellness Healthcare comprising lung, digestive and liver specialists.
- Dental Equipment & Supplies Distribution comprising distribution of dental equipment and supplies.

The Group's specialist and wellness healthcare and dental equipment & supplies distribution business contribution were immaterial in FY13 and FY12. Hence, no separate business segment is presented in this announcement.

Geographical segments

The Group has dentistry business in Singapore, Malaysia and PRC as well as dental equipment and supplies distribution business in Singapore and Malaysia. The contribution of Malaysia and PRC business to the Group were immaterial in FY13 and FY12. Hence, no separate geographical segment is presented in this announcement.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 and 13.



15. A breakdown of sales

	Group		Change %
	2013 \$'000	2012 \$'000	
15(a) Revenue reported for first half	31,119	26,499	17.4
15(b) Operating profit after tax before deducting non-controlling interests reported for first half year	2,017	2,210	9
15(c) Revenue reported for second half	40,035	30,545	31.1
15(d) Operating profit after tax before deducting non-controlling interests reported for second half year.	4,486	2,836	58.2

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary*	7,871	3,920
Preference	-	-
Total	7,871	3,920

*Total annual dividend for FY13 comprises recommended FY13 final dividend (from FY13H2 profit) of \$4 million, and \$3.88 million interim dividend paid in respect of FY13H1 profit.

*Total annual dividend for FY12 comprises recommended FY12 final dividend (from FY12H2 profit) of \$2.27 million, and \$1.65 million interim dividend paid in respect of FY12H1 profit.

17. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year



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

Foo Siew Jiuan	45	Wife of Dr Ng Chin Siau, Group Chief Executive Officer of Q & M Dental Group (Singapore) Limited ("QDGS"). Sister-in-law of Ng Sook Hwa, Group Financial Controller of QDGS.	General Manager (1999)	None
Ng Sook Hwa	42	Wife of San Yi Leong, Business Development Director of QDGS. Sister of Dr Ng Chin Siau, Group Chief Executive Officer of QDGS.	Group Financial Controller (June 2011)	None
San Yi Leong	36	Husband of Ng Sook Hwa, Group Financial Controller of QDGS. Brother-in-law of Dr Ng Chin Siau, Group Chief Executive Officer of QDGS.	Business Development Director (June 2011)	None

19. Use of proceeds

We have raised approximately \$16.78 million from the private placement of 55 million new Q&M ordinary shares on 17 January 2013. The original purpose of the proceeds was for the acquisition of the Singapore Medical Group Ltd.. However, the acquisition was terminated on 9 May 2013. As such, the proceeds shall now be utilised for expansion of dental and medical business of the Group in Singapore and overseas and for working capital.

We have used \$3.15 million from the proceeds for clinics' expansion and working capital in Singapore, \$2.68 million for working capital in China, as well as \$520k for acquisitions and working capital in Malaysia.

BY ORDER OF THE BOARD

Ng Chin Siau
Group Chief Executive Officer
26 February 2014